



VIABILITY APPRAISAL

November 2017

3298 St Michael's Chapel & Master's House

Saltisford, Warwick



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1.0 Background

This Viability Appraisal has been commissioned by the West Midlands Historic Buildings Trust in association with Warwick District Council to investigate the options to secure a future for St Michael's Chapel & Master's House buildings together with the Leper Hospital Scheduled Ancient Monument. This Viability Appraisal has been commissioned as a foundation for decisions and possible grant applications. This study will ascertain the current condition of the buildings, investigate options for its future use, recommend a preferred option and provide a financial appraisal of the project's viability.

The purpose of this report is to look specifically at the Scheduled Ancient Monument Site and Listed Buildings and how it might relate to an adjacent development. The report is not intended to look at any specific design for the adjacent site within the same ownership.

Name of Organisation	West Midlands Historic Buildings Trust
Name of Building	St Michael's Chapel & Master's House, St Michael's Leper Hospital
Building Address	Birmingham Road, Saltisford Warwick Warwickshire
Postcode	CV34 4TT



1.0 Background

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1.0 Background

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West Midlands Historic Buildings Trust

Warwick District Council

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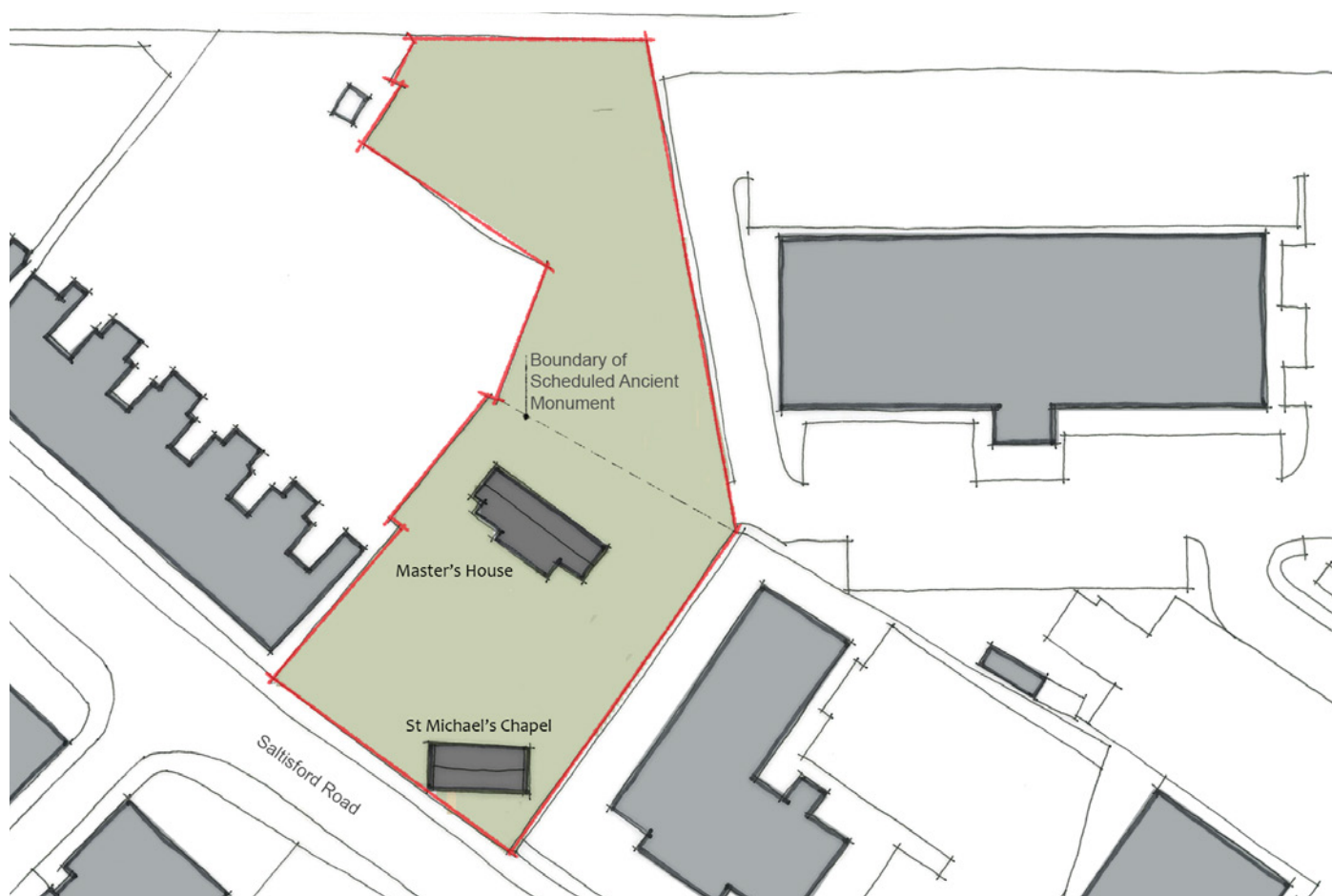
1.0 Background



Heritage Significance

The leper house was a segregated settlement set up for those suffering from leprosy and other related diseases. The first definite foundations for medieval hospitals were by Anglo-Norman bishops and queens in the 11th century. Leper houses form a distinct type among medieval hospitals being settlements that provided a sufferer with permanent isolation from society. Their function was segregation rather than medical care. The first foundations were in the 11th century although most houses were founded in the 12th and 13th centuries. Between the 14th to 16th centuries only 17 houses were founded, perhaps reflecting the gradual disappearance of leprosy. Probably about half of the medieval hospitals were suppressed by 1539 as part of the Dissolution of the monasteries. The smaller institutions survived until 1547, when Edward VI dissolved all chantries. St Michael's is one of three known examples of leper hospitals in the county. The site has a long history of use documented from the 12th century onwards and includes 15th century standing buildings associated with the hospital. As such, it offers an important survival of a multi-phase medieval site unaffected by modern development. The existence of this extra-mural hospital also provides a significant insight into the relationship between urban communities and special institutions as well as attitudes towards disease in the medieval period.

1.0 Background



This monument includes the below ground remains of a leper hospital, chapel, and cemetery, located outside the medieval settlement of Warwick. The present focus of the hospital complex is formed by the upstanding chapel, a single cell stone building of 15th century date, and a late 15th or early 16th century timber-framed building, known as the Master's House, situated to the north of the chapel. Although partially rebuilt, the buildings are contemporary with the later medieval development of the site. The standing buildings are considered to overlie the remains of earlier medieval hospital buildings which extend across the whole of the site. These include an earlier chapel, the infirmary and the cemetery which coexisted on the site. Hospital records show that the church of St. Michael was founded by Roger, Earl of Warwick in 1135. The first actual reference to the leper hospital is in 1275, but by 1540 it was said to be 'much in ruin'. By 1545 it was leased to a layman, Richard Fisher, who distributed alms to the poor and gave lodging to four poor men. The last priest recorded as warden took office in 1557. The chapel and Master's house were converted to cottages in the 17th-18th centuries.

Today the site is in private ownership. The chapel and the Master's House are both listed Grade II* and are excluded from the scheduling, although the ground beneath both of them, which is believed to contain evidence of structures relating to the earlier development of the hospital, is included.

1.0 Background

How your organisation is involved

BHB Architects have been commissioned to lead a team of professionals to prepare this Viability Appraisal to help to secure a long term use for the Listed Buildings.

The WMHBT have been invited by Warwick District Council to assist in ascertaining the viability of a project on this site as a Buildings Preservation Trust.

Activities already carried out

Condition Survey and Repair Details of the Master's House

A Condition Survey and detailed repair package of the Master's House has been previously undertaken by Nick Joyce Architects as part of a grant aided study under the Historic England buildings at risk programme. This package of works is a comprehensive study of the existing Listed Building complete with full costings to bring the building back to a good state of repair.

Archaeological Evaluation

An Archaeological Evaluation of the Scheduled Ancient Monument was undertaken in December 2004. Evaluation trenches located 13th century stone building remains belonging to either the early hospital or chapel. 13th century or earlier post holes and pits were also found and may relate to timber structures in the very early phase of the site. A later medieval phase was identified consisting of masonry wall foundations and a yard surface. Other boundary features were also located.

Temporary Protection to the Master's House and Repairs to Chapel

A planning application for the development of the site as offices had been approved in 2007 and Scheduled Ancient Monument consent was granted in 2009 but the financial crisis meant that only limited work had taken place. A scaffolding contract was let to undertake repairs to secure the structural integrity of the Master's House, a tarpaulin is being used to temporarily protect the Master's House from the elements and work has taken place to repair the exterior of the Chapel.

Options Appraisal

Warwick District Council have previously commissioned an options appraisal to identify a solution for the site. This analysis concluded that the best use for the site would be the provision of 16 residential units for use by a specialist provider of residential care. For example Dementia Care, Acquired Brain Injury or Mental Health Support. This option aligns well with Warwick District Council's strategic objectives around community benefit. The preferred option also lends itself to be adapted to market housing in the future. Warwick District Council require the whole site to be developed as one in order to secure the longterm survival of the Listed Buildings.

Feasibility Study

Warwick District Council have also commissioned a Feasibility Study and Options Appraisal in July 2016 which included a concept design for a dementia care facility. This option shows the Master's House designated as communal use and the Chapel as public use in addition to a 8 unit new build scheme.

1.0 Background

Why is the building at risk, why now is the time to tackle it

The buildings, particularly the Master's House, are in a poor condition and continue to deteriorate. The historical and architectural value of the buildings have been recognised by Warwick District Council and Historic England as important both locally and nationally. The Listed Buildings are on the Buildings At Risk Register produced by Historic England.

Previously approved developments have not been carried out. The Master's House is structurally unstable and in urgent need of repair. A previously approved scheme to convert both buildings into offices had commenced but work ceased at the beginning of the recession. The buildings have been left empty and continue to deteriorate. Some external repairs are evident and a tarpaulin is temporarily protecting the Master's House.

Warwick District Council in partnership with Waterloo Housing Group have a successful track record of bringing Listed buildings within the area back into use. The most recent example of their success is the neighbouring Gasworks development. The Leper Hospital site remains the only part of the immediate area which is undeveloped and Warwick District Council are keen to support local interest in bringing the buildings back into use.

Warwickshire County Council are the main commissioning body for care in the area and are actively working with Warwick District Council to facilitate a long term use based on assisted living.

Ownership

Owner : Ivor Jones

Ownership background / future prospects :

The site is currently under private ownership.

Warwick District Council have identified the site as a key site for development. The council are seeking to secure a continued use for the Listed buildings and the site. The site was included as part of a wider development of the area which has been completed but unfortunately the Leper Hospital site is the only remaining undeveloped site.

Two social care providers have shown significant interest in the site. St Basils and HomeLife.

The current owner will consider sale or transfer of the site and buildings at a suitable price. Warwickshire District Council retain the right to serve Urgent Works Notices or other enforcement action. At present the Local Authority is keen to secure an amicable solution to secure the long term survival of the listed buildings.

2.0 Condition of Building - Master's House

Brief summary of condition

The Master's House is in a very poor condition and is in need of a full repair. A previous detailed study has been undertaken by Nick Joyce Architects and Clive Haywood Structural Engineers. The information provided appears to have been thoroughly recorded and detailed. This repair package has also been costed by an experienced Quantity Surveyor.

Any emergency repairs needed

The building is in need of a full scheme of repair. Small works intervention is not feasible due to the poor condition of the building. The building is currently sheeted over to protect from the elements in an attempt to stave off the decline of the fabric.

Costs of emergency repairs

Not applicable.

Repair and Conversion Works Required

- Full scheme of structural timber repair to the building
- Installation and repair of first floor structures
- Complete re-roofing and structural roof repair
- Plastered infills to timber framing
- Upgrade works to install insulation to external walls including external cladding to accommodate
- Extension to the south to accommodate staircase
- New insulated ground floor slab (potentially with underfloor heating)
- New first floor boarding, insulation and recessed ceilings to expose joists
- New double glazed windows throughout – W10, Wright Style Sections or similar
- New timber doors and ironmongery
- M& E installations
- Foul drainage connections
- Re roof to incorporate insulation over and between rafters / trusses
- Kitchen / sanitary ware fit out.

2.0 Condition of Building - St Michael's Chapel

Brief summary of condition

The former Chapel building has remained vacant for a long period of time. There is evidence of use of the building by the homeless. The building has had a relatively recent scheme of repair undertaken, it is believed in the last twelve years, however this ceased part way through due to the recession. As a result the stonework and roof to the building are in generally good condition.

The building is constructed on a true liturgical layout with east window clearly evident.

Externally stonework is in very good condition with much stone repair evident. Works previously ceased due to the recession.

External Condition – South Elevation

All stonework is well pointed and in good order throughout. The majority of window surrounds have been renewed and the whole the roadside elevation refaced in stone.

Roofs are in generally good order. These are plain, handmade clay tiles with minor breakages but on the whole in generally good order. The roof appears to be felted, however, no insulation is likely to be installed. Upstand parapets to east and west gables in good order. These have considerable height above the roof in excess of 12". All coping stones have been renewed together with the apex cross at the liturgical west end.

No windows or doors are fitted.

Cast iron eaves gutter and downpipe in good order and would benefit from redecoration.

West Elevation

Stonework is on good order and well pointed. Windows require replacement.

North Elevation

Stonework is in similarly good condition as elsewhere. No windows are fitted and the door is missing.

There is a single downpipe at the west end together with an intact gutter all in cast iron. These would benefit from redecoration.

The roof above is in generally good order using handmade clay tiles. The upstand to the parapet at the north east corner is minimal approximately 100mm. This diminishes at the opposing west end to approximately 50mm from 300mm at the eaves.

2.0 Condition of Building - St Michael's Chapel

East Elevation

Stonework is in good condition throughout. The east window glazing is missing complete, stone mullions have been replaced. Various stonework repairs have been undertaken however, much of the original stone remains. Stone copings to the parapet have been replaced throughout.

There is a manhole cover at the base of the elevation.

Internal Condition

Internally the chapel is of one room only. The space is subdivided by a mezzanine floor consisting of sizeable floor joists only. The east window extends across both the ground and first floor spaces – the mezzanine floor structure stops short of the east window.

