

Stag Willow Close, Rotherham, S60 3NY
Sustainability Options appraisal
As at July 2021





1. Introduction

1.1 Stag Willow Close (aka Oak Trees) in Rotherham was built and developed as an extra care scheme in 2006 by Chevin, commissioned by RMBC. This is one of three of THG “extra care” schemes in Rotherham. There are 28 properties in total at Stag Willow Close. The scheme comprises a main building (referred to as the Oak Trees centre) which contains all the typical facilities associated with an extra care scheme but with only 8 flats within the main building. Adjacent to the main building are 20 bungalows. The main building is promoted as a community centre (referred to as a resource centre in the nominations agreement) and is available for use by all tenants of the scheme. All tenants pay a service charge for the running costs of the main building. A nominations agreement is in place, on a 100% nominations basis via RMBC but as noted later in the report, there are long-standing issues with nominations being made.

1.2 It is worthy of note from the outset that whilst commissioned and built as an extra care scheme, in practice, this isn't an extra care scheme as there is no longer a core onsite care service which is regarded as a key component of extra care housing. This was removed several years ago by RMBC (as it was in THA's other two schemes in Rotherham which were also commissioned and built as "extra care"). Whilst the council still provides an on-site 24/7 support service, this does not include any kind of personal care. Staff provide supportive advice and guidance on daily living and wellbeing matters and reassurance calls, including on a responsive basis. The service is more akin to a traditional sheltered housing scheme i.e. having the reassurance of a member of staff being close by but providing support only. A 24/7 care alarm is also provided

1.3 THA changed its reference to the scheme to "*Retirement Living*" for marketing purposes following removal of the onsite care service so as not to mislead potential customers by continuing to call it "*extra care*". It is also intended that the scheme is reclassified as such on THA's housing management system (QL) as part of THA's stock reclassification project (as is the case with the other two schemes in Rotherham, Bakersfield Court and Potteries Court which were also commissioned and built as extra care but like Stag Willow Close, no longer has an onsite care service)

1.4 The housing management function is provided directly by THA by one of the Housing officers in the Supported Housing team.

1.5 There are key performance issues with the scheme:

- the flats are, and have been for many years, difficult to let
- the communal facilities are extensive and very underused
- nominations for the flats are not (and never have been) forthcoming, and applicants are typically identified by default, not through active nominations
- emerging issues now with the letting of the bungalows

1.6 Most recently, significant defects were identified in the main building in relation to fire safety following a report by THG's specialist consultants, Trident who were commissioned by THA to undertake intrusive investigations of Stag Willow Close as part of an initial programme of more detailed examination of supported housing schemes. Stag Willow was included in the

initial priority list as it is of **timber frame construction**. As a result of Trident's findings, tenants were moved out as a matter of urgency late last year, given it was not safe to remain.

- 1.7 Tenants were rehoused on a permanent move basis, given the complexity relating to the building and the need to undertake a full strategic review, including with RMBC. Therefore, given the uncertainty including of the timeline and the age/frailty of tenants, it was considered that moves should be arranged on a permanent basis. Each tenant received a Home Loss payment of £6400 and relocation costs of up to £1200.
- 1.8 The main building was closed in its entirety immediately after the last tenant moved out. The RMBC support team were relocated on a temporary basis to Bakersfield Court (one of THA's other schemes) nearby. The closure of the main building is pending full option appraisal including a further strategic review by RMBC about its future purpose and associated services in relation to its original purpose as an extra care housing scheme. This has been communicated to tenants of the bungalows and reinforced recently following some enquires about what is happening with the main building.
- 1.9 Since the closure of the building and consequential impact on the overall service offer, there are now emerging issues about the lettability of the bungalows. Whilst access to the communal facilities in the main building is currently affected pending review, this has in part been mitigated for both current and new customers by a significant reduction in the associated service charge. However, RMBC's support charge has remained the same and hasn't been adjusted to reflect the temporary changes to their service, pending review. Whilst the support service is still available, staff are no longer based on site and therefore visits are either planned or on an emergency response basis only. This is now affecting nominations and allocations of the bungalows which had previously been fairly popular. This has been raised with RMBC colleagues and we are awaiting response. Although the future offer will be considered as part of the wider strategic review, interim consideration needs to be given by RMBC to providing greater clarity on the support service offer and associated charge, both for current tenants in the bungalows and potential new customers.
- 1.10 Initially, the fire safety remedial works have been estimated at £400,000 for the main building. However, it is now considered that this is quite an underestimation, given the complexities of remediating timber framed buildings are now becoming even more apparent and the remediation works could be much more extensive than initially indicated. Revised est

of £800k has now been made within this report. The report also identified some remedial works to the bungalows. The latter were completed (early 2021) at the cost of £225,000

- 1.11 Given the number of flats in the main building, their lack of demand and the very low use of the facilities, there are significant questions about the cost/benefit to undertaking the remedial works. This has initiated a full option appraisal to determine future options. A steer was sought from THG's Strategic Investment Group prior to any further investigations being commissioned in May 21. It was agreed not to commission more detailed investigations at this point given there are significant concerns about remediation and remodelling being a viable option and pending detailed discussion about options with RMBC.
- 1.12 Options are set out at the end of this document. A recent review of the estimated costs has highlighted that a significant level of investment would be required to make the building safe. Additional investment would also be needed to remodel to increase the number of units. However, even with remodelling, the scheme would still be very small. Following discussions at THA's Strategic Investment Group in May, investment is not considered viable and other options need to be considered.
- 1.13 Consultation with tenants about the future of the communal facilities will be a key part of the review and a consultation plan needs to be developed.

