

Cabinet (Resources) Panel

15 November 2023

Report title	5 – 11 Gough Avenue, Wednesfield – property condition and future options.	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Steve Evans Deputy Leader: City Housing	
Key decision	Yes	
In forward plan	Yes	
Wards affected	Fallings Park	
Accountable Director	John Roseblade, Director of Resident Services	
Originating service	City Housing	
Accountable employee	Karen Beasley Tel Email	Head of Housing Development 01902 554893 Karen.beasley@wolverhampton.gov.uk
Report to be/has been considered by	Resident Services Leadership Team Cabinet Member Briefing – City Housing	24 October 2023 3 November 2023

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the rehousing of the tenant at 7 Gough Avenue and award priority status Band One to assist with rehousing timescales.
2. Award statutory Home Loss compensation and Disturbance payments to the tenants of 7 and 9 Gough Avenue in line with Land Compensation Act 1973 and agree to pay 25% in advance, once alternative suitable accommodation is offered and accepted, if required.
3. Seek approval to enter into negotiations to acquire the privately owned property at 5 Gough Avenue.
4. Delegate authority to the Deputy Leader: City Housing in consultation with the Director of Resident Services to agree the expenditure on the purchase of 5 Gough Avenue.

5. Declare the council owned properties at 7, 9 and 11 Gough Avenue surplus to requirements.
6. Approve the demolition of 5, 7, 9 and 11 Gough Avenue when 5 Gough Avenue is within council ownership.

Recommendation for noting:

The Cabinet (Resources) Panel is asked to note:

1. The findings on the structural condition and ground investigation report for 9 and 11 Gough Avenue, Wednesfield.

1.0 Purpose

- 1.1 To report the findings of the structural condition and ground condition of 9 and 11 Gough Avenue, Wednesfield; two of the four terraced properties within Fallings Park ward.
- 1.2 To approve the recommended option as outlined in paragraph 4.0.
- 1.3 To rehouse the tenant at 7 Gough Avenue and award priority status Band One to ensure alternative accommodation is sought to meet the needs of the household.
- 1.4 To award statutory Home Loss compensation and Disturbance payments to the tenants of 7 and 9 Gough Avenue in line with Land Compensation Act 1973.
- 1.5 To seek approval to enter into negotiations to acquire the privately owned property at 5 Gough Avenue.
- 1.6 To approve delegated authority to the Cabinet Member for City Housing in conjunction with the Director of Resident Services on the expenditure for the acquisition of 5 Gough Avenue when the negotiations have concluded.
- 1.7 Declare the council owned properties at 7, 9 and 11 Gough Avenue surplus to requirements.
- 1.8 Approve the demolition of 5, 7, 9 and 11 Gough Avenue when 5 Gough Avenue is within council ownership following the negotiations.

2.0 Background

- 2.1 5 – 11 Gough Avenue, Wednesfield are four, three bedroomed terraced properties built in 1954 as shown in Appendix 1. They are of a Smith non-traditional construction design. The Smith type properties were designated defective under the Housing Defects (Smith (BSC) Prefabricated Dwellings) Designation 1986.
- 2.2 The council owns around 200 Smith type properties and through Wolverhampton Homes is carrying out detailed investigation to determine a repair solution if this is believed to be viable for this type of property. A further report will be presented to determine the best way forward.

2.3 Property Details

- 5 Gough Avenue was sold through the Right to Buy in 2004, the original purchaser remains in occupation as indicated by the hatched area on Appendix 1.
- 7, 9 and 11 Gough Avenue are council owned as indicated green on Appendix 1.
- 7 Gough Avenue has been tenanted since February 1993 and the tenant remains in occupation.

- 9 Gough Avenue is void. The tenant has been temporarily decanted since February 2023
- 11 Gough Avenue became void in May 2021.