The first floor structure retains (reuses) finely carved oak beams of significant size, approx 12" square at 600mm centres. These are in remarkably good condition. The floor boarding above is missing throughout. There is no ceiling.

The ground floor structure is missing complete. There is evidence of limited brick sleeper walls remaining.

Exposed stonemasonry to all walls is in good condition to each of the elevations. The majority of stonework to window reveals has been replaced together with extensive replacement (100%) to the south wall. The stone reveals to the south door require finishing, otherwise all stone is intact.

2no. internal stone cills to north face are loose within the structure requiring fixing.

Ceiling

The roof structure is much repaired and in very good condition throughout. There is no evidence of current leaks from the roof coverings. The roof is arched braced with single purlins. Sizeable trusses throughout at approximately 600-700mm centres – the whole is very robustly constructed.

Upgrade Works Required

- New insulated ground floor slab (potentially with underfloor heating)
- New first floor boarding, insulation and recessed ceilings to expose joists
- New double glazed windows throughout – W10, Wright Style Sections or similar
- New timber doors and ironmongery
- M& E installations
- Foul drainage connections
- Re roof to incorporate insulation over and between rafters / trusses
- Kitchen / sanitary ware fit out.

2.0 Condition of Building - St Michael's Chapel

Any emergency repairs needed

The Chapel is in a relatively good condition, is weathertight and structurally sound. Suitable boarding up of windows and doors should be maintained to prevent access by vagrants etc.

Costs of emergency repairs

None.

3.0 Situation & Planning Context

3.1 Describe the situation of the building

The site is located on the edge of Warwick Town Centre on one of the main routes, A425, into the centre and just 0.5 miles from the main shopping area. The site is bounded to the north by the railway line. The southern half of the site is the Leper Hospital Scheduled Ancient Monument and the site of St Michael's Chapel and the Master's House. This southern part of the site is the focus of this Viability Appraisal however the northern part of the site forms a potential development site and is currently under the same ownership. The east and south of the site are mainly residential areas with the west bounded by Warwickshire County Council offices and the Church of Jesus Christ and the Latter-Day Saints.

St Michael's Chapel is liturgically orientated and located towards the south of the site, nearest the road and the Master's House is central to the site and parallel to the road. The Master's House is covered in a tarpaulin.

The site lies between Warwick and Warwick Parkway railway stations approx. 1 mile away. The town centre location offers plenty of public parking areas and public transport routes within 2 miles of the site. There is also a bus stop opposite the site and local amenities less than a 5 minute walk away.

There is a current access from Saltisford Road however the local highways authority will not accept this to be used as an access once the site has been re-developed. An alternative access has been agreed via the Saltisford Office Park to the east boundary of the site.

The local area is characterised by a mix of uses including large office spaces, retail and a large number of older and new houses and apartments within the immediate vicinity.

There is a good market in the area for both housing for private rental although we are advised by local estate agents that this area is not particularly well regarded as a residential area.

The site is proposed for potential specialist social care services following interest by various providers. This will not compete with existing facilities and fills a gap in local social provision.

3.0 Situation & Planning Context

3.2 What uses are permitted by planning regulation

In 2007, Warwick District Council granted planning permission to convert the Chapel and Master's House to offices and included the construction of a new build office building to the rear of the site.(W/04/2128). Work commenced on site but stopped following some external repairs to the Chapel.

There are no specific planning policies relating to the St Michael's Chapel and Master's House site. As previously stated, Previous applications for the conversion of both the Master's House and Chapel into office space have been withdrawn. (Ref: W/03/1245 & W/03/1246/LB).

In February 2001, Warwick District Council published a planning brief for the Saltisford area which included the Leper Hospital site. The brief indicates that the land should be allocated for residential or employment use. The report states that 'Any development which effects the Ancient Monument or the setting of the Listed buildings must be particularly sensitive to their architectural and historic character. Any proposed uses of the two Listed Buildings must seek to preserve them in an appropriate way.'

Any proposals on this site would need to:-

- 1) be designed so as to create a proper setting for these important listed buildings. It is likely that the scale, form and density of any development will be more restricted than elsewhere. Any development will not be allowed to be greater than 2 storeys.
- 2) be preceded by an agreed archaeological evaluation programme before any development commences.
- 3) secure the restoration of the listed buildings on the site. The Master's house should be returned to residential use, and the former chapel may be appropriate for either residential or office use. In any restoration scheme, specialist staff from the District Council will need to be consulted at an early stage.
- 4) create an acceptable living environment adjacent to the railway line, any employment development and the garage site (area 3) to the east.
- 5) provide accommodation in the form of either flats or houses.
- 6) provide car parking in accordance with the Council's standards.
- 7) be accessible by modes other than the private car and make adequate provision to encourage those modes of travel. The need to meet the requirements of the Local Transport Plan noted above for areas 3 - 9 would also be applied to this area.
- 8) be submitted as full applications only. Outline proposals will not be acceptable.

3.0 Situation & Planning Context

3.3 Opinion of heritage body or local authority on building re-use

Consultations have been undertaken with Historic England regarding the development of the site. Historic England, along with Warwick District Council are keen to see the site being put back into use. Historic England are supportive of the repair strategy put forward by Nick Joyce Architects to repair the timber frame structure of the Master's House and re-clad the external fabric. The repair strategy will protect the remaining historic asset from further deterioration and will be able to be appreciated from the inside. The main benefit is that the building can be converted to align with current building performance standards by enabling the of suitable insulation to the wall construction.

St Michael's Chapel is in a much better condition and minimal alterations will be required to convert the building in line with good conservation practice.

Historic England Response:

Dear Adrian

Apologies for the delay in writing to you about this site in response to your letter of 17 November.

It is difficult to encompass our views in a simple written statement in that the issues are quite complex, with the two listed buildings standing on the scheduled monument (the buildings are not part scheduled monument but the ground under them is).

The last version of the potential scheme that we were shown by the District Council which had the new building at the back of the site (not on the scheduled monument) was satisfactory from our perspective.

The scheme developed by Nick Joyce for the Master's House was similarly carefully considered with the maximum retention of fabric.

We have not had a detailed discussion about the details of how the chapel could be converted to whatever use is now intended (residential in some form I presume), although in principle that is fine.

Obviously any works within the scheduled monument will require scheduled monument consent, which is why in the end we avoided any development on it. There has been some archaeological evaluation of the site, and obviously servicing the two listed buildings will require scheduled monument consent as ground intervention will be involved. Similarly any landscaping would probably need scheduled monument consent.

Our corporate memory on the scheduled monument issues is a little thin, in that my colleague who had all the discussions on that aspect of the scheme, Ian George, has left us for pastures new, but there is a new Ancient Monuments Inspector on post who will be able to advise on that aspect.

Best wishes

*Nick Molyneux
Principal Inspector of Historic Buildings and Areas
Historic England | West Midlands*

3.0 Situation & Planning Context

Discussions have been held with Anna Stocks the County Archaeologist. She has confirmed her support for the repair and retention of the two listed structures and notes the potential affect on the Scheduled Ancient Monument for connecting services etc.

She confirmed that further site assessment or at the very least an archaeological watching brief will be required as part of any development. It was noted that earlier cottages have been demolished along the roadside to the South East corner of the site. These previously adjoined and encompassed the chapel building. It was confirmed that it would be acceptable from an archaeological point of view to build on this disturbed ground. The same requirement for additional site archaeological study would be required.

Discussion on the proposed site options was also undertaken with Nick Corbett, Warwick District Council Conservation Officer. He was supportive of a sensitive scheme of repair for the buildings and development of the site. However, his initial reaction is that the open nature of the site should be retained and the provision of additional infill structures might not be acceptable. Nick Corbett also confirmed that if the new build is physically attached to the listed building it will require listed building consent, and then the new build will itself become a listed building. If it is free standing it will just require planning permission. In either scenario a Heritage Statement will need to be submitted with the application.

It has been confirmed that part of the site sits within the flood zone. This includes the site outside of the Scheduled Ancient Monument and the Master's House. The designation is Flood Zone 3 as described below in discussions at Warwick District Council.

- The Master's House is in the flood zone, as is the area we were intending to put the new build units on. See below.
- National Guidance states that there should be no residential development on a flood zone three, generally speaking. However, as this is an infill site it is likely that this site would not be treated the same as a developer trying to develop say a field in FZ3 for new build development.
- There are tests (Exception and Sequential) which need to be applied in relation to applications to develop in a FZ3. The tests need to show that consideration has been given to why the development can't go elsewhere and how the design mitigates / reduces the risks.
- It seems it is possible to sometimes amend the design of a scheme to mitigate the risks (e.g. inclusion of raised walkways, reducing the footprint of the development / increasing the height of the developments – over more storeys). However, a central problem for us will be the vulnerability of the intended users of the site –i.e. people with dementia. Whilst it may be possible to develop a site in FZ3 for general needs housing, it may be that extra care housing is just not possible due to the additional vulnerability of the users. We would also need to demonstrate that any amendments do not simply push more flood water onto land occupied by existing development.
- If we are going to stick with extra care housing it may be that only way to deal with the site is to undertake further flood alleviation work.

This should be borne in mind in any detailed design for the site.

It is understood that the Environmental Agency are currently proposing a multi-million pound flood mitigation programme adjacent to the site. Works are expected to commence in 2020. Details of these flood alleviation proposals are not currently available.

4.0 Options For Use

General

There are two potential social care providers who have shown a significant interest in the site. These are Waterloo Housing Group / St Basils and HomeLife Supported Accommodation.

St Basils has a range of prevention, accommodation, support and engagement services as well as services which aim to ensure young people develop the skills and have the support needed to move on successfully. The facility would enable the charity to reach a community where there is a clear demand for youth supported accommodation.

HomeLife provide specially adapted housing. HomeLife Supported Accommodation specialises in the design and build of bespoke accommodation for people who require care. HomeLife deliver a range of housing solutions to meet the needs of vulnerable people and intend to use the site to provide dementia care for the elderly.

A new usage for the site to enable the buildings to remain largely unaltered would be an advantage. St Michael's Chapel is inherently robust in nature due to its construction and therefore less repair work is required in order to convert the building. The Master's House however is in a very poor condition and therefore substantial repairs and conversion works would be required to bring the building back into use.

Limiting development within the Scheduled Ancient Monument of the Leper Hospital may also be acceptable.

Any scheme of re-use needs to respect the setting of the two buildings within the Scheduled Ancient Monument.

Warwick District Council and Heritage England are supportive of the development and conversion of the buildings subject to detailed planning application and the requirement that the site is developed as a whole to include the area of the Scheduled Ancient Monument.

The planning department are supportive of any development on the site subject to detailed information for the conversion of the Listed Buildings and works to the Scheduled Ancient Monument.

4.0 Options For Use

This Viability Appraisal has identified and investigated 3 Options for the development of the site. These 3 options are summarised below and discussed in more detail on the following pages.

Option 1: Develop the entire site for social care supported housing by St Basils.

St Basils in association with Waterloo Housing Group would like to develop the site for use as residential support for the young and homeless. The Master's House would be converted for office use associated with the new build development to the rear with community space/meeting room on the first floor. St Michael's Chapel would be converted into a 1 bed residential unit as supported housing linked to the new build development.

Option 2: Split the site with HomeLife social care use to the rear and Schedule Ancient Monument to be residential or commercial use.

HomeLife Supported Accommodation have shown an interest in developing the site for dementia care. The model includes individual residential new build units on the rear of the site. The model however does not include a specific use for the Listed Buildings at the front of the site therefore converting the existing buildings to either office or residential use would be undertaken by a third party.

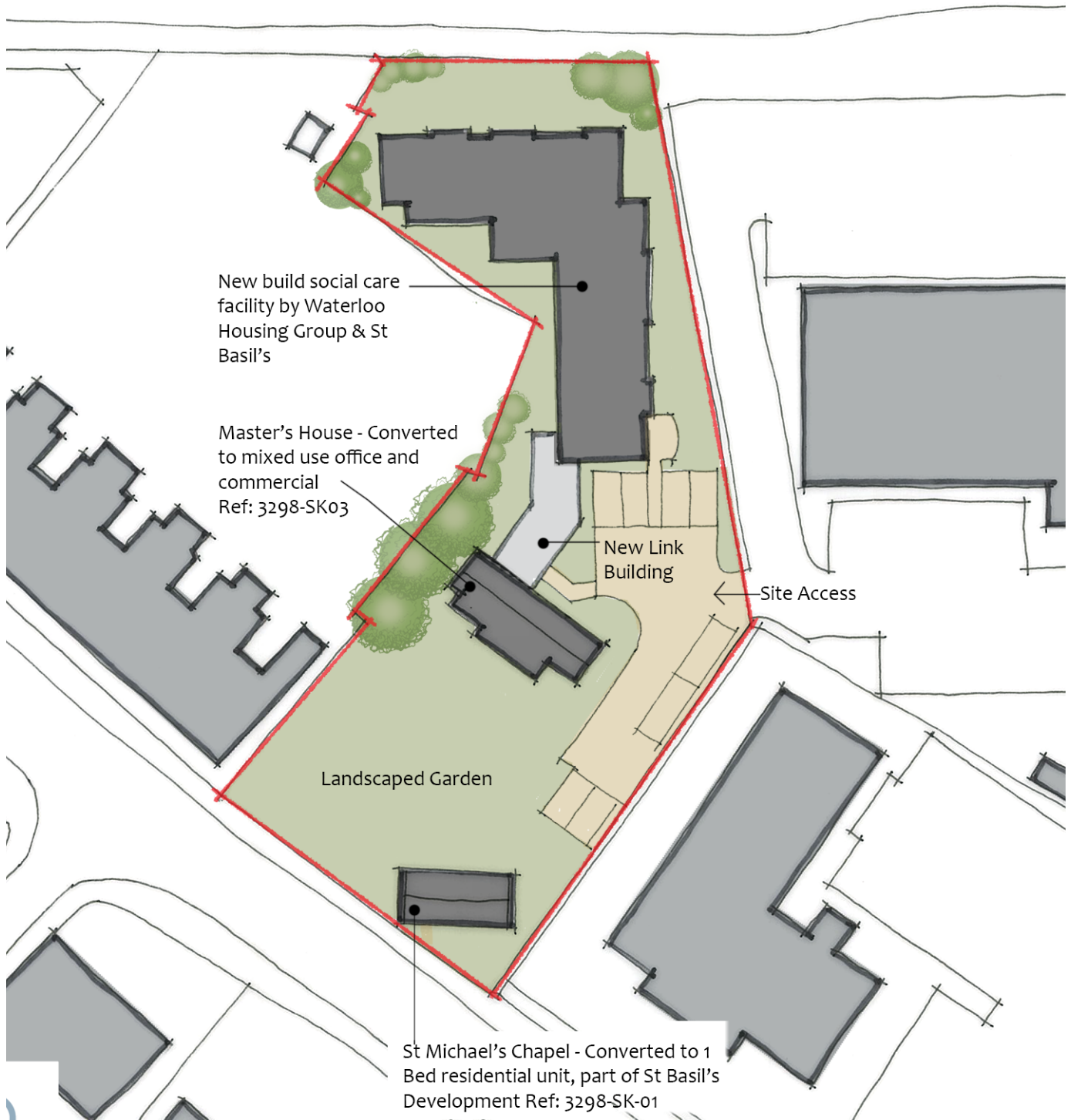
Option 3: Previous options with the addition of a new build frontage on the historic footprint of the almshouses.