2. Wider strategic review

- 2.1 Issues with Stag Willow Close have been raised with RMBC over recent years. As have concerns about THA's other two schemes which were commissioned and built as extra care schemes but no longer have any onsite care service. Whilst THA is understanding that an onsite care team at Stag Willow Close was not felt to be sustainable due to size and profile of tenants, the other two schemes are a different design and of a bigger size and lend themselves to being extra care schemes. However, although all three schemes have effectively been decommissioned from being extra care following RMBC decision to remove on onsite care services, the associated operational arrangements remain in place ie RMBC still have 100% nomination rights. Although, in reality, RMBC is unable to fulfil the terms of the nominations agreement.

2.2 Over the last five years, RMBC have commissioned a number of strategic reviews and THA has contributed on each occasion. However, no conclusion has been forthcoming. The discovery of the fire safety defects at Stag Willow Close has brought forward the need for a further review and RMBC colleagues are in full agreement that this be done jointly with THA. RMBC has initiated a wider strategic review of housing and care for its ageing population. However, given the particular issues concerning Stag Willow Close, RMBC has agreed that the review of Stag Willow Close will be undertaken ahead of their Borough-wide strategic review but with reference to the wider strategic review.

2.3 The review will include the current RMBC support service as the service and the building/facilities are integrally linked and form part of the overall offer to tenants. The timeline relating to the support service element of the review still needs to be determined by RMBC. This is now pressing given the main building has been closed for some months and understandably there is an expectation from tenants to know what is happening with the main building and support service.

2.4 A joint approach is also required as the land is leased to THA by RMBC (for 125 years) and options need to consider the terms of the current lease for land. Any proposed changes to the building would require RMBC's agreement should they be contrary to the terms of the current lease which includes a restrictive use clause relating to use of the land. That being "*to provide social housing units at affordable rents for those who cannot afford to acquire it in the open market and/or the provision of accommodation designed for use by the elderly*"

2.5 There is also a nominations agreement in place - further details at 8.2.

2.6 It is worth noting that the review of THA's other two schemes in Rotherham (Bakersfield Court and Potteries Court) will be included in RMBC's wider strategic review, given that the schemes were commissioned but no longer operating as such and within the wider context that there isn't any extra care housing in the Borough.

3. Context of the model

- 3.1 Stag Willow Close is unusual as it's a very small scheme, given it comprises 28 properties in total. Typically, when it was commissioned as an extra care scheme, at that time, a typical extra care scheme would have been in region of 40+ apartments and now typically 60+ apartments. A scheme of such a small size inevitably bring challenges around best use of extensive communal facilities.
- 3.2 Moreover, in addition to size, is the actual model itself. Whilst a *core and cluster* model isn't per se unusual, what makes Stag Willow Close atypical is its proportions. There is extensive communal space/facilities within the main building but only 8 flats. In a more typical *core and cluster* model, there would be a main scheme, with the usual number of apartments eg 40-60 , with some bungalows nearby where the residents could use the facilities to help build the concept of a wider supportive community. Commonly, those who live in bungalows in this type of model tend to be more independent and have chosen to live in a home that is also by its very nature more independent, rather than an apartment within an enclosed setting. It is therefore fairly typical that residents of bungalows tend not to utilise the core building a great deal although some may appreciate and benefit from joining in social activities.
- 3.3 Supported housing staff also advise that residents of the apartments don't use the facilities much either. Again, this is probably reflective of the disproportionate size of the facilities for the overall scheme of 28 properties i.e. the main building won't be a lively, busy, welcoming place, given the general lack of people/things going on.
- 3.4 The model at Stag Willow is arguably fundamentally flawed in terms of its long-term sustainability. In terms of the communal facilities, this is mitigated in part as the tenants of the bungalows pay an equal service charge for the main building albeit don't use it much. Whilst the charging model brings in service charge income from all 28 properties, this is a poor use of public money (for those who are entitled to benefits) and self-funders paying for facilities that they aren't using much, if at all.

4. Facilities

4.1 The facilities in the main building include:

- Laundry
- Kitchen

- Café
- Lounge
- Treatment room
- 3 ground floor toilets (1 disabled)
- 1 staff room with toilet, kitchen area and 2 offices.
- 1 large office on ground floor
- 1 reception office on ground floor
- Second floor - Assisted bathing suite, Activity room, 2 blocks of toilets
- Multiple storage rooms across all three floors.

4.2 Numerous attempts have been made over the years to find a caterer for the restaurant but without success due to a lack of take up of the service. Again, the overall size of the scheme and the model would never make a catering service viable. Furthermore, THA's Fire safety team has recently advised that it would not be possible to retain a catering kitchen given that this is now deemed to be too high a risk within a timber framed building.

4.3 The communal laundry was only being used by a handful of tenants, although every tenant was liable for a service charge associated with laundry use.

4.4 Although not used much, the service charges associated with the communal facilities amounted to £28.36 per week. This part of the service charge ceased on 1st November when the building was closed.