- 2.4 During the void property inspection at 11 Gough Avenue in May 2021, it was noted the floors on both the ground and first floor had significantly settled, pitching towards the party wall adjoining the adjacent property (9 Gough Avenue). It was also falling towards the rear elevation.
- 2.5 A property inspection was immediately carried out to 9 Gough Avenue, and it was discovered this also showed signs of severe settlement towards the same party wall adjoining the adjacent property (11 Gough Avenue).
- 2.6 A ground investigation report was commissioned, and full report received in October 2021 from Ground Investigation and Piling Limited (GIP), specialists in such surveys and investigations, to determine the extent of the settlement to 9 and 11 Gough Avenue. A number of inspections, sampling, testing and monitoring was carried out to both properties.

3.0 Progress

Ground Investigation summary

- 3.1 The 2021 GIP report identified through historical Ordnance Survey extracts of the area dated between 1886 and 1924, the site was previously part of a larger agricultural field with surface water pond through the central area. In the 1946 Ordnance Survey edition it appears to record the expansion of this pond beneath much of the site. The 1956 edition shows the development of residential properties on this site. Appendix 2 shows properties 9 and 11 Gough Avenue and the location of the surface water pond.
- 3.2 The pond deposits shown on the historical plans to extend to anticipated depths of in excess of approx. 2.8m depth, consisting of soft to very soft organic clays with a high-water content. The existing building foundations appear to be a lightly reinforced 200mm thickness concrete slabs founded on mass fill concrete to a depth of up to 1.35m below ground level. The formation was partially firm natural clay outside of the former pond, or where the pond was shallower, and partially on soft organic clays over the deeper sections of the pond, which approximately coincides with the location of the party wall between Nos 9 and 11. A void was observed beneath the floor slab in a number of the core holes.
- 3.3 On inspection of the internal areas of number 9 and 11, it was noted that the party wall which is located directly over the deeper section of the historic pool has significantly settled probably over a long number of years as it is evident that windows and doors have been fitted out of level to compensate for the deviations.
- 3.4 There are no signs of structural defects or any concerns relating to 7 Gough Avenue during visual and level inspections.

- 3.5 There could be a potential solution to address the ground conditions using a method such as Geobear Power Pile Geopolymer Pillar (GPPGP) system, which has an expandable casing for this type of very soft organic clay ground and works carried out to beneath the internal and external affected areas of the buildings, including the foundations and floor slabs. There would also need to be ground gas protection incorporated in the floor slab, but it should be noted that it would not be possible to fully prevent gas migration through vertical pathways within the existing walls, and a positive gas extraction system may be required, either installed beneath or within the buildings.
- 3.6 The full remedial works including the GPPGP system, new floors on ground and first floor, associated works such as bathrooms and kitchens is likely to be in the region of £180,000-£200,000 for both properties, however, the long-term effectiveness of this solution may not be guaranteed past ten years.
- 3.7 The owner occupier at 5 Gough Avenue is extremely concerned about the current situation relating to the future of 9 and 11 Gough Avenue and the impact on the remaining two properties in the block of four terraced properties. Colleagues at Wolverhampton Homes, officers from the City Council and local Ward Members are all in regular contact with the property owner to ensure updates and approximate timescales are provided until a decision is approved.

4.0 Proposed Option

- 4.1 The most appropriate option recommended is to rehouse the tenant at 7 Gough Avenue and begin negotiations to acquire 5 Gough Avenue (private property). This will provide full vacant possession of all four properties i.e., 5, 7, 9 and 11 Gough Avenue and allow the properties to be demolished.
- 4.2 The Council would need to begin negotiations to acquire the privately owned property (5 Gough Avenue) with the current owner. As part of the option appraisal, a market valuation is being carried out by an independent surveyor on behalf of the Council. This report requests approval to provide delegated authority to the Deputy Director: City Housing in consultation with the Director of Resident Services to agree the expenditure on the purchase of 5 Gough Avenue following a period of negotiations.
- 4.3. There will be a requirement for sensitive discussions with the tenant at 7 Gough Avenue in order to discuss their rehousing options and support provided in finding alternative accommodation. In order to prioritise rehousing, it is recommended to award Band One priority status. They will be entitled to claim the statutory home loss compensation and disturbance payments as described by the Land Compensation Act 1973 (currently set at £8,100 as at 1/10/2023). Approval is also required to pay 25% in advance, once suitable alternative accommodation is offered and accepted.
- 4.4 Discussions will be held with the tenant of 9 Gough Avenue to determine whether they wish to remain in the decant property. As the occupation has been for more than six months, the current Decant Policy provides the approval to offer the tenancy as a secure