Following initial assessments of the site, an option to re-instate/develop a building to the front of the site on previously disturbed ground of the historic almshouses. The options appraisal therefore considers either the St Basils scheme or the HomeLife scheme with the additional new build development to the Saltisford Road frontage.

As the options include two options for either residential or office use for St Michael's Chapel and the Master's House, this document looks at conversion of the Listed buildings separately.

4.0 Options For Use

Option 1 - Develop the site for Social Care Housing



4.0 Options For Use

Option 1

Use - Waterloo / St Basils Housing Model for whole site.

Master's House - Ground Floor to be converted to office use with the first floor being used for further office space and/or community space.

St Michael's Chapel - Residential conversion for use as intermediate supported housing. The intention is that the Chapel will be converted into a 1 bed unit to be used by a resident for a set period of time before moving on into the community.

New build residential development to the rear of the site as supported residential space and associated communal space with a potential new link providing additional communal space / reception / WC facilities / welcome area.

End user – owner of buildings:

St Michael's Chapel: Waterloo Housing

Master's House: WMHBT leased/rented to St Basils/Waterloo Housing

Buildings management:

Residential Accommodation will be by Waterloo and non-residential space by WMHBT or its agents. The ownership boundaries will need to be negotiated between the two parties.

Works Necessary & Cost

Repair works to the Master's House	£428,292.00
Conversion of the Master's House	£359,391.00
Conversion of St Michael's Chapel	£171,704.00
New Link Building	No incl. (optional)
Site Works	£125,026.00
Inflation from 1Q18 to 2Q19 (1.3%)	£14,097.00
Direct/other costs	£93,027.00
Total	£1,191,537.00
Potential end value	£400,000.00

A full cost summary is provided as an appendix to this document.

4.0 Options For Use

Option 1 - Develop the site for Social Care Housing

Pro's

- Waterloo/St Basils are keen to develop the entire site and have uses for both Listed Buildings. The site is developed as one use which reduces the risk that the Listed Buildings will become vacant.
- Provides social care for youths which is currently in high demand.
- The proposed conversion of both buildings allows for long term flexibility.

Cons

- Construction within the Scheduled Ancient Monument.
- Relies on HCA funding with short timescales.
- Warwickshire County Council are less supportive towards this scheme.
- Earlier planning documents suggest that a residential use for the Master's House would be the most appropriate use.

Discussions

- Demand for the use in the Area - There is ample evidence of demand for this use in the area. Data provided by St Basils who currently operate a project for vulnerable young adults with complex needs in the Coventry-Warwick area counselled 275 people in this category in Year 1 of the project and of these some 143 are currently supported in a variety of housing situations. There is 100% occupancy. Other consultees like Celia Hilgenberg Community Outreach Worker at Saltisford Church confirms that the area has a number of vulnerable young adults living in the area, mainly on their own, who are 'in permanent crisis', relying on the food bank that the church offers and other sources of local support. St Basils is the only organisation in the West Midlands currently catering for this particular client group. Other organisations such as Chapter One Housing (which is an initiative of the Salvation Army) run a 23 unit supported housing scheme at Binswood Ave, Leamington Spa for young, single, vulnerable adults (16-35yrs) and Warwickshire Support Services has a purpose built 8 bed housing scheme for 16-21 yr olds with medium to high support needs at New Bold Lodge in Leamington Spa but neither of these cater for the levels of complex needs addressed by St Basils.
- How the use will be a long term sustainable solution - This use will provide a long term solution for the 2 listed buildings in that they will be providing either non-residential facilities that are essential to adequately service this particular complex needs group to be housed in the purpose built residential units to be constructed on the balance of the site, or be converted to residential accommodation and be included as part of the supported housing complex. There is a growing need for this kind of accommodation and the Waterloo-St Basils model has not only been shown to work successfully elsewhere on a long-term basis but Central Government is now changing the way in which the rent and service charge components of the total supported housing cost are paid to the providers, so helping to make such schemes less risky. Neither Waterloo nor St Basils wish to own Master's House as it will consist entirely of non-residential accommodation. Therefore WMHBT will need to retain ownership of it, leasing it to St Basils as it will provide essential space to manage this complex needs group of young, single people. St Michael's Chapel however would be developed by Waterloo and managed in conjunction with St Basils.

4.0 Options For Use

Discussions

- Are there similar uses in the area? There are no similar uses in the area. The nearest supported housing scheme for vulnerable adults is at Binswood Ave. Leamington Spa.
- Does the property sell or let in the area – comparable rents - Comparable private residential rents in the area are as follows:

One bed apartment: Coten End Warwick, £600 per calendar month.

Two bed apartment: Saltisford, Warwick, £850 per calendar month.

Three bed terraced house: Haworth, Warwick. £950 per calendar month. Whilst this is not directly relevant for a supported housing scheme, it is important in that should the supported housing scheme no longer be funded by the local authority at some stage in the future, then the owner would need to rent the accommodation as general housing or sell the units to outright private owners. The design of the space therefore has to be sufficiently flexible for this to be easily achieved. Comparable commercial office rents in the area are as follows:

Office: 674 sq ft £11,000 pa = £18/ sq ft newly refurbished high quality accommodation, Wharf St. Warwick.

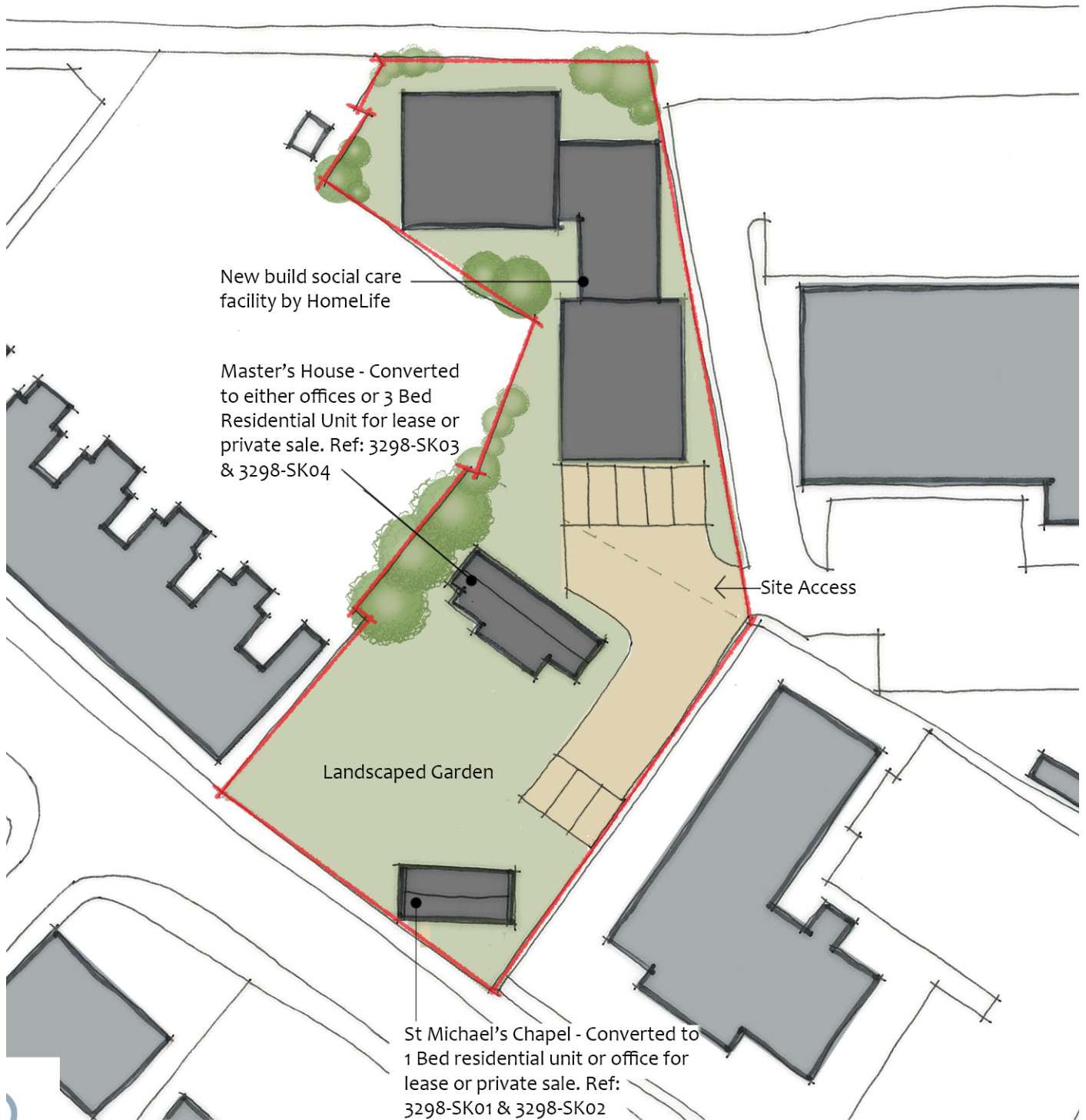
Office: 951 sq ft £9,000 pa = £10/ sq ft 1st Floor Secondary office, Smith St.

Office: 1,127 sq ft £9,750 pa = £8.65/ sq ft 1st Floor Secondary office, Smith St.

As can be seen these rental levels do vary considerably depending on the nature of the space, its quality and location and so the Valuer advises that The Master's House is such an unusual case it is difficult to assess. However as a guide in this instance the level of rent achievable should be in the range £10 - £12.50/ sq ft.

4.0 Options For Use

Option 2 - Split the site with HomeLife social care use to the rear and Schedule Ancient Monument to be residential or commercial use.



4.0 Options For Use

Option 2

End user – owner of buildings:

This option envisages the rear half of the site being developed by Homelife, a developer that specialises in care environments. The preferred vulnerable group would be those requiring dementia care and they specialise in this as well as those with physical needs. They're entirely private sector funded – they set up a scheme and sell it on with the benefit of a guarantee for the accommodation rental stream to pension funds etc. They have a care partner (a National Charity) lined up for this project should they be successful. Homelife do not want to become involved with the front (heritage) part of the site but instead would be prepared to contribute £300,000 towards the cost of restoration of the two listed buildings. Therefore the uses proposed for the two parts of the site will not necessarily bear any relationship to each other.

Option 2a models an outcome that sells the two listed buildings as residential accommodation.

Option 2b models an outcome that sells the two listed buildings as commercial offices.

4.0 Options For Use

Option 2a

Use - HomeLife Model for rear site and Listed Buildings converted for Residential use.

Master's House - Residential conversion to 3 bed unit.

St Michael's Chapel - Residential conversion to 1 bed unit.

New build residential development to the rear of the site as supported accommodation separate from Listed Buildings to the front of the site.

End user – owner of buildings:

For Sale to private residential purchasers or retained by WMHBT to rent as 3 bed residential accommodation.

Building Management:

Privately or by WMHBT or their agent

Works Necessary & Cost

Repair works to the Master's House	£428,292.00
Conversion of the Master's House	£354,276.00
Conversion of St Michael's Chapel	£171,704.00
New Link Building	No incl. (optional)
Site Works	£124,666.00
Inflation from 1Q18 to 2Q19 (1.3%)	£14,026.00
Direct/other costs	£92,749.00
Total	£1,185,713.00
Potential end value	£450,000.00

A full cost summary is provided as an appendix to this document.

4.0 Options For Use

Pro's

- Extra Care provision is supported by Warwick County Council through funding.
- Homelife funding may contribute towards the cost and repair of the listed buildings/SAM. However, no long term use for these is proposed by Homelife.
- Provides Extra Care provision which is in demand as evident elsewhere locally.

Cons

- Fails to secure a long term use for the Listed Buildings.
- Construction within the Scheduled Ancient Monument.

Discussions

- Demand for the use in the Area - . There is a good market in the area for both housing for sale and for private rental although we are advised that this area is not particularly well regarded as a residential area.
- How the use will be a long term sustainable solution - If the two listed buildings are sold to private sector buyers, there will be little control apart from the use of existing legislation protecting listed buildings and their proper maintenance, over the quality of on-going repairs and their management. If the buildings are retained by WMHBT and rented to occupiers, the Trust will ensure that they are maintained to high conservation standards.
- Are there similar uses in the area? The area is characterised by a mix of uses and has a large number of older and new houses and apartments within the immediate vicinity.
- Does the property sell or let in the are? - Comparable residential rents:

One bed apartment: Coten End Warwick, £600 per calendar month.

Two bed apartment: Saltisford, Warwick, £850 per calendar month.

Three bed terraced house: Hanworth, Warwick, £950 per calendar month.

Comparable residential sales:

12 Saltisford: 3 Bed Terraced House £357,000 sold Aug '17

14 Saltisford: 3 Bed Terraced House £345,000 sold Dec '15

2/32 Saltisford: 1 Bed Flat leasehold £310,000 sold Sept '16

1/35 Saltisford: 1 Bed Flat leasehold £297,000 sold 2013

Valuation advice obtained for this study is that the Master's House would achieve a selling price of between £350,000 - £375,000 for the 1,100 sq ft of space and that St Michael's Chapel which is around 510 sq.ft. would still see the resultant end value in the region of £175,000 - £200,000. This would suggest that the combined end value of the two heritage buildings would be in the region of £525,000 - £575,000.