5. Support Service- RMBC

5.1 As mentioned above, when the scheme was first built, RMBC provided 24-hour care onsite according to assessed care needs and a housing-related support service Monday to Friday. This changed in 2017 when the care element was removed and replaced with "Enablers". Whilst staff are still on site 24/7, they do not provide personal care. The Enablers assist the Housing Support staff in their role.

- 5.2 Following the closure of the main building, the Enablers and Housing Support staff have been based at Bakersfield Court which is a ten-minute walk from Stag Willow Close. The tenants of the bungalows are contacted over the warden call system via an intercom or visited if necessary. Emergency calls are dealt with via the intercom system, with staff responding from Bakersfield Court. Whilst the arrangement is for the designated team for Stag willow respond to all calls 24/7, RMBC also has a 24/7 response service as part of their community alarm service.
- 5.3 Since the onsite staff presence has been removed, RMBC staff advise that there has been a significant drop in intercom calls for assistance, both inside and outside of office hours.
- 5.4 The weekly charge for the RMBC support service remains at £30.06/week. This is in addition to rent and service charge and is entirely separate to THA's charges.

6. Service Charges

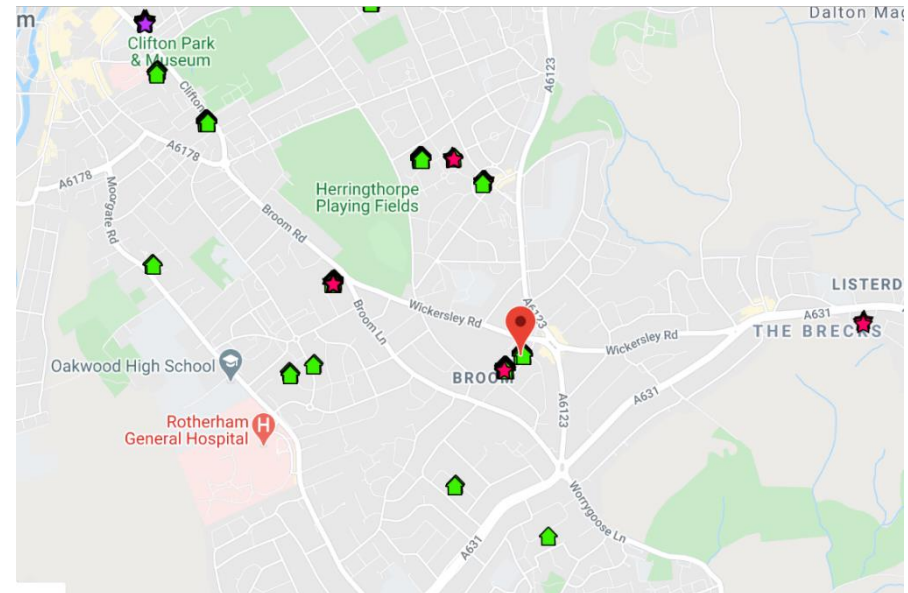
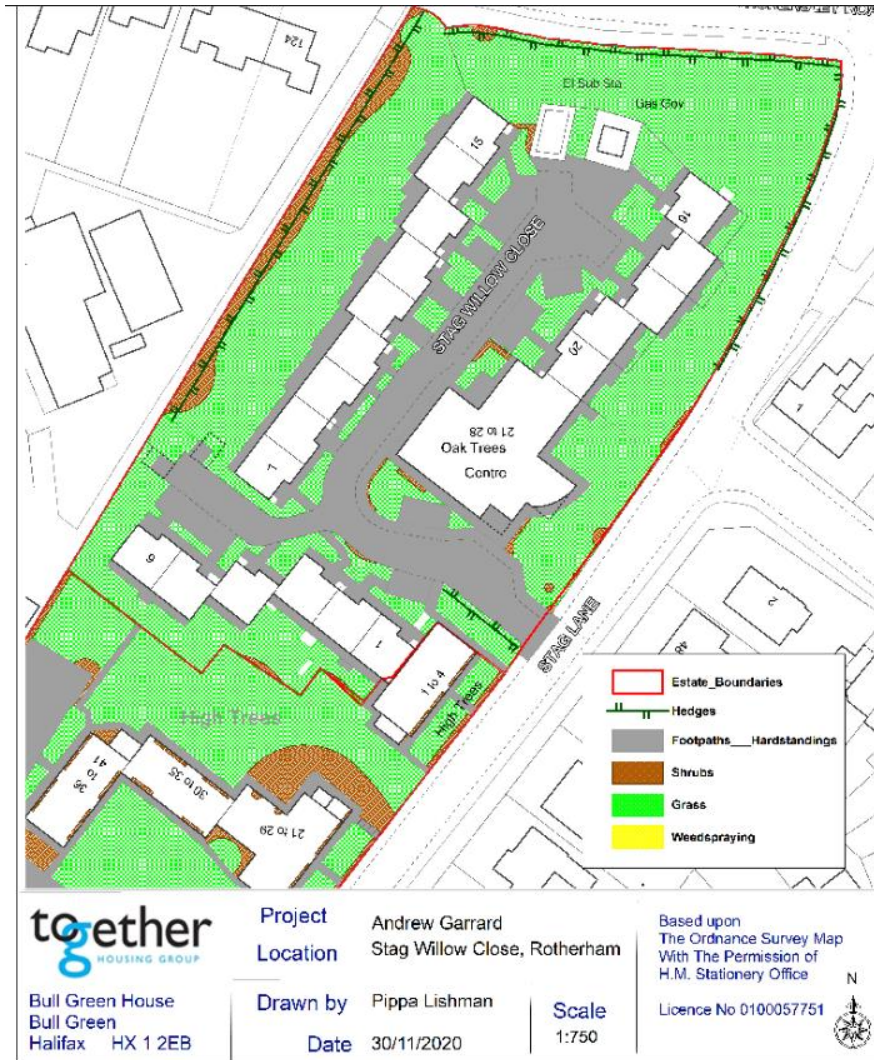
6.1 The Stag Willow Close flats (no 21-28) are all empty so there are no charges. The 20 bungalows are being charged £84.81 rent plus the adjusted service charge now £7.81 per week service charge since the main building was closed. The adjusted service charge currently covers general services only:

- Admin fee
- CCTV
- External light maintenance
- Grit bins
- Grounds maintenance
- Pest control
- Tv aerial
- Door entry

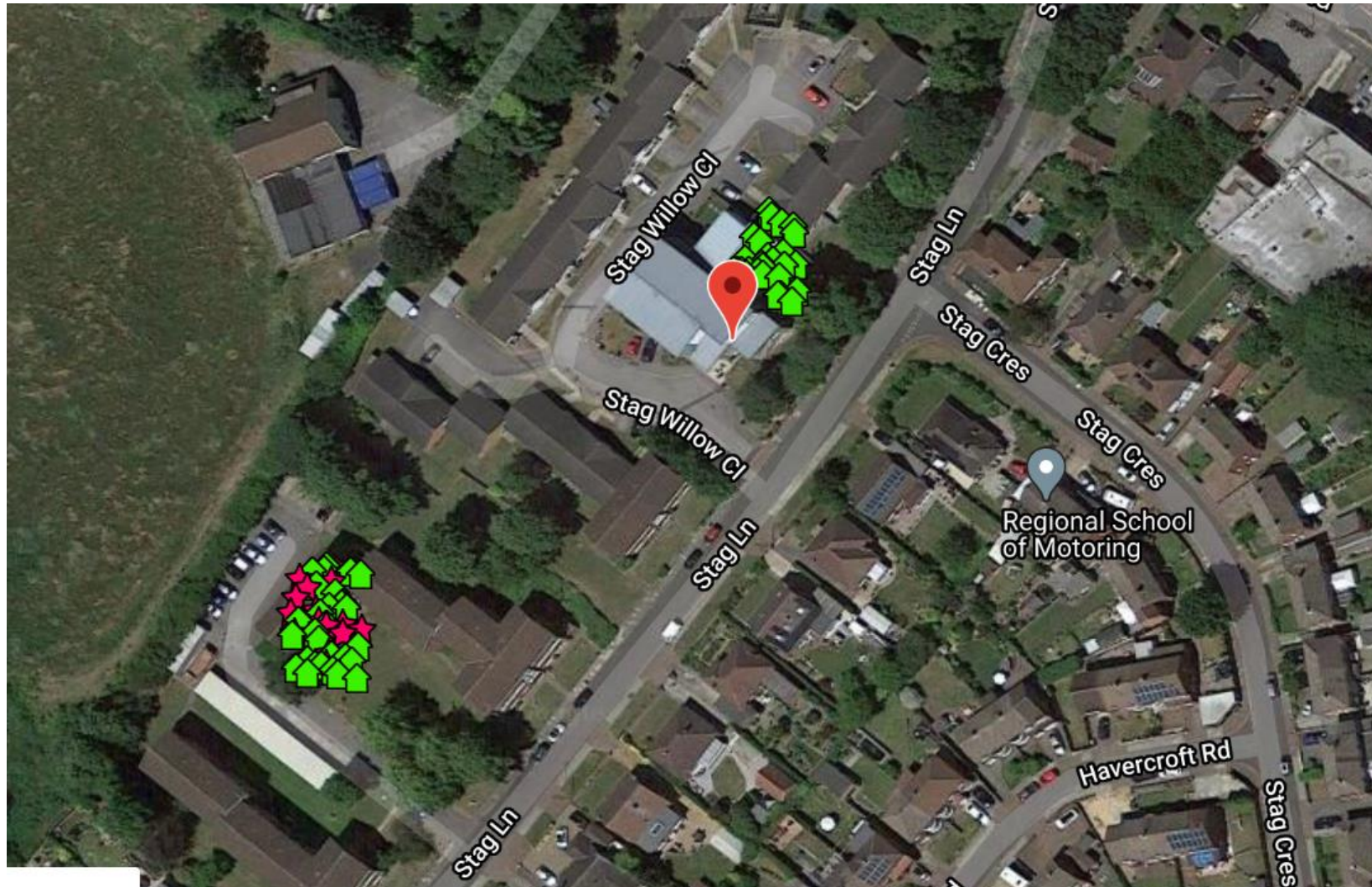
6.2 For information, the table below itemises the full charges that were applied when the main building was open. This totalled £36.17

Admin Fee 15% Other	£4.72
Automated Access Maintenance	£0.27
CCTV Charge	£0.21
Communal Cleaning	£10.28
Communal Equipment	£0.52
Communal Heating and Lighting	£2.75
Communal Internal Decorations	£1.89
Communal Lighting	£3.91
Door Entry	£0.41
External Light Maintenance	£0.69
Fire Alarm Maintenance	£0.57
Fire Safety Equipment	£0.55
Grit Bins / Rock Salt	£0.10
Grounds Maintenance	£5.03
Laundry Maintenance & Run cost	£1.68
Lift Maintenance	£0.77
P. A. Testing	£0.07
Pest Control	£0.25
Replacement Provision	£0.86
TV Aerial	£0.10
Window Cleaning	£0.54
Rent	£84.81
TOTAL CHARGE	£120.98
* These are your current charges *	

6. GIS plan of the scheme



An aerial view



There are internal layout plans (held at the scheme) but are very large paper copies so not attached to this report. Asset Management colleagues have managed to obtain copies on a disc from the architect and can be made available if required.

