

Cabinet Resources Panel

23 July 2019

Report title	New Park Village Redevelopment Programme	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Peter Bilson City Housing and Assets	
Key decision	Yes	
In forward plan	Yes	
Wards affected	Heath Town ward	
Accountable Director	Kate Martin – Director for City Housing	
Originating service	Housing	
Accountable employee	Melissa Green Tel Email	Client Relationship Manager 01902 554758 melissa.green3@wolverhampton.gov.uk
Report to be/has been considered by	Housing Leadership Team	28 May 2019

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the proposal for the redevelopment of New Park Village, Ellerton Walk, to include targeted demolition and rebuild.
2. Agree to cease letting of properties within the area of Ellerton Walk proposed for redevelopment, shown on the map at Appendix 1, and the use of these for temporary accommodation as appropriate until demolition plans progress.
3. Subject to the approval of recommendation 1 above, agree to suspend the Right to Buy of Council rented properties within the area of Ellerton Walk proposed for redevelopment, shown on the map at Appendix 1.
4. Delegate authority to the Cabinet Member for City Assets and Housing in consultation with the Director of City Housing to approve the detailed development of the proposed redevelopment programme and enter into any legal agreements or funding arrangements required for the delivery of this scheme.

5. Agree the principle of buying former council properties either leasehold or freehold on the estate to assist with the redevelopment proposals, and the funding of these purchases from the Housing Revenue Account (HRA) funds identified for the Ellerton Walk redevelopment.
6. Delegate authority to the Cabinet Member for City Assets and Housing in consultation with the Director of City Housing to approve individual property purchases by the HRA in support of the redevelopment proposals.
7. Approve the making of a compulsory purchase order (CPO) under Part II, Section 17, Housing Act 1985 if acquisition is not successful through voluntary negotiations with individual home owners
8. Approve the payment of Home loss and disturbance allowance payments for residents displaced by planned demolition, as identified during the redevelopment programme, in accordance with the Land Compensation Act 1973;
9. Agree to receive further reports on the redevelopment proposals for the Ellerton Walk area, including those seeking approval of the final extent of the scheme, its cost, and the appointment of master planning architects and contractors.

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. The progress made to date on the consultation with New Park Village, Ellerton Walk Residents and the Board of the New Park Village Tenant Management Cooperative.
2. The Housing Revenue Account (HRA) Capital programme includes approved budgetary provision to fund the proposed redevelopment scheme.

1.0 Purpose

- 1.1 This report seeks to provide an update on the progress to date with New Park Village Tenant Management Cooperative, of the development of proposals for the Ellerton Walk Redevelopment Programme.
- 1.2 Also, to inform the Panel on the outcome of the residents' consultation for estate re-modelling, and to seek approval for Ellerton Walk being declared as a regeneration site, allowing the suspension of the Right to Buy for those properties identified within the redevelopment boundary.
- 1.3 The report further seeks approval for a range of recommendations that will support the delivery of estate redevelopment. This includes to:
 - cease lettings of void properties in Ellerton Walk.
 - approve Home Loss and disturbance allowances to be paid to residents affected by the Redevelopment Programme
 - seek approval for delegated authority for the purchasing of former council properties.
- 1.4 The report also seeks authority to purchase privately owned homes that form part of the redevelopment area and approve the potential to use compulsory purchase orders (CPO) to made under Part II, Section 17, Housing Act 1985, should acquisition not be successful through voluntary negotiations with individual home owners.

2.0 Background

- 2.1 Located in the Heath Town ward, the New Park Village estate is a 1960's system built estate comprising just over 400 properties providing a mix of two, three, and four bedroom houses; three and four bedroom bungalows and one, two and three bedroom maisonettes and flats. Within this estate, Ellerton Walk provides 184 maisonettes within eight linked deck-access blocks (in two lines of four blocks), each with integral garages at ground-floor level. There are 12 leaseholders within these blocks and seven freehold properties on nearby streets.
- 2.2 Since 1993, the estate has been managed by New Park Village Tenant Management Cooperative (TMC). The TMC currently manages 263 tenancies on behalf of the Council under the terms of a new modular management agreement signed in April 2019.
- 2.3 Ellerton Walk falls within the area of the Heathfield Park Neighbourhood Plan, which includes in its aims Housing and Environment, with goals being 'to support high quality affordable housing with a mix of size, type and tenure to meet local and future needs, including family homes, clean and well maintained streets and estates, and provide an overall improved and safer local environment.'
- 2.4 The Council in 2004 and in 2013 commissioned Jacobs Babbie to carry out condition surveys which involved a study being carried out on the existing conditions of Ellerton