4.0 Options For Use

Option 2b

Use - HomeLife Model for rear site and Listed Buildings converted for Office use.

Master's House - Office conversion.

St Michael's Chapel - Office conversion.

New build residential development to the rear of the site as supported accommodation separate from Listed Buildings to the front of the site.

End user – owner of buildings:

For Sale to private commercial office purchasers or retained by WMHBT as commercial offices

Building Management:

Privately or by WMHBT or their agent

Works Necessary & Cost

Repair works to the Master's House	£428,292.00
Conversion of the Master's House	£359,391.00
Conversion of St Michael's Chapel	£173,543.00
New Link Building	No incl. (optional)
Site Works	£119,666.00
Inflation from 1Q18 to 2Q19 (1.3%)	£14,052.00
Direct/other costs	£92,848.00
Total	£1,187,792.00
Potential end value	£325,000.00

4.0 Options For Use

Pro's

- Warwickshire County Council are more supportive of the scheme and may have funds to put towards a social care scheme for dementia patients.
- Extra Care provision is supported by Warwick County Council through funding.
- Homelife funding may contribute towards the cost and repair of the listed buildings/SAM. However, no long term use for these is proposed by Homelife.
- Provides Extra Care provision which is in demand as evident elsewhere locally.

Cons

- Fails to secure a long term use for the Listed Buildings.
- Construction within the Scheduled Ancient Monument.
- The Listed Buildings are more at risk of becoming vacant as there is not a single use for the site.

Discussions

- Demand for the use in the Area. There is good demand for office space in the Warwick area. This area is not a prime office/commercial area but nevertheless it is close to the central area and as such is well placed. The nature of the scheme would undoubtedly appeal to the creative sector and other high added value businesses (e.g. Digital and Hi-Tec). There is a variety of space available in Warwick with corresponding variable rent levels ranging in the central area of the town from £7.50 /sq ft for secondary office space to £18 per sq ft for high quality newly refurbished office accommodation.
- How the use will be a long term sustainable solution: If the two listed buildings are sold to private sector buyers, there will be little control apart from the use of existing legislation protecting listed buildings and their proper maintenance, over the quality of on-going repairs and their management. If the buildings are retained by WMHBT and rented to occupiers, the Trust will ensure that they are maintained to high conservation standards.
- Are there similar uses in the area? The area is characterised by a mix of uses and has several offices of varying size, some purpose built others converted property and at first floor about other commercial accommodation. The site is close to the town centre and central business area.

4.0 Options For Use

- Does the property sell or let in the area? - Comparable rents:

Office: 674 sq ft £11,000 pa = £18/ sq ft newly refurbished high quality accommodation Wharf St.

Office: 951 sq ft £9,000 pa = £10/ sq ft Smith St. 1st Floor Secondary office.

Office: 1,127 sq ft £9,750 pa = £8.65/ sq ft Smith St. 1st Floor Secondary office.

As can be seen these rental levels do vary considerably depending on the nature of the space, its quality and location and the Valuer advises that The Master's House is such an unusual case it is difficult to assess. However as a guide in this instance the level of rent achievable should be in the range £10 - £12.50/ sq ft.

Comparable Sale Prices: Smaller office suites for sale do not appear to be that common in the Warwick area. Larger, purpose built offices on estates tend to be more frequently available. Existing refurbished period property is as follows:

Office: Dormer Place Leamington Spa 4,778 sq ft £975,000 = £204/ sq ft.

Office: Hatton Rock Stratford on Avon, Unit 1b 1004 sq ft £168,000 = £167/ sq ft.

Purpose built offices:

Unit 2 Siskin Way Middlemarch 2,741 sq ft £ 385,000 = £140/ sq ft.

From the above, it can be seen that depending on location, type and condition sale prices vary considerably. Caution will be required in this case given its unusual nature. That said the scarcity of office accommodation to purchase could provide additional incentive.

Valuation advice obtained for this study is that the Master's House, assuming circa 1,100 sq.ft. of net lettable space would achieve between £225,000 - £250,000 in the current marketplace, equivalent to £204/ sq ft.

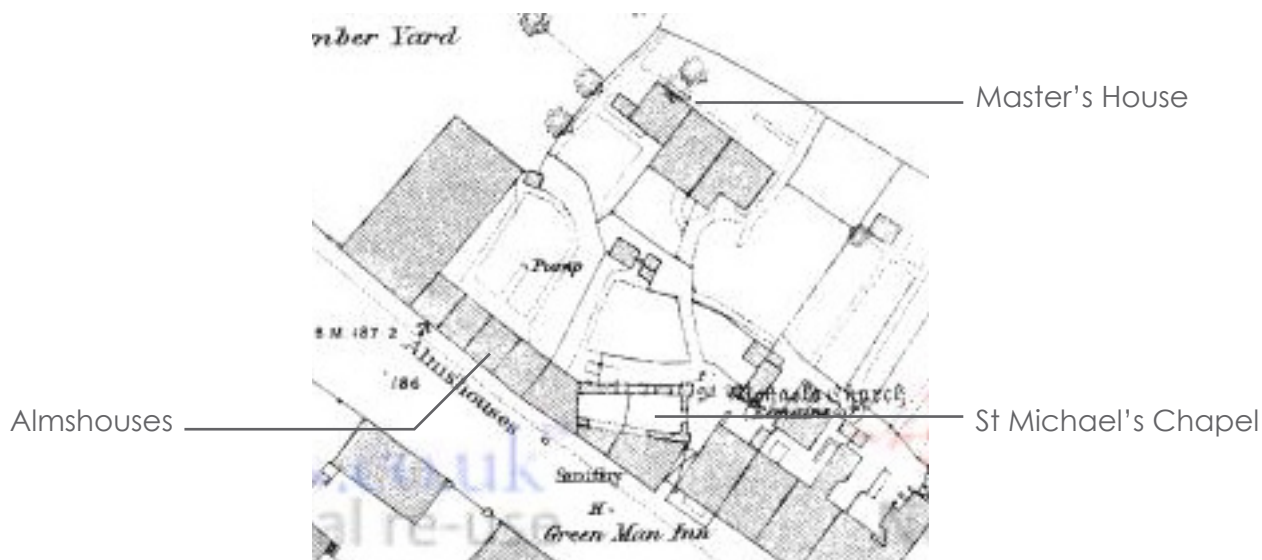
St Michael's Chapel, which would provide approximately 510 sq ft net of lettable space would achieve an open market value of around £100,000 - £120,000, equivalent to £196/ sq ft.

4.0 Options For Use

Option 3 - Previous options (Waterloo Housing used as illustration) with the addition of a new build frontage on the historic footprint of the almshouses.



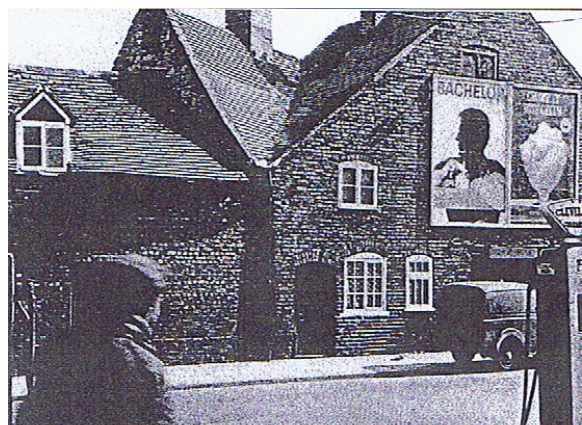
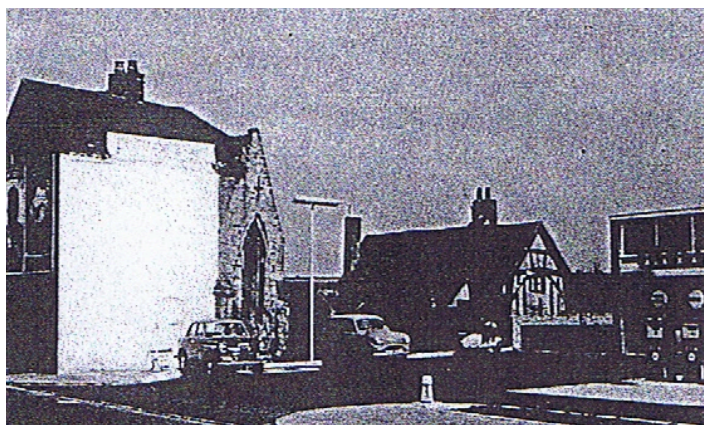
4.0 Options For Use



The above historic map from 1887 shows the previously demolished almshouses at the frontage to Saltisford Road.

In 1635 the owner of the hospital, Sir Thomas Puckering, rearranged the operation of the hospital by building a row of almshouses along the street frontage to house their poor occupants to be supported by an annuity from the Puckering estate. These almshouses, which might have been rebuilt once or twice during the period of their existence were ultimately demolished in 1964.

This previously disturbed ground has been identified as an opportunity to maximise the use of the site without having a significant impact on the Scheduled Ancient Monument. A well designed 1.5 or 2 storey development on the footprint of the almshouses would fill the gap along the street frontage whilst reflecting the historic development on the site. Forming alleyways within the frontage would also allow for glimpses into a newly landscaped courtyard and across to the Master's House. The effect on the view of the Master's House would be limited as the historic fabric would be over-clad in modern timber.



4.0 Options For Use

Option 3

This option envisages the same development, uses and management partners as in Option 1 but with the addition of two extra 1 bed units to the frontage of the heritage part of the site. The Master's House would provide communal/community and office accommodation and rented to St Basils who would require this space as an integral part of their overall management of a complex high needs group.

Option 3a

Use - Waterloo/St Basils Model with additional residential units on the historic footprint of the almshouses.

Master's House - Ground Floor to be converted to office use with the first floor being used for further office space and/or community space.

St Michael's Chapel - Residential conversion for use as intermediate supported housing. The intention is that the Chapel will be converted into a 1 bed unit to be used by a resident for a designated period before moving on into the community.

New build residential development to the rear of the site as supported residential space and associated communal space with a new link providing additional communal space / reception / WC facilities / welcome area.

2no. New build 1 bed residential units constructed on the footprint of the previously demolished almshouses.

End user – owner of buildings:

St Michael's Chapel: Waterloo Housing

Master's House: WMHBT leased/rented to St Basils or Waterloo

2 No. new build 1 bed roomed frontage houses

Final ownership boundaries will need to be negotiated between the two parties

Building Management:

Residential Accommodation will be by Waterloo and non-residential space by WMHBT or its agents.

4.0 Options For Use

Works Necessary & Cost

Repair works to the Master's House	£428,292.00
Conversion of the Master's House	£359,391.00
Conversion of St Michael's Chapel	£171,704.00
New Link Building	£321,644.00
Site Works	£130,026.00
Inflation from 1Q18 to 2Q19 (1.3%)	£18,344.00
Direct/other costs	£116,371.00
Total	£1,545,772.00
Potential end value	£700,000.00

A full cost summary is provided as an appendix to this document.

Pro's

- Waterloo/St Basils are keen to develop the entire site and have uses for both Listed Buildings. The site is developed as one use which reduces the risk that the Listed Buildings will become vacant.
- Provides social care for youths which is currently in high demand.
- The proposed conversion of both buildings allows for long term flexibility.
- The provision of the almshouse units provides affords privacy to the courtyard garden.

Cons

- Construction within the Scheduled Ancient Monument.
- Relies on HCA funding with short timescales.
- Warwickshire County Council are less supportive towards this scheme.

Discussions

- Demand for the use in the Area - There is ample evidence of demand for this use in the area. Data provided by St Basils who currently operate a project for vulnerable young adults with complex needs in the Coventry-Warwick area counselled 275 people in this category in Year 1 of the project and of these some 143 are currently supported in a variety of housing situations. There is 100% occupancy. Other consultees like Celia Hilgenberg Community Outreach Worker at Saltisford Church confirms that the area has a number of vulnerable young adults living in the area, mainly on their own, who are 'in permanent crisis', relying on the food bank that the church offers and other sources of local support. St Basils is the only organisation in the West Midlands currently catering for this particular client group. Other organisations such as Chapter One Housing (which is an initiative of the Salvation Army) run a 23 unit supported housing scheme at Binswood Ave, Leamington Spa for young, single, vulnerable adults (16-35yrs) and Warwickshire Support Services has a purpose built 8 bed housing scheme for 16-21 yr olds with medium to high support needs at New Bold Lodge in Leamington Spa but neither of these cater for the levels of complex needs addressed by St Basils.

4.0 Options For Use

- How the use will be a long term sustainable solution - This use will provide a long term solution for the 2 listed buildings in that they will be providing either non-residential facilities that are essential to adequately service this particular complex needs group to be housed in the purpose built residential units to be constructed on the balance of the site, or be converted to residential accommodation and be included as part of the supported housing complex. The two new build units to the frontage will provide 2 additional supported housing units and will help create a great sense of place to the site. There is a growing need for this kind of accommodation and the Waterloo-St Basils model has not only been shown to work successfully elsewhere on a long-term basis but Central Government is now changing the way in which the rent and service charge components of the total supported housing cost are paid to the providers, so helping to make such schemes less risky. Neither Waterloo nor St Basils wish to own Master's House as it will consist entirely of non-residential accommodation. Therefore WMHBT will need to retain ownership of it, leasing it to St Basils as it will provide essential space to manage this complex needs group of young, single people. St Michael's Chapel and the two new build frontage units would however be developed by Waterloo and managed in conjunction with St Basils.
- Are there similar uses in the area? - There are no similar uses in the area. The nearest supported housing scheme for vulnerable adults is at Binswood Ave. Leamington Spa.
- The creation of the 2 additional 'almshouse' units will require Scheduled Ancient Monument Consent. They are designed to be built over existing disturbed ground (former building footprint) however, will be subject to further archaeological assessment. These units are largely self funding. Should approval for development in this area prove unacceptable the scheme would revert to Option A without detriment to the project or viability of the site to Waterloo Housing or St. Basils.
- Does the property sell or let in the area – Comparable private rents in the area are as follows:

One bed apartment: Coten End Warwick, £600 per calendar month.

Two bed apartment: Saltisford, Warwick, £850 per calendar month.