7. The Neighbourhood

7.1 Stag Willow Close is located in a **mixed tenure area**.

- 32% are owner occupiers,
- 55% are in Social Rented and
- 13% in Private Rented.

7.2 The breakdown of property types in the area are;

- 61.9% of properties are flats,
- 23.8 semi detached and
- 7% detached
- 7% terraced.

7.3 The **population** in the area is 40% of working age, 3.6% below 15 yrs and 56% over 65 yrs. 43% are Pensioner households, 25.6% are one person households under 65 yrs, 25% lone parents with dependant children & 20.7% are Married/Co-habiting (Source: Census 2011). 100% that live in this area are within the **20% most deprived in England** (Source: Communities & Local Government (Index of Multiple deprivation 2019)).

7.4 **Crime rates** in the area are low to average at 54.5 per 1000 population overall in the period Sept 19 to August 20. (Source: Reported crimes Police 2019/20)

7.5 The rent at Stag Willow's flats and bungalow's (including service charges) charged by Together Housing are higher than the Local Housing Allowance. Housing benefits currently pay the full rent and service charge as the properties are classed as

Supported housing & exempt from LHA. However, if the properties were changed to general needs, then the properties would no longer fall under supported housing (specified accommodation) and would fall within UC, subject to LHA rate of £86 pw for a one bed.

7.6 Local Housing Allowance Rates for Rotherham

Weekly LHA rate for February 2021

Rotherham BRMA

Shared Accommodation Rate:	£61.50 per week
One Bedroom Rate:	£86.30 per week
Two Bedrooms Rate:	£97.81 per week
Three Bedrooms Rate:	£110.47 per week
Four Bedrooms Rate:	£157.64 per week

7.7 There have not been any property sales in S60 3NY this year however Zoopla estimate the average value of all properties is £189,842 and £132,599 for flats. Average house prices (all types of housing) for the Broom area in the past 12 months were £193,599 and £105,000 for flats. The latter compares to £101,000 in the wider Rotherham area.

8 Agreements

8.1 Lease for land (125 years). The key clauses in the lease are listed below:

Permitted use: Use of premises only for creation and provision of social units consistent with the objects of the Lessee and the requirements of the Housing Corporation.

'Social Housing Units': Means a unit of accommodation or letting by the Lessee to provide Housing at affordable rents for those who cannot afford to acquire it in the open market and/or the provision of accommodation designed for use by the elderly.

8.2 Nomination Agreement

*“In consideration of the Council granting a Lease of the Property to the Association for a term of 125 years (**the Term**) at an annual rent of one pound (£1.00) the Association agrees with the Council that the Council shall have the right to **nominate one hundred percent (100%) of the initial lettings of the flats and bungalows and one hundred percent (100%) of such tenancies on re-letting**. The latter percentage shall be reviewed from time to time by the parties and may be revised in light of the operation of this Agreement upon the written agreement of both parties.*

Nominations shall be made by the Allocation Panel who shall submit details of nominees to the Association upon being satisfied that such nominees are interested in the available dwellings and meet the lettings criteria set out by the Council and the Association.

When selecting nominees, the Council shall take into account any specialist nature or purpose of the available Units and any particular requirements of the nominee so as to ensure the best possible use is made of available Units.

For the purpose of the development of twenty, two bedroomed bungalows, three one bedroomed flats, five two bedroomed flats and a resource centre for people over the age of fifty five with more than four care hours per week’

- 8.3 The agreement needs to be reviewed given the Council is unable to meet its nomination obligations including that associated with having a care requirement of more than 4 hours/week. And as noted earlier, for tenants who do have a care need, this would be provided on a domiciliary care basis by community providers, in the same way it would be met for those living in general housing, given the scheme no longer offers an onsite core care service.

9. Tenant Profile

9.1 Below is a breakdown of the tenant profile and household composition of the tenants currently living at the bungalows:

- The average length of tenancy of the tenants living in the 20 bungalows is 6.7 years ranging between 1.3 yrs to 14.6 yrs.

- Six tenants have lived there for 10+ years, six between 5 & 10 years and eight between 1 to 5 years.

Age

Age band	Number	Average of Age
50-59	2	57.5
60-79	3	65.7
70-79	10	75.4
80-89	7	84.1
90+	3	93.3
Grand Total	25	77.4

10. Sustainability indicators

10.1 Oct Insight Matrix - the below tables summarise the NPV, Service Performance and Overall scores and rankings from the Oct 20 Insight matrix and highlight the main issues around service performance for the period 1st Oct 19 to 30th Sept 20.