Walk properties, walkways and environment. The concerns and defects identified were with;

- the design and condition of the existing balconies and walkways;
- some Anti-Social behaviour issues;
- fly-tipping and refuse systems;
- public perception that the Estate is un-inviting;
- issues with the glazed units.

2.5 Following consideration of the potential to refurbish the estate to address the issues identified in the surveys, a budget of £11.1 million was approved as part of the HRA capital programme. However, after further investigations it became apparent that the cost of repairs and improvements to bring the estate to modern standards, including responding to the building safety programme and statutory requirements, would be substantial. Further to more detailed review and consultation with residents to deliver aspirations for the estate, funding of £25 million was allocated. However, whilst this investment could deliver many benefits, it would not create a modern living environment and provide the standard of accommodation that the Council is able to deliver elsewhere in its stock.

2.6 Problems identified with the construction and layout of the dwellings in this part of the estate include:

Maisonettes

- Poor levels of insulation
- Inadequate levels of thermal comfort achieved by existing storage heating
- The original design creates significant practical problems should external wall insulation or new forms of heating be introduced
- Poor internal layout including a step-down into properties
- High concrete balustrades that reduce visibility and security and are an eyesore

Bungalows

- Poorly insulated
- Flat roof with poor levels of insulation
- Inefficient levels of heat produced by existing storage heating
- Internal design features a step between levels, unsuitable from an accessibility perspective

2.7 In response to this, Wolverhampton Homes initiated a study to establish the potential for redevelopment of the Ellerton Walk maisonette blocks, where most of the investment is required. This illustrated that there is potential for the estate to be reconfigured, to

demolish the failing blocks, and create new homes, increasing the number of homes overall, and delivering a better estate environment. The redevelopment can also capture some poor-quality bungalows alongside Ellerton Walk, along with the current New Park Village office and some retail units.

2.8 An indicative cost for this wider development was estimated at up to £38 million, subject to surveys, planning and procurement. The exact estate design, number of units and tenure mix, and therefore cost, of new housing would be dependent upon the housing need for the New Park Village estate and the surrounding area. However, for illustrative purposes, redevelopment could achieve over 250 new homes (a potential net gain of approximately 50 units from the current estate numbers), subject to the unit and tenure mix finally proposed.

2.9 In order to test the appetite for this approach with the local community, at the beginning of January 2019 185 questionnaires were distributed to residents of Ellerton Walk, with two options presented;

- Option one: Demolish and rebuild the Ellerton Walk maisonettes;
- Option two: Improve and refurbish Ellerton Walk maisonettes.

2.10 161 residents returned their questionnaire resulting in a return rate of 87%, of which 74.4% supported option one. The remaining 24.8% were in favour of refurbishment and 0.8% were undecided regarding the proposals. The questionnaire was also distributed to leaseholders and owner occupiers within the maisonettes, providing them with the opportunity to input into the proposed options. In response to the questionnaires, the issues raised by residents were reflective of the condition surveys undertaken by Jacobs in 2004 and 2013.

3.0 Progress

3.1 On 8 April 2019 Housing Strategy and Housing Development officers presented the findings of the resident questionnaire to New Park Village TMC board. TMC Board members accepted and welcomed the findings and agreed with the programme of work proposed to move the preferred option forward.