Three bed terraced house: Haworth, Warwick. £950 per calendar month.

Whilst this is not directly relevant for a supported housing scheme, it is important in that should the supported housing scheme no longer be funded by the local authority at some stage in the future, then the owner would need to rent the accommodation as general housing or sell the units to outright private owners. The design of the space therefore has to be sufficiently flexible for this to be easily achieved.

Comparable Office rentals are as follows:

Office: 674 sq ft £11,000 pa = £18/ sq ft newly refurbished high quality accommodation Wharf St.

Office: 951 sq ft £9,000 pa = £10/ sq ft Smith St. 1st Floor Secondary office.

Office: 1,127 sq ft £9,750 pa = £8.65/ sq ft Smith St. 1st Floor Secondary office.

As can be seen these rental levels do vary considerably depending on the nature of the space, its quality and location and so the Valuer advises that The Master's House is difficult to assess. However as a guide in this instance the level of rent achievable should be in the range £10 - £12.50/ sq ft.

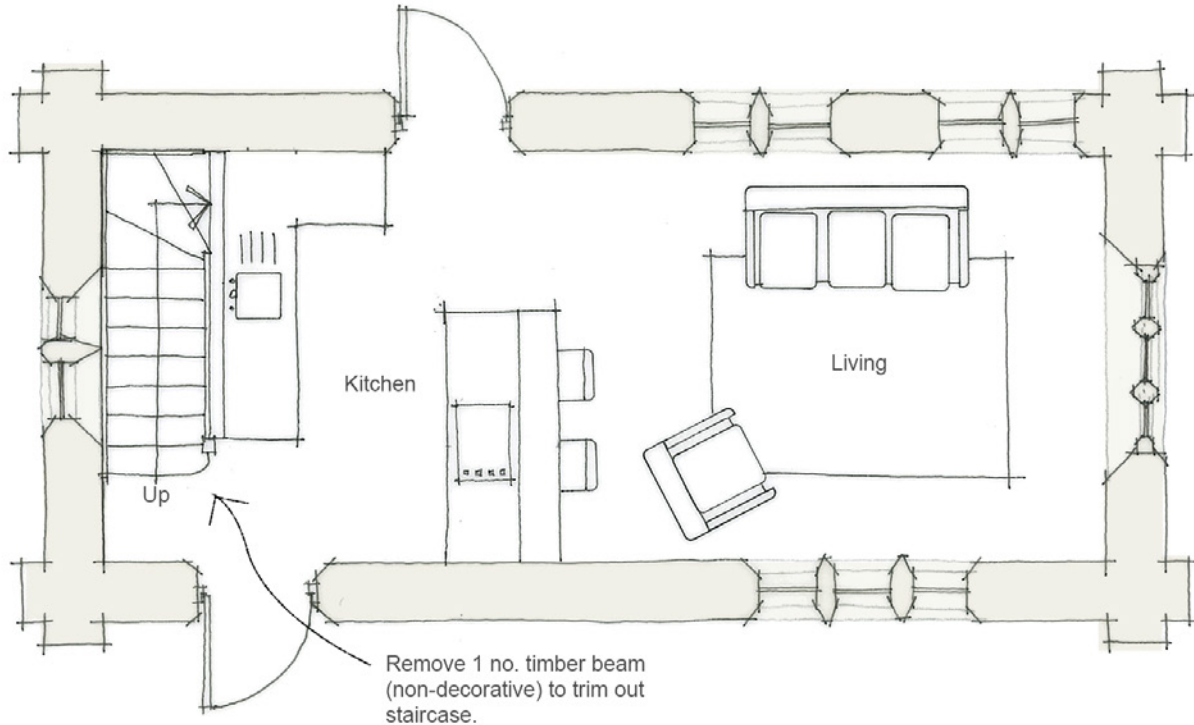
4.0 Options For Use

Valuation advice obtained for this study is that the End Value of the Master's House, assuming circa 1,100 sq ft of net lettable space would be between £225,000 - £250,000 in the current marketplace, equivalent to £204/ sq ft.

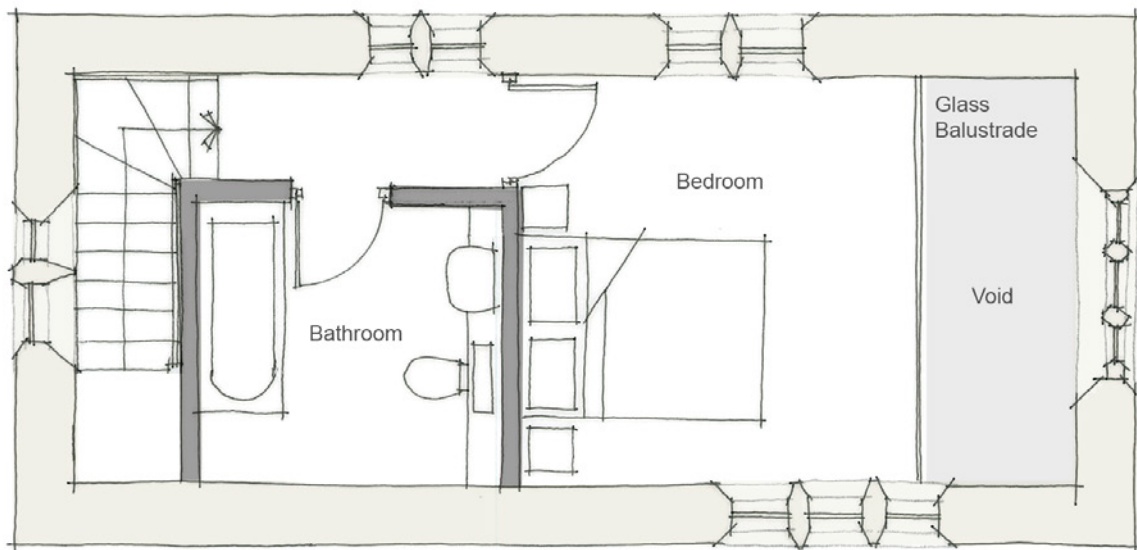
The End Value of St Michael's Chapel, which would provide approximately 510 sq ft net of lettable space would be between £100,000 - £120,000, equivalent to £196/ sq ft.

4.0 Options For Use

Proposed Floor Plans - St Michael's Chapel



Ground Floor Plan



First Floor Plan

4.0 Options For Use

Use - Residential

1 Bedroom detached residential unit with open plan Kitchen / Living / Dining on ground floor and a Bathroom and Double Bedroom on Mezzanine Level.

Works Necessary

In addition to the repair works, the conversion works will include the following:

- New Ground Floor Slab
- New First Floor and Mezzanine
- New Windows and Doors
- New Staircase
- New Partitions incl. new glazed balustrade
- New Kitchen & Bathroom
- New Service Connections

Cost

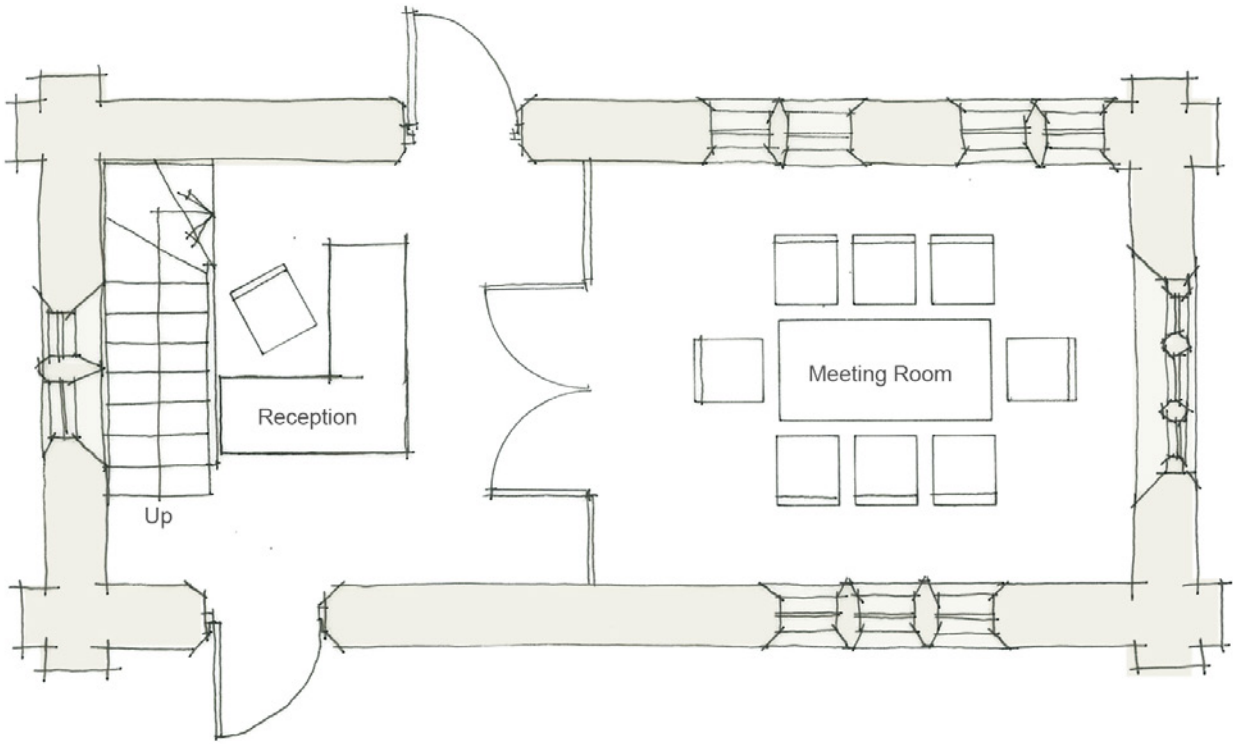
A more detailed cost plan is included within the appendices of this document.

Key Points

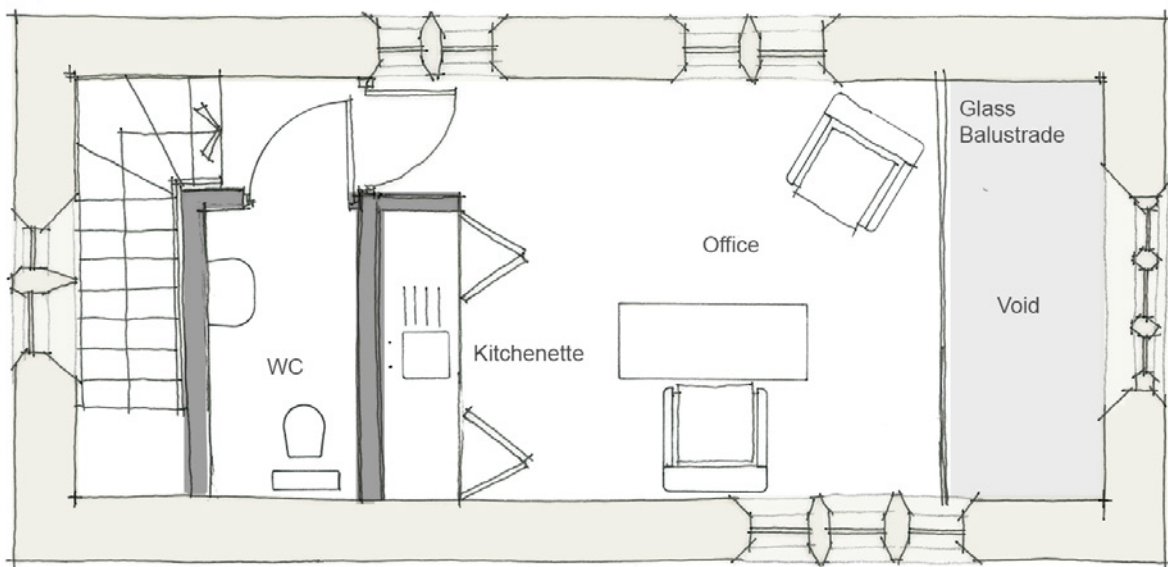
- Building easily sub-divided with relatively few new partitions.
- The Chapel could be easily leased in the future with little additional cost.
- The historic fabric is largely left un-touched and original features are exposed.
- Relatively few repairs are required.

4.0 Options For Use

Proposed Floor Plans - St Michael's Chapel



Ground Floor Plan



First Floor Plan

4.0 Options For Use

Use - Office

Conversion of the Chapel to office use. To comprise of Reception area and meeting room on the ground floor with an additional office with kitchenette and WC on the first floor.