Area	Region	Team	Stock	NPV	Score	Ranking	Service Performance	Ranking	Total score	Ranking	Insight	
Stag Willow Close	Y & H	Karen Roscoe-Bail	28	£99,493	23.1	691	32	244	55	510	Ongoing Options Appraisal	
Service Performance							Score: 32.1	Rank: 242 out of 738				
	Turnover (lets per year)	% tenancies terminated < 12 months	Abandonments & evictions	Av length current tenancy (years)	Av void period (days)	% rent loss from voids	% under-occupied by working age tenants	ASB density	Current arrears (% of debit)	% Tenants with arrears >13 wks		
Stag Willow Close	25.0%	14.3%	0.0%	5.6	38.0	3.6%	3.6%	0.0%	-2.0%	0.0%		
Stock average	7.6%	11.9%	0.7%	10.0	52.3	1.6%	8.8%	4.3%	2.1%	4.0%		
	Responsive repair costs (annual)	Void repair costs (annual)	Cyclical costs (annual)	SAP	IMD	Satisfaction with home	Satisfaction with neighbourhood	HMA-popularity	HMA-management issues			
Stag Willow Close	£480	£39	£0	71.1	3309	0.0%	0.0%	7.0	8.0			
Stock average	£355	£238	£39	72.4	7827	0.0%	0.0%	6.8	6.9			

10.2 Terminations in 2018 to 2020

Vacation reason	2019		2020		(blank)	Grand Total
	BUNG	FLAT	BUNG	FLAT		
DECEAS	1	1	1		1	4
EVIASB	1					1
MOVRES		1		1		2
MTRANS				5		5
TRANSF				2		2
Grand Total	2	2	1	8	1	14

Of the 14 terminations in the past 2 years, 11 were in the flats and 3 in the bungalows. The 8 in 2020 in flats were due to THA having to move tenants out due to the fire safety issues identified. The 3 tenancies ended in the bungalows due to 2 deaths and one eviction for ASB.

10.3 Relets

Property type	Number	Av days
BUNG	3	21.7
FLAT	2	28
Grand Total	5	24.2

There have been 5 lets in the period 2019 to 2020, (3 bungalows & 2 flat). The average days to relet has been 21 in bungalows

11. Demand

11.1 Flats at Stag Willow Close

In terms of demand, the Supported Housing officer has advised that no one has been nominated to join the waiting list for the flats for many years. All the tenants that apply to Stag willow close have applied for bungalows only and choose not to consider a flat in the main building. This has happened for the duration of the past ten years. Allocations to the scheme are made via a nominations process through RMBC. Once nominated by RMBC and following an assessment by Together Housing to confirm eligibility,

applicants are placed on a waiting list for a property at one of the three Rotherham schemes dependent upon their individual preferences. During the ten years of the Housing Officer managing the scheme, only two applicants have expressed an interest in a flat in the main building at Stag Willow Close. The other tenants that have been housed there during this period have been awaiting a bungalow or a flat in one of THA's other schemes. However, as there has been no waiting list for the integral building, they have been encouraged to view a vacant property when one has been available, and they have accepted the offer

11.2 Bungalows at Stag Willow

Historically the bungalows have all been allocated without issue. However, now that the 'support' is not on site and the Housing Officer can no longer refer to the well-being activities etc being in place and available at the offer stage, prospective tenants are declining the offer purely based on the continuing large support charge.

11.3 THA general needs flats in the locality

The lettings team have reviewed lets of both one and two bed flats in blocks nearby at Brinsworth Court, High Trees and Broom Court. There were a mixture of lets to council nominations and via Homes Direct. The conclusion of the Lettings team is as follows:

“looking at previous lets, we do have demand for 1 & 2 bed flats and they look to be let on the 1st lists, with no need for re-advertising. We'd support the remodelling to 1 & 2 bed flats but the above schemes do not currently have any age restrictions set to them so unable to comment if we would have demand if this was marketed at an over 50's scheme for example”

Below is an age profile of tenants and household members living on 3 of our general needs schemes in S60 postcode. As can be seen 52 of the 70 are over 50 years old. All of these properties are flats (1, 2 & 3 bed)

Age bands	Brinsworth Court	Broom Court	High Trees	Grand Total
Under 16			3	3
16-19	1			1
20-29	2		1	3
30-39			1	1
40-49	2	1	7	10
50-59	1	1	6	8
60-69	2	4	7	13
70-79	2	3	10	15
80-89		5	6	11
90+		3	1	4
Not Known		1		1
Grand Total	10	18	42	70

The below table shows the number of lets 2018 to 2020 with the age band profile. 6 of the 14 were let to tenants over 50 years, 4 of which were at High Trees (2 bed flats) and 2 at Broom Court (1 bed flats).

Age band	Brinsworth Court	Broom Court	High Trees	Grand Total
Under 16			1	1
16-19	1			1
20-29	1		1	2
40-49	1	1	2	4
50-59		1	1	2
60-69		1	1	2
70-79			2	2
Grand Total	3	3	8	14

Demand information has been requested from RMBC but have not provided to date.

Insight Matrix Oct 20 – Performance of surrounding schemes

Area	Region	Team	Stock	NPV	Score	Ranking	Service Performance	Ranking	Total score	Ranking
Broom Court	Y & H	Shaun Nolan	16	£58,901	35.3	306	16	693	51	598
High Trees	Y & H	Shaun Nolan	29	£66,150	33.2	416	25	491	58	452
Northfield Court	Y & H	Shaun Nolan	22	£83,335	28.0	609	18	653	46	663

11.4 the wider marker

A recent *Hometrack* report show the market analytics for the area. A summary is below .

