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For the attention of Mark Batchelor

Our Ref

13 October 2020

Dear Sirs

Proposed Care Home Development, 2 – 8 Danson Road, Bexleyheath

I refer to the planning application in respect of the above property. The following additional comments relate to the report provided on supply and demand, with associated demographic analysis, by Cushman & Wakefield and the associated response from the Local Planning Authority.

Background – Drive Time versus Radius, plus public versus private fees

- Traditionally we run our demographic analysis based on drive times and not radii, or indeed county or borough boundaries
- Our reasoning is that the purchaser of care, if privately funded, will make their decision based on the quality of the asset and local management, plus a further decision based on accessibility.
- In our opinion, accessibility is best determined by drive time as opposed to radii or local government boundaries. However, Carebase run their own assessments on radii and therefore we follow suit to be consistent.
- We consider that the key issue here is that Carebase target the market that is predominantly self funding, or largely self-funding. Carebase are not looking for any significant volume of referrals from local authorities paying base line fees, although on occasions they may accept them.
- In short, the base line publicly funded fees, whether local authority or NHS, will not provide a return on capital that is sufficient to justify the cost of land and construction of this type of facility.

C3 versus C2, plus Specialist Care

- The planning proposal is to develop a care home within Use Class C2.
- In our experience, residents at care homes generally take up occupation based on need and an inability to take care of themselves either at home, or in some form of age restricted housing.
- Our analysis of supply and demand, therefore, is limited to care homes registered with the Care Quality Commission (“CQC”), (ie excluding any domiciliary care agencies) and these will fall within

Use Class C2, as opposed to C3 “dwellinghouses” and its sub-categories.

- Please note that this letter was drafted before the recent changes to the Use Classes Order, which is pending judicial review.
- For the avoidance of doubt, in our experience, care homes registered within Use Class C2 do not compete directly against C3 residential dwellings, or the sub-categories.
- Further, in our report, and as identified within the response, we reference “specialist care”. It is very important to be clear on what category of care we refer to in this wording. This is the type of care, for younger adults, usually with learning or physical disability, or other form of mental handicap, who are cared for in a registered residential care setting that is also regulated by CQC. These types of asset can be either use class C2 or C3 depending on how many registered beds they have.
- These businesses will show up in our list of competing local registered care homes as they are registered for residential or nursing care in the normal way. However, this type of setting for younger adults is not competition for a care home for the elderly. Therefore, in our calculation of local supply of elderly care beds, these registered beds for “specialist care” in the context of these bullet points, are excluded.

I turn now to the issues raised in the attachment to your original email.

“Principle of Development”

- I note the debate regarding demand for C2 versus C3 beds locally. I am not party to the way that the council is assessing demand. However, the calculations that we use are based on the statistical incidence of the use of care homes based on national demand. The percentages of the various age groups of the over 65 years are calculated by the healthcare industry statisticians, Laing Buisson, that Cushman & Wakefield subscribe to.
- It is possible, but not certain, that the council is only considering demand based on its assessment of those individuals that it may have to support financially. This is a key differential as Carebase target residents who are able to fund their own care, in the main, as described above.
- The care home will not be advertised having regard to borough boundaries. The business will be advertised based on statistical analysis at a micro level based on affordability, socio-demographic issues and other components. It is a highly sophisticated system designed to target the more wealthy persons above retirement age. The borough boundary will not have any bearing on that marketing process.
- Just to confirm, C3 is not included in our assessment of competing businesses as care homes versus C3 dwelling houses are considered a different asset class. Residents of care homes are by definition too dependent to live in their own home; it is a decision almost always based on specific needs, not personal preference.

I have also been asked to research the data for a two mile radius as opposed to a five mile radius, or a drive time assessment. The key points from this amended assessment are:

- There are a total of 10 registered care homes in the 2 mile radius. This is made up of seven residential homes and three nursing homes. In total, these have 390 registered beds.
- Based on the formulae provided by industry statisticians, Messrs Laing Buisson, the following requirement for care home beds exists:

**Bed Requirement based on 2019 Population
Projections**

Age	2020	2025	2030
65 - 74	59	62	72
75 - 84	246	276	289
85+	449	484	511
Total Requirement	754	822	872

As can be seen, there is a current requirement for 754 beds locally, rising to 872 beds by 2030. There is a clear under-supply against total registered beds in a two mile radius.

Further investigation, however indicates that the under-supply is more pronounced. Of the seven registered residential care homes, four are smaller units focussing on persons with learning disability. Removing these homes from the analysis indicates that there is only a maximum of 366 existing beds for elderly care, against demand for 754 in 2020.

Some further analysis of the existing stock is possible with respect to quality. For example, bedrooms without an en suite wet room facility could be removed. However, as is clear from the above analysis within a two mile radius, that will only increase the level of under-supply, which is already significant. We have not, therefore, carried out this additional analysis.

I trust this is sufficient for your purposes but if you have any further queries please do not hesitate to contact me.

Yours faithfully



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