Works Necessary

In addition to the repair works, the conversion works will include the following:

- New Ground Floor Slab
- New First Floor and Mezzanine
- New Windows and Doors
- New Staircase
- New Partitions incl. new glazed partition and balustrade
- New WC & Kitchenette
- New Service Connections

Cost

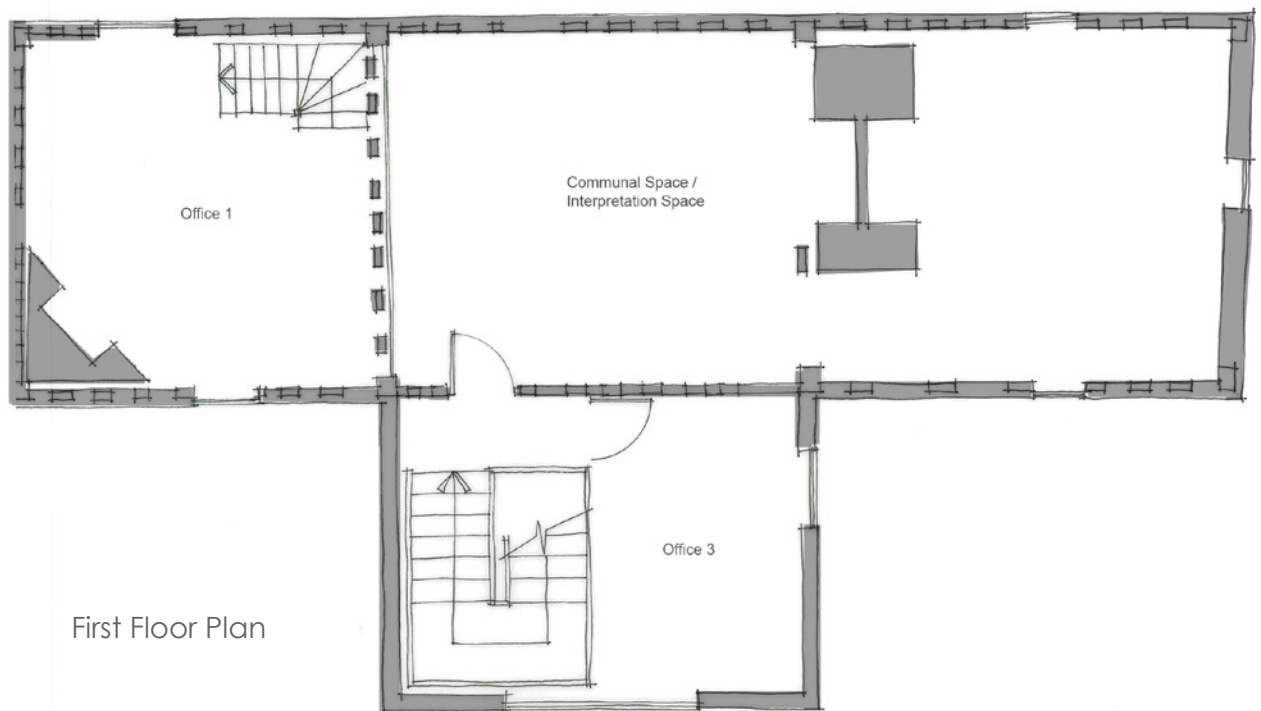
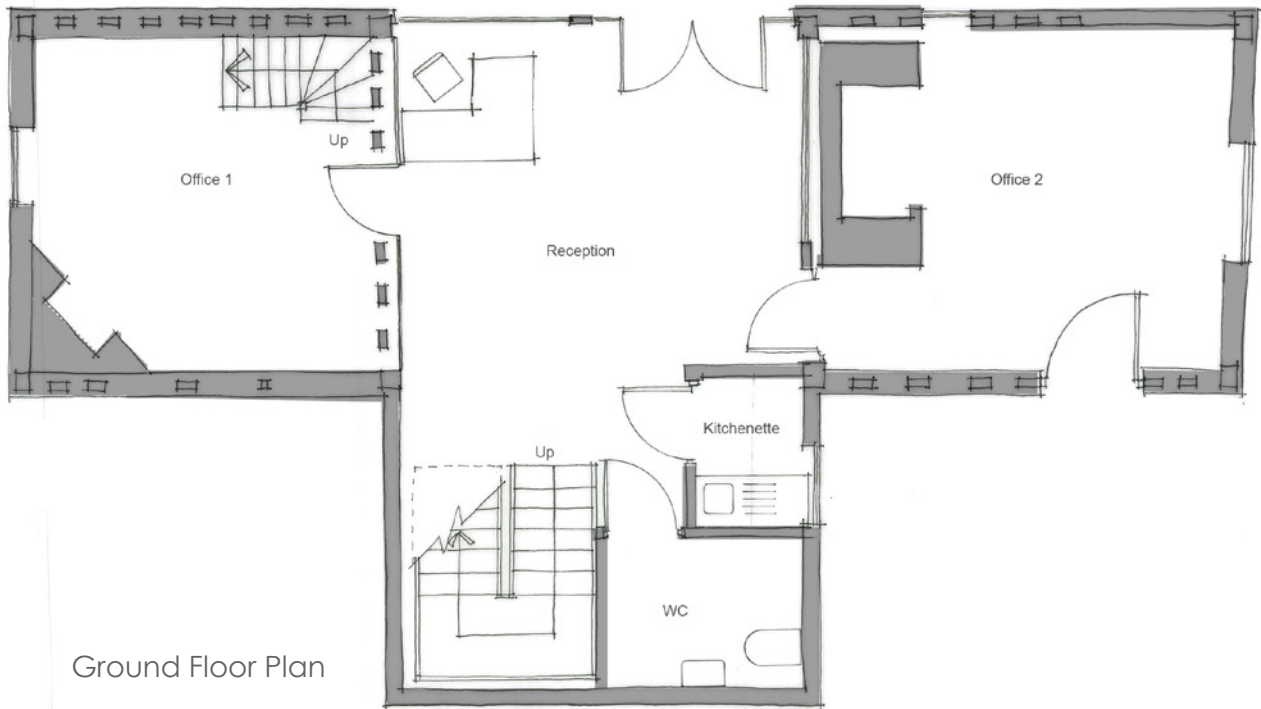
A more detailed cost plan is included within the appendices of this document.

Key Points

- Building easily sub-divided with relatively few new partitions.
- The Chapel could be easily leased in the future with little additional cost.
- The historic fabric is largely left un-touched and original features are exposed.
- Relatively few repairs are required.

4.0 Options For Use

Proposed Floor Plans - Master's House



4.0 Options For Use

Use - Office

Conversion of the Master's House to office use. To comprise of Reception area and two offices on the ground floor with a community / interpretation space and 2no. additional office spaces on the first floor. New staircase, Kitchenette and Disabled WC formed in the modified extension.

Works Necessary

In addition to the repair works, the conversion works will include the following:

- New Ground Floor Slab
- New First Floor
- New Windows & Doors
- New Staircase
- New Partitions incl. new glazed partitions
- New Disabled WC & Kitchenette
- New Service Connections

Cost

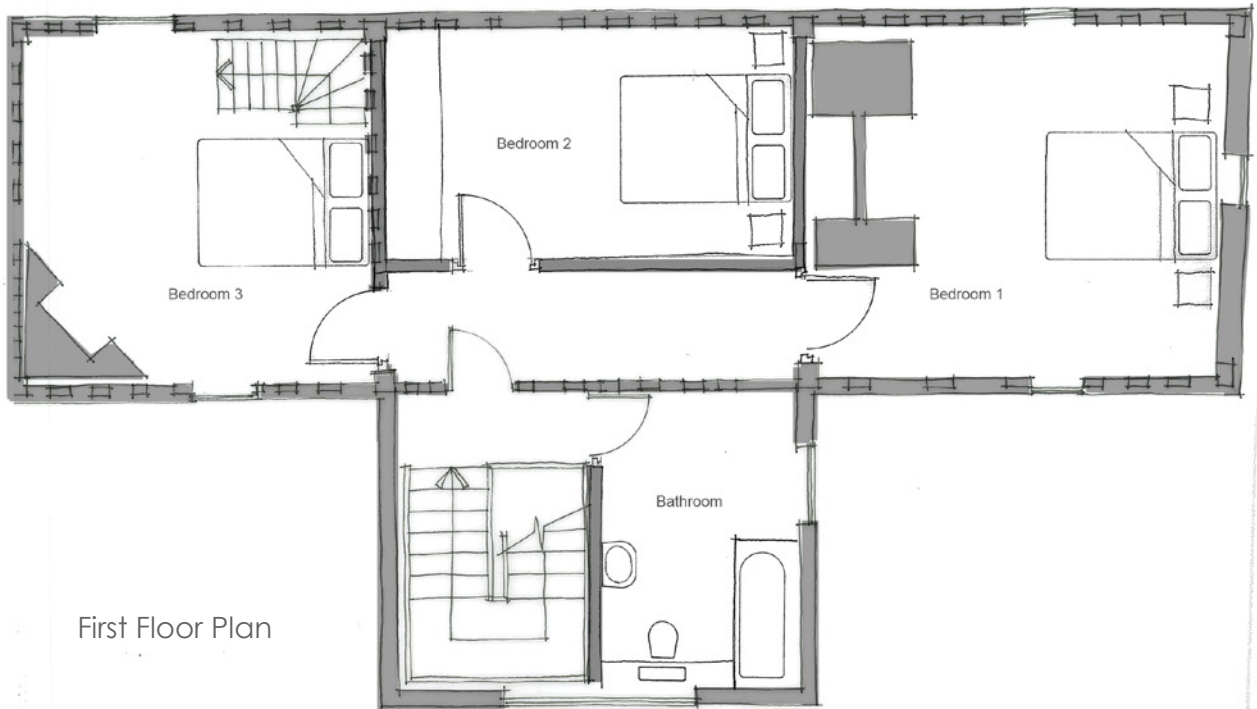
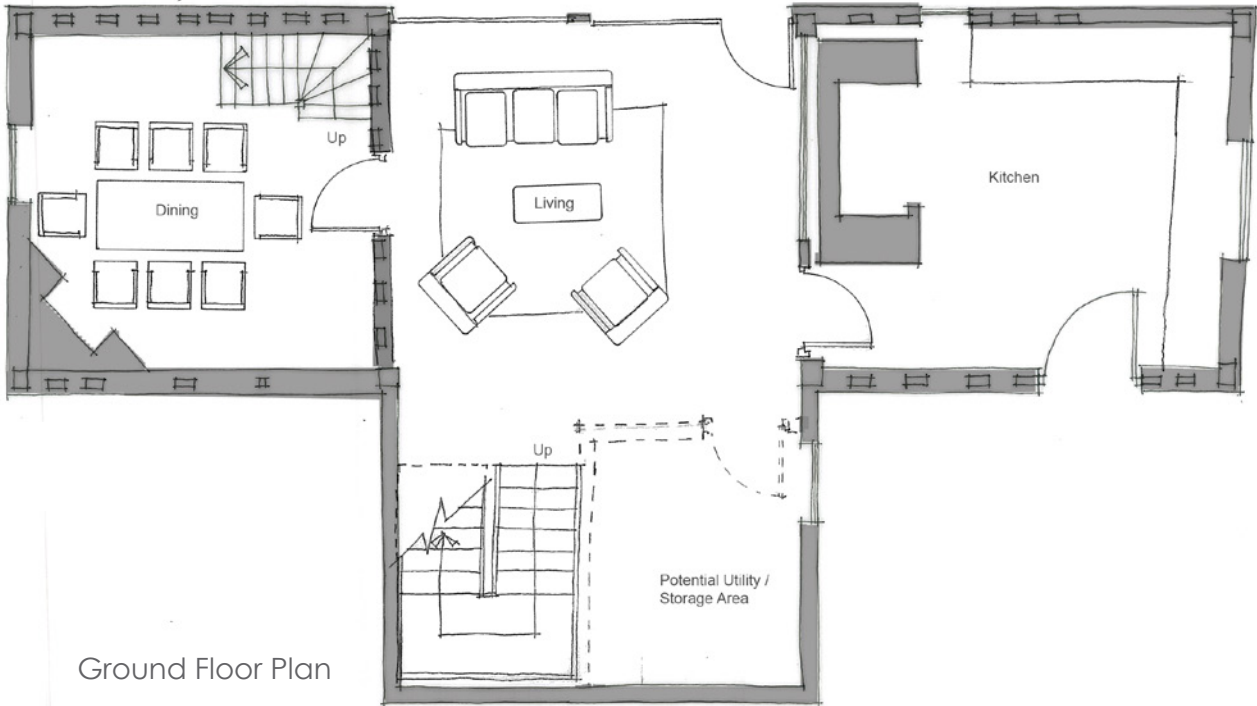
A more detailed cost plan is included within the appendices of this document.

Key Points

- Building easily sub-divided with relatively few new partitions.
- The Master's House could be easily leased in the future with little additional cost.
- The Historic Fabric can be appreciated by the public on the first floor.
- The building's envelope would require extensive upgrade to meet current building regulations.
- The existing structural frame would be over clad from the outside meaning the historic asset could not be appreciated externally.
- Earlier planning documents suggest that a residential use for the Master's House would be the most appropriate use.

4.0 Options For Use

Proposed Floor Plans - Master's House



4.0 Options For Use

Use - Residential

Conversion of the Master's House to residential use. To comprise of approximately 3 bedrooms on first floor and Kitchen, Living and Dining area on the ground floor. New staircase formed in the modified extension.

Works Necessary

In addition to the repair works, the conversion works will include the following:

- New Ground Floor Slab
- New First Floor
- New Windows & Doors
- New Staircase
- New Partitions
- New Bathroom & Kitchen
- New Service Connections

Cost

A more detailed cost plan is included within the appendices of this document.

Key Points

- Building easily sub-divided.
- The Master's House could be easily sold on in the future with little additional cost.
- Residential conversion fits with the historic use of the building.
- Earlier planning documents suggest that a residential use for the Master's House would be the most appropriate use.
- Historic fabric can only be appreciated from the bedroom spaces.
- The building's envelope would require extensive upgrade to meet current building regulations.
- The existing structural frame would be over clad from the outside meaning the historic asset could not be appreciated externally.

5.0 Conservation Deficit Calculation

St. Michaels Chapel & Masters House, Saltisford					
		Option 1	Option 2a	Option 2b	Option 3
		Total £	Total £	Total £	Total £
	Repairs to Master's House as costed summary (Less Prelims & Contingency)	279,630	279,630	279,630	279,630
	Conversion of Master's House	234,645	231,305	234,645	234,645
	Conversion of Chapel	112,105	112,105	113,305	112,105
	New Link Building	-	-	-	-
	New Build Residential Properties	-	-	-	210,000
	Siteworks	75,100	71,600	71,600	75,100
	Group Element Sub-Total £	701,480	694,640	699,180	911,480
	Preliminaries 18%	126,266	125,035	125,852	164,066
	Group Element Sub-Total £	126,266	125,035	125,852	164,066
	Contingency 10%	82,775	81,968	82,503	107,555
	Group Element Sub-Total £	82,775	81,968	82,503	107,555
	Sub-Total £	910,521	901,643	907,535	1,183,101
	Professional fees (assume architect, QS, structural and M&E engineers) 18%	163,894	162,296	163,356	212,958
	Archaeological Monitoring / Evaluation	5,000	10,000	5,000	10,000
	Professional and Other Fees £	168,894	172,296	168,356	222,958
	Surveys / Planning / Listed Building Consent / Building Control etc (allowance)	5,000	5,000	5,000	5,000
	Inflation from 1Q18 to 2Q19 1.3%	14,097	14,026	14,052	18,344
	Group Element Sub-Total £	19,097	19,026	19,052	23,344
	Construction Sub-Total £	1,098,512	1,092,965	1,094,943	1,429,403
	Purchase Land Cost	1	1	1	1
	Legal fees / Party Wall Surveyor; allowance	20,000	20,000	20,000	20,000
	Highway costs; allowance	2,000	2,000	2,000	2,000
	Finance charges; allowance	2,500	2,500	2,500	5,000
	Environment agency fees; allowance	1,000	1,000	1,000	2,000
	Site investigation; allowance	1,200	1,200	1,200	2,000
	Measured survey; allowance	2,500	2,500	2,500	2,500
	Ecological surveys; allowance	2,600	2,600	2,600	2,600
	Planning and building regulation costs; allowance	4,000	4,000	4,000	6,000
	Building insurance; extra over cost for the duration of the works; allowance	1,000	1,000	1,000	1,000
	Property valuation fees; allowance	500	500	500	1,000
	Evaluation fees; allowance	800	800	800	800
	WMHBT Project management fee; 5% of construction sub-total	54,926	54,648	54,747	71,470
	Direct / Other Costs £	93,027	92,749	92,848	116,371
	Cost Plan Total £	1,191,539	1,185,714	1,187,791	1,545,774

	Option 1	Option 2a	Option 2b	Option 3
	Total £	Total £	Total £	Total £
Property Valuation as EHB Commercial Valuation Report 10th January 2018				
Masters House	225,000	350,000	225,000	225,000
Chapel	175,000	100,000	100,000	175,000
New Build Residential Blocks	-	-	-	300,000
Property Valuation Total £	400,000	450,000	325,000	700,000

	Option 1	Option 2a	Option 2b	Option 3
	Total £	Total £	Total £	Total £
Cost Plan Total	1,191,539	1,185,714	1,187,791	1,545,774
Property Valuation Total	400,000	450,000	325,000	700,000
SHORTFALL £	791,539	735,714	862,791	845,774

Notes:

- a) Value of site to be negotiated with the Current Owner.
b) Excludes any contribution from the development at the North of the site.