Executive Summary

This desktop report provides the latest information on new housing supply, the profile and drivers of demand and detailed pricing data for the market around the S00 3NY site. The report draws on unique data held by Hometrack and NHBC in order to provide the market context to inform land acquisition, land strategy and planning related decisions.

A summary of the key findings is set out below:

The new development market

- 10 competitor schemes were selected for this report, located within an 3.0 mile radius of the site. These schemes average 38 units and contain a total of 382 units.
- 42% of the units on these schemes are completed¹ and 52% (199) are currently under construction.
- Construction has started on 106 units in the last 6 months (of which 92% are houses and 8% flats). There are a further 22 units yet to be started.
- The average price of units under construction is £240,000.
- The most common type of property under construction are houses (89%) followed by flats (11%).

Pricing of housing across the local market area

- Across the local market area median Epsf values are £140 for flats and £150 for houses.
- Upper quartile prices are £171psf for flats and £183psf for houses.
- Average prices across the local market area range from £98,000 for 2 bed flats to £152,000 for 3 bed houses and £239,000 for 4 bed houses.

Demand, affordability and rental market

- There are 39,739 households within the local market area. 12,270 of these households are categorised as Financially Stretched with a further 10,819 categorised as Comfortable Communities. The most common groups in these two categories are Poorer Pensioners (15% of total) and Steady Neighbourhoods (14% of total) respectively.
- Average household incomes in the catchment are £35,000. A household buying with a 3.5x income mortgage at 70% LTV could afford to pay £175,000.
- The unemployment rate (claimant count) in Rotherham District (B) is 0.9% compared to 0.9% six months ago.
- The average weekly rental is £114 per week and the cost of a buying with an 85% mortgage £97 per week. The average gross yield is 6.0% for a two bed property.

12. Asset Management

- 12.1 One option that has been explored is the remodelling of the main building to design-out the communal facilities and increase the number of flats. Initial indications would be that an additional 7 flats could be included if the block was remodelled, making 15 in total. If necessary, space could still be provided for a staff office without comprising the number of flats.

12.2 Key costs relating to the options are estimated as follows:

- fire safety remedial works - £800,000 (see 12.3 below)
- remodel to maximise number of flats - £1,300,000
- demolish & make good - £400,00

12.3 In the first stages of the option appraisal, the costs of the fire safety remedial works were estimated at £400,000. However, given the insight being gained from similar issues that have since emerged in another of THA's schemes which is also of timber-framed construction, it is now considered that the works required could be a lot more extensive than originally thought. Whilst not directly comparable with the other scheme (which has 42 flats within that building), the cost estimates above have been amended to reflect the likelihood that, if further details investigations are undertaken for Stag Willow, the estimated costs will be considerably higher than originally estimated. Noting that the revised estimate of £800,000 is still subject to further intrusive investigations by specialist fire safety engineers. Further investigations have not been commissioned at this stage given viability of the option to remediate and remodel isn't considered viable.

12.4 Any option relating to disposal would also need to consider that there would be an additional net impact of £95k (ie costs on the books) that would need to be accounted for. **Head of Accountancy double-checking to make sure all liabilities have been captured**

12.4 Home loss and disturbance allowance have already been paid as tenants were moved out on a permanent basis given the considerable uncertainty regarding the future of the building

Financial Appraisal – as above - Head of Accountancy double-checking to make sure all liabilities have been captured

Stag Willow Close																	
Flats only (inc communal area)																	
Based on FAR as at 30/09/2020																	
Asset Name	Cost										Grant		Depreciation		Grant amortisation		
	BATH	HEAT	KITC	LAND	LIFT	ROOF	SECU	STRU	WIND	WIRE	Total cost	STRG	Cost less grant	STRG	Total Dep/Amort	Net Book Value	
21 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	(11,587.25)	8,314.29
22 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	(11,587.25)	8,314.29
23 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	(11,587.25)	8,314.29
24 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	(11,587.25)	8,314.29
25 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	(11,587.25)	8,314.29
26 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	(11,587.25)	8,314.29
27 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	(11,587.25)	8,314.29
28 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	(11,587.25)	8,314.29
Oaktrees Block-Stag Willow Clo	-	-	-	-	29,171.40	-	-	-	-	-	29,171.40	-	29,171.40	(729.30)	-	(729.30)	28,442.10
	9,137.20	28,717.04	7,095.76	31,472.80	32,422.68	23,005.04	1,145.12	161,279.12	36,499.36	21,832.32	352,606.44	(164,222.72)	188,383.72	(117,439.86)	24,012.56	(93,427.30)	94,956.42

12.5 Original development costs - for information only:

Records provided by the Development team (which are in the original name of Dalton House) refer to HC grant & RMBC contribution for the full scheme (flats and bungalows):