3.2 Subject to approval of the principle of this approach at Cabinet (Resources) Panel, the anticipated phases of the redevelopment process are set out as follows;

3.3 Information gathering phase:

- undertake further consultation exercises with the residents of New Park Village TMC affected by the redevelopment programme to ascertain their preferences for remaining on the Estate, or moving within or outside the Wolverhampton area;
- undertake a detailed household needs assessments to identify any specific housing requirements which will inform the design phase of the redevelopment programme;

- undertake freeholder and leaseholder discussions with residents and develop an offer to purchase their properties;

3.4 Cross partnership working phase:

- undertake cross partnership working with other Council departments such as Procurement, Homeless Services, Planning and Legal to fully understand the remit and implications of the scheme;
- engage with other stakeholders such as the Local Allotment Association and community groups who may have an interest or be impacted upon in the redevelopment programme;

3.5 Re-housing phase:

- a small number of affected residents have asked to be re-located within and outside of Wolverhampton so move-on support will need to be provided. Approval is requested for the payment (where applicable) of home loss/disturbance allowances and an agreed relocation expenses package to tenants who are identified as needing to move.
- subject to approval of the principle of redevelopment, lettings of vacant units will be ceased, other than for temporary accommodation.
- with some affected home owners expressing an interest to sell their property, a programme will be developed to work with those homeowners to purchase their properties through voluntary negotiation, however, it may be necessary to use compulsory purchase powers to acquire properties, subject to authority being gained.
- subject to the decision approving the redevelopment of the Ellerton Walk area, the Right To Buy will cease within the demolition and redevelopment area. This will limit the number of leaseholders or freeholders that the Council will need to buy out to deliver the scheme.

3.6 Design phase to Autumn 2020:

- establish a project structure, with a view to identify and appoint the appropriate resources needed to help deliver the programme and ensure resident consultations are undertaken;
- commission detailed surveys in preparation for demolition and draw up initial proposals for redevelopment, with the support of Property Services;
- undertake a full options appraisal and consultations with residents, planners and other key stakeholders which will run from Summer 2019 and into Spring 2020
- engage with Procurement, Architects and obtain planning approvals for the redevelopment programme which will continue until Autumn 2020;

3.7 Delivery phase, from Winter 2020:

- subject to Planning approvals, procure contractors to undertake demolition and initiate the phased delivery of newbuild homes. This will be phased over several years, in order to minimise the number of house moves residents have to make. The programme will be established once the designs have been finalised.

4.0 Community Engagement

- 4.1 All information gathered from consultation during the redevelopment programme will help inform the design of the development. The design of the new homes will help resolve existing concerns of residents such as heating, waste and refuse issues including Anti-social behaviour. Environmental improvements will be designed alongside the new homes, addressing car parking and road layout within the redevelopment area.
- 4.2 Delivering on the Council's inclusive growth agenda, the procurement of contractors will include requirements for social value outcomes. This will include monitoring of the numbers of apprentices who are able to work on the delivery of the project, work experience opportunities that can be provided, and use of local labour and supply chains to build the new homes.
- 4.3 Communications with the residents affected by the proposed redevelopment works has, to-date been undertaken through meetings and through door to door discussions as part of the estate survey process. Moving forward it is intended to issue regular newsletters to residents and local councillors, to ensure that they are well-informed about the proposals. The TMC management team are able to deal with detailed queries from residents on site and share these with council teams as required. It is also intended to establish focus groups of residents to provide a detailed review of the designs and the programme, so that full engagement is assured.

5.0 Evaluation of alternative options

5.1 Option One: Do nothing

Without some investment in improving the estate the central area of maisonettes will deteriorate further, become increasingly difficult to let, which will lead to higher void costs and a loss of rental income to the Housing Revenue Account.

5.2 Option two: Refurbishment of the maisonettes

Refurbishment of the estate has been considered and will require significant investment but will only address some of the issues identified, still leaving higher void costs and loss of rental income to the Housing Revenue Account. This option was favoured by only a quarter of residents.

5.3 Option three: Demolish the maisonette blocks and build new homes

The blocks together are made up of 182 units of accommodation with some 12 leaseholders. By demolishing the maisonettes, along with some associated low rise

housing and commercial buildings, it would enable the Council to increase the amount of social housing and improve the overall environment of the estate. This option was favoured by a majority of residents.

- 5.4 Therefore it is recommended that option three is progressed, and that Council teams including Corporate Landlord, Housing Strategy and Housing Development work in partnership with New Park Village TMC to provide the best long term solution in sustaining Ellerton Walk and provide additional housing for residents of Wolverhampton.