6.0 Conclusion

It is agreed by the Steering Group that Option 3 is the preferred choice in line with the assessment shown below. This scheme ensures a suitable long term use for both Listed Buildings. It also sees the site retained under one tenant/user group preventing any subdivision of the site.

The inclusion of two new units to the front of the site also gives some privacy to the site whilst enabling controlled views into a landscaped courtyard significantly improving the visual amenity of the site.

Master's House and St Michael's Chapel Warwick

Scheme Benefits Generated by Front Half of Site Only		Option 1	Option 2a	Option 2b	Option 3
Brief Description		Waterloo-St Basils Model	Homelife Model	Homelife Model	Waterloo-St Basils Model
Masters House		Community/Office	Residential 3p Unit	Studio/Office	Community/Office
Chapel		Residential 1p Unit	Residential 1p Unit	Residential 1p Unit	Residential 1p Unit
New Build Residential		n/a	n/a		Residential 2 x 1p Unit
Heritage/Environment					
	Historic Assets Secured	X	X	X	X
	Public Access secured	X			X
	Placemaking	X	X		XX
	Planning Benefit (single site)	X			X
Health and Wellbeing/Community					
	Additional Supported Hsg Units	X			XX
	Additional General Housing		X	XX	
	Local area	X			XX
	Use - benefit for community	XX	X	X	XXX
Economic					
	Employment	X			X
	Long Term Role for WMHBT	X			X
	Sustainability/Governance	X			X
Ease of Realisation					
			XX	X	
Assessed Benefit Totals			5	4	13
NB Costs and Values relate to Front Half of Site Only		£'000s	£'000s	£'000s	£'000s
Total Cost of Scheme (TCS)		1,192	1,186	1187.5	1545.5
Starting Value of Property		1	1	1	1
Approximate End Value		400	450	325	700
Conservation Deficit: TCS - Increase in Value		793	737	864	847
To be funded by					
Waterloo HA		225	0	0	465
Homelife			300	300	0
HCA		50	0	0	150
<i>1 x 50k for Option 1; 3 x 50k for Option 3</i>					
Sub-totals Housing Model		275	300	300	615
Historic England		141	141	141	141
Warwickshire CC		250	0	0	250
Warwick DC		287	287	287	287
Sec 106		13	0	0	40
Other WDC Grant Contribution		80.5	7.5	134.5	68
Trusts and Foundations		75	0	0	75
WMHBT		70	0	0	70
Realisation from sales		0	450	325	0
Sub-totals WMHBT		917	885.5	887.5	931
Total Funding		1192	1185.5	1187.5	1546
Project Deficit		0	0	0	0

Note: The cost of St Michael's Chapel in Option 1 and St Michael's Chapel plus the two new build units in Option 3 has been apportioned as follows:

Development cost description	Option 1	Option 3
St Michael's Chapel Conversion	171,704	171,704
New Build Resi Units – 2 No.	0	321,644
Site Works – 50% of total	62,630	65,013
Inflation on above @ 1.3%	3,045	7,259
Direct/Other costs 50% of total	37,264	48,936
Totals	£ 274,643	£ 614,556

6.0 Conclusion

Funding Sources and Strategies

We see the following as the principal potential sources of funding for the scheme (in no particular order).

Historic England

Historic England can provide grants for the most significant historic buildings but their funding is limited for major capital projects. Funding is usually targeted at urgent repairs / damage or last resort for buildings at risk. The listing of the building on their Buildings at Risk register is a major factor in the selection of what projects to support. Since Historic England has and continues to show considerable interest in this Building at Risk project it is reasonable to target them for a significant contribution to the capital repairs required.

Homes England (formally the HCA)

This is the public sector funding body responsible for social housing investment, supporting social housing acting as investment partners and working closely with local authorities who are developing schemes to meet the housing needs of their area. Homes England has funded several Waterloo-St Basils supported housing schemes in the West Midlands and are likely to support this project. The question is more to do with the level of support they will offer. The agency is understood to be encouraging suitable schemes to take advantage of their current programme at the present time and it is thought that providing a good case can be made in this instance, a satisfactory intervention rate can be secured. Whereas this is often of the order of 40%-50% the expectation is that this could rise. St Basils has expressed an expectation that 75% should at least be applied for given the nature of the client group to be targeted and the need to build to a robust specification. What is also clear however is that funding from Homes England will be dependent upon Waterloo-St Basils agreeing a level of funding for the support element of the scheme's revenue costs with Warwickshire CC. Without this, the scheme cannot be viable.

The Homelife funding model does not require Homes England funding in order to finance its capital expenditure.

The Architectural Heritage Fund (AHF)

The AHF is a registered charity founded to promote the conservation of historic buildings in the UK. It provides advice, information and financial assistance in the form of grants and low interest working capital loans for projects undertaken by building preservation trusts and other charities through-out the UK.

Until recently, funding tended to be small and aimed at the feasibility and development stages of a project. Specifically there is still targeted at getting the scheme off the ground however loans of up to £500,000 with a maximum loan to value ratio of 70% can be awarded. Furthermore whereas in the past loans were typically for a few years only, the Fund will now consider longer loan periods. Loans are bespoke and terms are greatly influenced by the degree of risk perceived and the amount of security available and how the loan is paid down. For the right security, loans of between 10 and 15 years are now possible. We are advised that currently interest rates of 6% - 6.5% for secured loans would apply.

6.0 Conclusion

By way of an example the following mortgage scenario could apply to the Master's House assuming that its end value would be in line with the estimate prepared for this study of £225,000 and that it should produce a net rental income in the order of £11,000 pa.

Name of Loan And/Or Lender	AHF Loan
Face Value of Loan (Original Amount)	£70,000
Interest Rate (Percentage)	6.5%
Loan Period in Years	15
Number of Payments Per Year	4
Loan Commencement Date	1/04/2019
Extra Payment Per Period (If Any)	£0.00
Loan Summary	
Scheduled Number of Payments	60
Actual Number of Payments*	60
Loan Payoff Date	1/04/2034
Total Amount of Extra Payments	£0.00
Annualised repayments	£7,341
Total Interest Paid	£40,109
* Actual number of payments may be shortened by making extra payments.	

This suggests that for an annual cost of £7,341 a loan of £70,000 could be obtained which would then be repaid in full within 15 years assuming that over time the average interest rate is in line with the current rate of 6.5%. This arrangement would provide reasonable head room to produce a surplus of about £4,000 pa to the Trust and/or a margin to allow for any interest rises.

The AHF is clearly a potential funding partner as it has shown interest in and support for this project by providing funding for this feasibility study and options appraisal. The AHF can also provide development grants of up to £30,000 providing this is not spent on capital works but on such things as (for instance) a market appraisal, any further surveys found necessary and project management.

Trust and Foundations

The fact that The Master's House and St Michael's Chapel have been lying derelict for so long and are so prominent, may open up some 'one-off' funding opportunities. The buildings are on the site of a former Lepers hospital that at the time was just outside the town's boundaries. It was responding to the need generated by crusaders returning from fighting in the Middle East who a few months after returning sometimes developed the disease. This link could lead to some grant giving trusts being interested in supporting its restoration.

6.0 Conclusion

There could also be:

- Local charities with objects that would fit the nature of this project in one way or another: this includes the Kind Henry VIII Endowed Trust, whose first stated object is the repair of historic buildings in the Town, predominantly in the CV34 postal area.
- National Charities like the Pilgrim Trust who list the preservation of historic buildings as one of their main objectives in grant making.
- National Charities like the Esme Fairbairn Trust who have particular interest in working with vulnerable groups such as the client group that St Basils assists.
- Benefactors with local roots: Working with a benefactor partner is a specific initiative and a relationship to grow. Benefactors who have a previous involvement in the project or in the area are always more supportive.

Whilst applications from good causes to grant giving trusts and foundations far outstrips the ability to fund such demand, nevertheless many heritage schemes are successful in raising funds from this source. The proposal to re-purpose a notable heritage building for community use for a vulnerable group could prove attractive to some notable grant giving charities. It would be worth preparing a case statement and approaching a select few to test whether this might actually be the case.

Clearly there are opportunities here that should be followed up.

Landfill Communities Fund

The Landfill Communities Fund (LCF) is an innovative tax credit scheme enabling operators of landfill sites to contribute money to organisations enrolled with ENTRUST as Environmental Bodies (EBs). EBs carry out projects that comply with the objectives set out in The Landfill Tax Regulations 1996 (Regulations).

LCF projects must be within the vicinity of a landfill site – usually within a 10 mile radius. We understand that Veolia does not have such a site within range of Saltisford. However other operators like Biffa and Sita both have sites within range. This can be established by going to the Entrust or the operator's websites. There are six main areas of work that can be undertaken when utilising LCF monies - these are called the 'objects'. One of these is the restoration of a place of architectural or historic interest.

Grants usually go up to approximately £50,000 -£75,000. A minimum 10% contribution has to be found by the applicant towards the total scheme cost.

We have checked the Biffa and Sita Trust conditions and whilst The Master's House would qualify perfectly in terms of its circumstance there is a limit set by both these funders of £250k in the size of the overall project. There might therefore be a need to examine ways in which elements of the scheme could be identified costing less than this maximum amount that could qualify independently.

The LCF is clearly a route to follow-up.

6.0 Conclusion

The People's Post Code Lottery

The Post Code Lottery is worth mentioning as it gains ground in the UK. It gives grants of up to £20,000 in a two stage process and operates two rounds a year. It states that it supports projects that address society's most pressing problems and offer innovative solutions. See www.postcodetrust.org.uk for more information on this.

Pension Funds

This is the source of funding for the Homelife Model. Homelife is essentially a specialist housing developer who, working in conjunction with a care partner, develops a care environment for a vulnerable group. In this case their target group is those suffering from dementia, a group suggested by the commissioning agents at Warwickshire CC. Homelife negotiates long-term revenue support (5 – 10 yr cover) providing the local authority with nomination rights. Charges are typically of the order of £350/wk/unit this covering Rent, Service Charges. These charges are paid directly to the provider. On physical completion and letting up, Homelife then sells the scheme on to a pension fund as a very attractive, secure, long-term investment in that it effectively has the public sector as a tenant.

However heritage property does not fit well with this model. Pension funds look for high quality purpose built accommodation that is easy to maintain. Therefore this source of funding does not fit well with the frontage part of the site; rather Homelife would be prepared to donate £300,000 towards the cost of developing it in return for not having that responsibility.

Local Authority

Warwickshire County Council (WCC)

WCC is the commissioning body for special needs housing in Warwickshire and operates a capital and revenue budget to provide additional support for the initial provision and subsequent upkeep of vulnerable groups. In doing so they work closely with Homes England in addressing the county council's declared priorities in this area.

From discussions with WCC officers it is likely that capital support would be forthcoming from WCC providing the remaining funding was also in place to ensure the sustainability of the scheme for the foreseeable future.

It is important to understand that a supported housing resident pays for three different elements of cost for their accommodation. These are the rent, the service charge and the support elements. The rent and service charge only cover the housing cost of what it actually costs to provide the levels of care required for schemes of this kind and so providers require a top-up or support grant that enables the care cost to be met. WCC operates a revenue programme that addresses this issue.

However whilst the rent and service costs can be secured indefinitely (through the client's Housing Benefit) local authorities have been reluctant or unable to guarantee more than 2 years support funding.

6.0 Conclusion

In addition the fact that rent and service charges are paid via a client's Housing Benefit, has in itself led to providers running up huge arrears and bad debts all of which has to be accounted for eventually or schemes closed down.

Both these issues working together have been significant stumbling blocks and a major deterrent to social housing developers due to the levels of risk resulting.

Therefore, it is crucial to understand that whilst capital funding for this project is by no means straightforward, securing long term, straightforward revenue funding holds the key to success. DCMS has recently introduced a new arrangement which will give social housing organisations far greater security than hitherto and a long term certainty of rent and service charge income that will help considerably with their budgeting. However, the supported element of the overall charge for many categories of occupant will continue to be met by local authorities – in this case Warwickshire County Council, although the housing responsibility rests with the District Council.

There is an exception to this for those groups who require permanent accommodation (like dementia sufferers for instance). Normally, young people are not seen to need permanent accommodation. However, because in this instance St Basils will be working with young people with very complex needs, we understand that the local authority is prepared to accept this group on similar terms – that is on an individual client needs basis and so will grant the assured support indefinitely.

Providing this is finally confirmed with the commissioning team, St Basils would be prepared to rent the Master's House for a lengthy period – say 15 or more years.

An option that considers a LA Loan if it contained less demands on security could be considered as an alternative. We understand however that it would attract a similar interest rate to the AHF.