- HC Grant of £1,642,922
- RMBC contribution = £142,856

Stag Willow Close Flats and Bungalows		Cost											Grant			Depreciation		Grant amortisation	
Master asset number	Asset Name	BATH	HEAT	KITC	LAND	LIFT	ROOF	SECU	STRU	WIND	WIRE	Total cost	STRG	Cost less grant	STRG	Total Dep/Amort	Net Book Value		
P-206614	1 Stag Willow Close, ROTHERHAM	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206615	2 Stag Willow Close, ROTHERHAM	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206616	3 Stag Willow Close, ROTHERHAM	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206617	4 Stag Willow Close, ROTHERHAM	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206618	5 Stag Willow Close, ROTHERHAM	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206619	6 Stag Willow Close, ROTHERHAM	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206620	7 Stag Willow Close, ROTHERHAM	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206621	8 Stag Willow Close, ROTHERHAM	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206622	9 Stag Willow Close, ROTHERHAM	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206623	10 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206624	11 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	4,500.00	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	44,042.41	(20,527.84)	23,514.57	(14,068.12)	3,001.57	12,448.02		
P-206625	12 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206626	13 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206627	14 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206628	15 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206629	16 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206630	17 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206631	18 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206632	19 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206633	20 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206634	21 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206635	22 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206636	23 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206637	24 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206638	25 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206639	26 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206640	27 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-206641	28 Stag Willow Close, ROTHERHA	1,142.15	3,589.63	886.97	3,934.10	406.41	2,875.63	143.14	20,159.89	4,562.42	2,729.04	40,429.38	(20,527.84)	19,901.54	(14,588.82)	3,001.57	8,314.29		
P-C00046	Oaktrees Block-Stag Willow Clo	-	-	-	-	29,171.40	-	-	-	-	-	29,171.40	-	29,171.40	(729.30)	-	28,442.10		
TOTAL		31,980.20	100,509.64	28,448.19	110,154.80	40,550.88	80,517.64	4,007.92	564,476.92	127,747.76	76,413.12	1,164,807.07	(574,779.52)	590,027.55	(408,695.56)	84,043.96	324,651.60	265,375.95	

13. Options

13.1 The following options that have been considered are outlined in the table below, including comments about viability of each option. The draft was shared with RMBC in May 2021 and views have been sought, including any implications for the lease for land and nominations agreement. Tenant consultation will need to take place about options that are considered to be realistic.

Option	Details	Implications/Comments
Undertake the fire safety works to the main building and leave as is	Flats are very difficult to let Would require est £800k to make building safe Facilities are underused	The fire safety remedial works will not address the issue with lack of demand for the flats. The flats will remain a liability and likely continue to accrue rent loss. Given the issues with demand and underuse of the facilities, it is not considered viable Implications need to be considered re the review of RMBC's support service
Demolish main building and redevelop as bungalows for rent (older people)	Newbuild options being explored by Development team eg age-proof block of flats to maximise number of units, given size of site as well as bungalows	Would be in line with terms of lease Est cost of demolition - £400k Net impact of £95k (costs on the books) – Head of Accountancy double-checking to make sure all liabilities have been captured Bungalows - not considered to be financially viable – given cost and size of site limited (to approx. 7 bungalows). redevelopment costs est to be approx. £120k x 7 units RMBC need to resolve the support charge issue (transparency about the service, associated charge and flexibility rather than one-size-fits all) emerging issues with letting bungalows New build option unlikely to be financially viable due to size of site and very questionable that THA could claim further Homes England social housing grant.
Remodel communal areas into older person flats	Remediate and remodel the existing building- design out the communal areas and create an additional 7 flats Loss of facilities – subject to tenant consultation, noting usage very low	Estimated cost of redesigning the main scheme and maximising the layout would be £1, 300,000. Does not include cosmetic improvements noting overall look and appeal of scheme is poor

		<p>Would require a full design and more detailed assessment needed including other additional fire measures not yet identified</p> <p>Limited number of additional units</p> <p>Current flats are hard to let – questionable if enough demand for more flats</p> <p>Gross rents lower as communal facilities charge would be removed</p> <p>Need to consider impact on rents – Local Housing allowance if not designated as supported housing</p> <p>Not considered viable due to significant investment required and size of scheme would still very small and demand questionable</p>
Remodel communal areas into General needs flats & change the scheme into a general needs scheme	As per above	<p>As above</p> <p>Already quite a lot of supply in area and query over sufficient demand</p> <p>Implications for rent levels re LHA if undesignated from supported</p> <p>Potential impact on bungalows and possible concerns from current tenants about a mixed age scheme</p> <p>Loss of base for RMBC support service (subject to RMBC review)</p> <p>Would be in line with terms of lease as would remain as social housing</p> <p>Not considered viable due to significant investment required and size of scheme would still very small . Demand questionable</p>
Change use to communal facilities only	Original purpose was as a resource centre with 8 flats above.	THA's fire safety team has advised whilst a change of use from residential to communal facilities only would change

	Retain as a resource centre only and close off the flats	<p>requirements to some degree, the vast majority of the remediation works would still be required. Building control approval would be required for any change of use proposal - could mean additional safety measures in line with current standards as well as remediation</p> <p>Legal implications re terms of the lease relating to any change of use</p> <p>Impact of service charges - 8 less properties to spread running costs over (which couldn't be reapportioned onto current tenants); and charges were high and lack of use .</p> <p>Running costs couldn't reasonably be levied to tenants if the building was to be promoted as a wider community resource centre.</p> <p>Not considered viable as vast majority of remediation works would still be required</p>
Demolish	Landbank site	<p>Legal implications re terms of the lease Loss of facilities for tenants Loss of base for RMBC support staff (subject to outcome of RMBC review)</p> <p>At this juncture (July 21), THA considers this to be the most realistic option</p> <p>Subject to discussion with RMBC and confirmation of newbuild viability (still in progress)</p>