6.0 Reasons for decisions

- 6.1 The maisonette blocks at Ellerton Walk are in poor condition and will required substantial investment to maintain them in the long run. The condition surveys carried out by Jacobs in 2004 and 2013 identified a number of defects with the maisonettes, in particular with the inter-linking walkways where concrete is failing, and cracking of construction joints. Recent structural surveys have confirmed that these defects have deteriorated further.
- 6.2 In recent years numerous structural repairs have been carried out to mitigate the health and safety risks. But the long-term maintenance of the blocks is anticipated to be very expensive, with an estimate of £29 million to fully refurbish the blocks, which would still not eliminate all of the issues and would not create the modern quality of accommodation that the city wants to provide for its tenants.
- 6.3 Given the scale of investment required just to maintain and improve the blocks, it is evident that greater benefits can be achieved through wholesale redevelopment of the estate, with a potential increase in unit numbers and better quality of homes and environment at the end. Dependent on unit numbers, a further £10 million is estimated to deliver a scheme of demolition and newbuild, subject to detailed surveys and design.

7.0 Financial implications

- 7.1 An HRA capital budget will be required to regenerate the New Park village estate. The HRA Capital programme approved by Cabinet 23 January 2019 as part of the HRA Business Plan, Rents and Service Charges 2019-2020 report includes sufficient funding provision for the scheme; including £11.0 million that was originally set-aside for the refurbishment of the Ellerton Walk maisonette blocks over three years. There is also £25 million approved for Estate re-modelling and £60 million in the New Build budget set aside for future schemes.
- 7.2 The full costs of project management, design, decanting, demolition and construction will be drawn out in more detail as part of the option appraisal and project development stage and reported in further detail in future Cabinet reports. These costs will include any payments relating to Home Loss/disturbance and any negotiated settlement to owners during the redevelopment programme.

[JM/14052019/B]

8.0 Legal implications

- 8.1 Section 183 Housing Act 2004 operates to insert provisions into the Housing Act 1985 dealing with the suspension of the right to buy where the Council intends to demolish. Section 138A of the Housing Act 1985 states that where an 'initial demolition notice' is served on a secure tenant, the landlord is no longer bound to complete a right to buy transaction for so long as the notice remains in force. This can be up to seven years. Section 138B of the Housing Act 1985 provides for a 'final demolition notice'. At this stage, the Council can refuse to accept new right to buy applications on subject properties. Section 183C provides for compensation to be paid where a secure tenant has sought to exercise the right to buy and either an initial or final notice has been served.
- 8.2 Full legal advice will be sought through the implementation and delivery of the proposals and will be reported in the next Cabinet report which will need to be considered.
[DC/1505209/Z]

9.0 Equalities implications

- 9.1 An equalities impact assessment has been completed in conjunction with the equalities team.
- 9.2 From the assessment it was identified that appropriate steps needed to be taken to ensure that the programme does not adversely impact any of the current residents and wider community.

10.0 Environmental implications

- 10.1 There are some implications for Environmental impact, mainly relating to increased work traffic, possible short-term car parking issues for the tenants and the School located near to the development. However, the proposal being submitted will contribute to the improvement of tenants living conditions, environment and the redevelopment of New Park Village Estate.
- 10.2 There will be consideration for landscaping within the area, including usage and possible improvements of the allotment space. However, this will not be known until the design phase of the programme.

11.0 Human resources implications

- 11.1 There will be some Human Resource implications, due to requiring the appointment of a Project Manager led by the Housing Development team.

12.0 Corporate landlord implications

- 12.1 There are no Corporate Landlord implications, the redevelopment programme will be funded using the allocated funds identified within the Housing Revenue Account.

13.0 Health and Wellbeing Implications

- 13.1 There have been previous reports carried out by external organisations in 2004 and 2013, highlighting the condition of the current properties. Providing new housing will improve residents' well-being, reduce isolation and increase community cohesion through better design and usage of amenity space and reduced Anti-social behaviour.

14.0 Schedule of background papers

- 14.1 HRA Capital Programme - Cabinet 23 January 2019.

15.0 Appendices

- 15.1 Appendix 1: New Park Village Redevelopment Programme Estate map