Warwick District Council (WDC)

WDC has been a prime mover in tackling this long term problematic site and finding a solution for the heritage properties and building at risk and has indicated that it would be willing to provide financial support to Waterloo-St Basils (with whom they have a partnership to provide social housing) and to WMHBT if their enabling involvement is required.

Ways in which the local authority might contribute would be:

- from its mainstream programme or from
- unspent Sec 106 monies due to be invested for social housing in the Saltisford area. There appears to be £40k currently appearing in the local authority's records that falls into this category.

6.0 Conclusion

Enabling and other cross-funding possibilities

WCC and WDC currently have greater demands for supported housing than suitable accommodation within the county area. Therefore there is no alternative but for some of the most vulnerable and complex clients to be housed temporarily outside the area. This typically is extremely costly to the local authority and the prospect of more local accommodation is not only welcome from a social care perspective but also from an economic one also. This clear benefit should be considered and reflected in the funding structure ultimately agreed.

In deciding the way forward, it seems important as a first step for the local partners – WDC, WCC, Waterloo-St Basils and WMHBT to agree the level of funding that each feel able to commit to. Once this is settled, the group should make a joint approach to Homes England and make the case for their investment at as high a rate as possible having regard to all the circumstances. As issue that needs to be addressed within this debate is the suggestion that Homes England will not invest in a non-residential use (i.e. the Master's House). There is however strong justification for getting the rear development to contribute to the frontage one in that the Master's House in providing the 24/7 offices and active psychological environment essential to support this vulnerable group is key to the success of the purpose built facilities and if there weren't the Master's House, there would be the need to construct such accommodation. Therefore this building should be treated as part of the residential scheme and be eligible for Homes England investment – a proportion of the grant awarded to each residential unit being applied to the Master's House conversion cost.

7.0 Action Plan

Immediate actions

Master's House

The building is in need of a full scheme of repair. Small works intervention is not feasible due to the poor condition of the building. The building is currently sheeted over to protect from the elements in an attempt to stave off the decline of the fabric.

St. Michael's Chapel

The Chapel is in a relatively good condition, is weathertight and structurally sound. Suitable boarding up of windows and doors should be maintained to prevent access by vagrants etc.

Strategy for achieving preferred usage

The following timeline up to building contract procurement stage sets out the key actions and responsibilities of the project partners that need to be progressed in a timely manner if the project is to achieve a successful outcome. Note that this focusses on the front part of the site, the area of greatest interest to WMHBT. The detailed actions required by Waterloo Housing to progress the supported housing to the rear part are only stated where these impact upon the other development partners and the front part of the site and buildings at risk.

7.0 Action Plan

Timeline

	Activity/Action	Responsibility to progress	By when	Order of costs/ Expenditure required
1	The acquisition of the site should be progressed by Warwick District Council (WDC) through discussion with the site owner, Mr Ivor Jones. It should be noted that the required costs to repair and convert the listed building on the site is significantly in excess of any future value of these buildings.	Warwick District Council (WDC). (i) reach formal agreement with the owner to acquire (ii) acquires the property and on the same date transfers ownership to WMHBT	This will be needed as evidence to support funding applications which should be made Q1-Q3 18/19 By Q1 19/20 or before	WDC costs WDC Costs Subject to further advice it may be appropriate for the acquisition to be transferred at a nominal value irrespective of the finally negotiated sale price the difference being part of WDC's contribution to the total scheme costs.
2	VAT Advice as to the most cost effective approach to the capital and longer term VAT liabilities, is required as an early action.	WMHBT, liaising with Waterloo – St Basils as necessary	Q1 18/19	£5,000 + VAT
3	Cashflow Forecast. This should be prepared initially in outline to provide a first indication of likely interim funding requirements. As more detailed information becomes available this will need inputting and the whole reviewing on a monthly basis.	WMHBT Co-ordinator liaising with the other project partners	Q1 18-19 and reviewed/updated monthly thereafter	Incl in Project Co-ordinator's cost

7.0 Action Plan

4	<p>Funding Applications including a mortgage application to be progressed by WMHBT - see details following this item.</p> <p>This work together with the tasks listed in this action plan will require the input of a project coordinator to take forward. The cost of this is estimated at £30,000 per annum and should be engaged by WMHBT on behalf of the project partners. Given the time period allowed for the site acquisition, funding and pre-contract phase, this should be for approximately 12 months initially.</p>	<p>Waterloo Housing, St Basils, and WMHBT For WMHBT Application to AHF Development Grant and/or WDC</p>	Q1- Q4 18/19	<p>WMHBT Project Co-ordination fee: £30,000 + VAT</p> <p>Travel and application production expenses £3,000 + VAT To Q4 18/19</p> <p>1st tranche of Project Management/Co-ordination responsibility</p>
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7.0 Action Plan

Funder	Specifics	Responsibility for progressing	Active Period/ Cost
AHF	Development Grant – 50% of project development costs up to £30,000	WMHBT	Now - Q1 18/19
AHF	Loan up to 15 years secured on the Master's House. AHF will require evidence of St Basils' wish to lease the Master's House for a minimum of the mortgage term and also the strength of their covenant. A repayment mortgage over this period with either a fixed or variable interest rate currently 6.5% is negotiable and affected by the strength of security offered. AHF will require a charge on the property to secure their loan. Applications can be made at any time. Our strong advice is to contact AHF in advance for a pre-app discussion. The appraisal suggests that a loan of £70,000 is affordable and should be targeted.	WMHBT	Q1- Q4 18/19 Valuation Fee 1,000 + VAT
Trusts and Foundations	King Henry VIII Endowed Trust capital cost no deadline, applications considered quarterly	WMHBT	Q1- Q4 18/19
	Pilgrim Trust – capital cost – no deadline , 2 stage process	WMHBT	Q1- Q4 18/19
	Esme Fairbairn Trust – for revenue	St Basils	Q1- Q4 18/19
	Local Benefactors	WMHBT	Q1- Q4 18/19
Landfill Communities Fund	Biffa Award EOIs by 15 th July Full Application by 15 th Aug '18	WMHBT	Q1- Q4 18/19
	Sita Trust - no deadline	WMHBT	Q1- Q4 18/19
People's Post Code Lottery	Up to £20,000 Next funding round Aug '18	WMHBT	Q1- Q4 18/19
Warwickshire County Council	Apply for (i) Supported Housing Commissioning Unit for capital contribution towards adaptation of the Master's House and (ii) Individual supported care commitment for client group (Young people with very complex needs).	Waterloo-St Basils and WMHBT for (i) capital contribution Waterloo-St Basils for (ii) Individual Supported Care Commitment	Q1- Q2 18/19 Q1 18/19
Warwick District Council	Deputy Chief Exec	WMHBT	Now - Q1 18/19

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	Further development funding (matched with AHF Development Grant) Main programme and Sec 106 monies if available towards capital scheme costs		
Historic England	Apply under the 'Repair Grant for Heritage at Risk' Programme. Applications received at any time of year; a decision normally within 6 months.	WMHBT	Now – Q4 18/19
Homes England (formerly the HCA)	Support Waterloo Housing/St Basils in the bid to HE for social housing grant especially in relation to HE contributing to the cost of adapting the Master's House as a community space and office space for the 24/7 carers.	WMHBT; Waterloo-St Basils	Q1- Q3 18/19

5	Sign a formal agreement with WDC confirming that following transfer of the site to WMHBT from WDC (i) WMHBT delivers that part of the overall scheme (the Scheduled Ancient Monument area) to bring about repair and conversion to the recommended use of the Master's House, and all infrastructure and landscaping to the front of the site. (ii) Waterloo Housing delivers the new-build units to the rear of the site, the new-build units on the foot-print of the alms-houses at the front of the site, and the conversion of St Michael's Chapel working with the Waterloo Housing project architect and the WMHBT conservation accredited architect working on the conservation elements, with the designs for all elements of the	Waterloo Housing- St Basils, WMHBT with WDC	Q4 18/19	Legal fees by each party Including Task 8-*/ below Budget £20,000 +VAT WMHBT Project Co-ordination fee £20,000 to Building Contractor Procurement stage

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			<p>overall scheme to be approved by both WMHBT, Waterloo Housing and St Basils.</p> <p>iii) WMHBT continues the existing arrangement for managing the project; i.e. a project steering group of WMHBT trustees with delegated authority from the WMHBT Council of Management to approve expenditure within the limits of an approved project budget, coordinated by a Project Co-ordinator serving as 'professional client' and joined by the design team and other specialist consultants appropriate to each phase of delivering the project.</p> <p>iv) St Basils enters into an agreement with Waterloo Housing to be the care provider for the site and with WMHBT an agreement to lease the Master's House at a market rent to be agreed between the parties for between 15 years and 99 years with suitable review periods applied, on practical completion of the restoration and adaptation.</p>	
	<p>Q1 – Q4 18/19</p>	<p>WMHBT and Waterloo Housing Rear site costs by Waterloo Housing Front site costs – grant from WDC/WCC</p>	<p>6 WMHBT and Waterloo Housing jointly develop detailed proposals sufficient to apply for and obtain detailed planning permission and listed building consent (LBC).</p>	<p>Rear Site TBA Front site: Site investigation costs; surveys, highways etc £13,100 Prof Fees £91,600 (40% of construction costs) Planning fee: budget £750 LBC is FOC.</p>

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7	Waterloo Housing acquires the freehold of all that part of the site that is not designated as a scheduled ancient monument.	Waterloo Housing and WDC	Q4 18/19 or Q1 19/20	Solicitors fees TBA
8	WMHBT acquires the freehold of all that part of the site that is designated as a scheduled ancient monument. WMHBT grants to Waterloo Housing a development licence and/or agreement to a long lease following satisfactory conversion of St Michael's Chapel and development of the new build almshouses on those parts of the site with rights of access etc.	WMHBT, WDC and Waterloo Housing	Q4 18/19 or Q1 19/20	Solicitors fees £20,000 To cover formal agreement (task 5 above) acquisition process, lease preparation, partnership and management agreements, mortgage costs etc. Ins
9	Procurement of Building Contractor(s) Work to be completed by March 2021 which is the deadline for Homes England grant monies being spent.	WMHBT and Waterloo Housing	Q1 19/20 – onwards	Prof Fees: 70% stage of fee = £70,000 + VAT

Further information regarding Funding and Mortgage application process:

1. WCC, WDC, WMHBT and Waterloo-St Basils ('the local partners') need as a first step to agree between themselves the share of funding responsibility that each can accept along with a deadline by which this funding is procured (suggested above by Q4 18-19). An understanding of Warwick County Council's funding both towards the capital costs and future running costs – especially the supported housing element, needs to be agreed by Waterloo-St Basils and confirmed by way of formal agreement between the parties (Waterloo-St Basils and WCC, WDC, WMHBT). This will unlock other funding streams. This therefore is an early action, pre-consultation for which has already taken place and in principle support indicated by WCC.
2. Once WCC's supported housing element is confirmed formally, WMHBT will be able to negotiate with St Basils the terms of their lease on the Masters House. With this agreed, WMHBT will be able to apply to AHF for a mortgage, funded by this

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- income. In this same period, WMHBT will also need to make applications to Trusts & Foundations for charitable donations.
3. Waterloo Housing will lead on the application to Homes England (HE) supported with information provided by St Basils and WMHBT. Of particular interest to WMHBT will be the degree to which HE is prepared to provide funding towards the communal spaces created by conversion of the Master's House. Demonstrating a united approach to Homes England will assist in making a more powerful case.
 4. Ascertaining the scope and potential impact on the site of the flood mitigation works to be undertaken by The Environment Agency in 2020, is an essential prerequisite for a successful mortgage and planning application. This initial enquiry will be made and the response assessed by the Design Team. It is also required for the design brief as the result of these enquiries will inform the detailed design of the new build and conversion work to the Master's House and St Michael's Chapel.

Other Essential Project Development Actions

5. The scope of any archaeological appraisal should be fully understood together with its timing. The County Archaeologist has suggested a watching brief will be required during the course of the works. A greater understanding of the site of the former buildings to the front of the site might be gauged through additional trench analysis prior to commencement of the works on site. The implications of Scheduled Ancient Monument Consent will need to be incorporated into the project programme – details of all excavations will be required including service routes across the Scheduled section of site.
6. The management and control of the site needs clarification. The land at the rear is within the curtilage of two listed buildings. The WMHBT and WDC will have a concern in the design of the new build elements related to the setting of the listed buildings. It would be preferable for a suitably experienced conservation architect to be involved with all aspects of visual design across the site as a whole and Waterloo Housing should appoint the same conservation architect working on

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the front part of the site to work with their appointed project architect. Suitable costs for a high quality new build will need to be applied by Waterloo Housing to the financial appraisal of the new build elements.

7. It could be preferable that all elements of the site achieve practical completion at approximately the same time so that they can all be occupied and the management phase commence. The timescale of the project therefore is reliant to a great degree on Homes England grant monies which will need to be spent by March 2021. This should be borne in mind in formulating the project programme moving forward and in particular the funding application co-ordination.
8. The WMHBT will need to budget for fees, (legal, architectural, etc) to take the project forward and to allow for progression of the scheme to Planning/Listed Building Applications, grant applications. The Trust and other Stakeholders should bear in mind that between 60% and 70% of professional fees are expended prior to works commencing on site. There will need to be a close attention to the initial programming to minimise pre-construction phase finance costs. The timing of other financial contributions e.g. Warwick District Council, and Historic England should be understood to split costs between development and delivery (capital) costs. This can then be expressed in the form of a draft cashflow forecast that will highlight where the cash pressure points will occur.
9. Initial guidance on VAT has been obtained by WMHBT. Some elements of the works may benefit from a reduction in VAT from the standard rate. However this is dependent on future lease arrangements. The potential amount of VAT which could be levied is sizable and has been excluded from the financial analysis. Discussion therefore is required between St Basils and WMHBT to finalise VAT arrangements for the works so that the negative impact of this is minimised or eliminated. There is no VAT reduction for professional fees but may be reclaimable if it is acceptable to St Basils that WMHBT elects to tax on the Master's House and then charges VAT on the rent, because St Basils can recover this as input tax. It is imperative that further advice is obtained without delay and that discussions are held with HMRC to establish a VAT ruling specific to this project. It is for this reason that it is shown as an early action in the timeline.

8.0 Appendices

Consultees and Contact Details

Supporting details

8.0 Appendices

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