tenancy and permanent home if the tenant wishes to do so. Should the tenant request alternative accommodation, they would be entitled to Band One priority status on the Council's waiting list and also claim the statutory home loss compensation and disturbance payments as described by the Land Compensation Act 1973 (currently set at £8,100 as at 1/10/2023). Approval is also required to pay 25% in advance, once any suitable alternative accommodation is offered and accepted.

- 4.5 It is important to note that the demolition of the four properties could impact on the adjacent properties (3 and 13 Gough Avenue) due to shared party wall on the side verandas of each property. 3 Gough Avenue is council owned but a full condition survey will be carried out to 13 Gough Avenue as required under the Party Wall Act 1996, prior to the demolition.

5.0 Future use of land

- 5.1 Following the demolition of the properties, the site could be considered for redevelopment but would require appropriate ground remediation/piling solutions. The site could bring forward around four/five new, more modern, energy efficient homes subject to necessary surveys, designs and required budget approvals. A further report will be brought to a future meeting when the proposal is developed further.

6.0 Evaluation of alternative options

- 6.1 Option One – Do nothing.

The void properties, 9 and 11 Gough Avenue, will remain empty properties and be managed by Wolverhampton Homes to ensure they remain secure and garden areas clean and tidy. There will need to be regular monitoring of 7 Gough Avenue to ensure the property condition remains the same and there are no signs of any structural defects. This option would leave two void properties in council stock that will require management in terms of security and grounds maintenance. There will be ongoing rental loss and ground maintenance liabilities.

- 6.2 Option Two – Retain and repair 9 and 11 Gough Avenue.

The cost of a full remedial works as outlined in paragraphs 3.5 and 3.6 is not value for money as it is unlikely this will provide a long-term solution beyond 10 years.

- 6.3 Option 3 – Disposal of council owned assets at auction

This option would bring forward a capital receipt for the Council, it is likely the properties would have a low market value due to the current condition and being designated defective dwelling status. The properties could be purchased by an investment buyer who may or may not carry out required repairs to ensure the property is in a good condition to let on the private rental market.

This option could potentially transfer two structurally defective properties into the private rental market with no guarantee the properties will be repaired due to the cost and could lead to private tenants living in poor quality structurally defective homes.

6.4 Option 4 - Partial demolition of terraced block

This option considers the demolition of just two of the properties - 9 & 11 Gough Avenue, however, the construction of the properties is such that the first-floor party wall between 7 and 9 sits midway above the ground floor passageway in the middle of the block. The demolition of these properties would have an impact on the adjoining property (7 Gough Avenue) and if that property was included in the demolition programme, it would then impact in the same way to end terrace property (5 Gough Avenue).

In addition, due to the properties being a Smith non-traditional construction (pre-cast reinforced concrete (PRC) frame/concrete panel construction) they do not allow any possibility of partial demolition.

This property construction type and method does not allow for the demolition of half of the terraced block.

7.0 Reasons for decision

7.1 The recommended option as outlined in paragraph 4.0 will alleviate the issue of two void structurally defective properties remaining empty as they are not financially viable to repair or able to be demolished due to type and method of constructed/links to adjoining terraced property.

7.2 The demolition of the four properties will bring forward a potential development site for the delivery of new, more modern homes, following ground remediation works.

7.3 A further report will be presented on the development potential of this site.

8.0 Financial implications

8.1 The cost of the demolition of the properties is estimated to be around £50,000 and will be met from the Housing Revenue Account (HRA) Structural Repairs budget managed by Wolverhampton Homes.

8.2 The cost of the Home Loss and Disturbance payment will be met from the HRA revenue budget.

8.3 The acquisition cost of the privately owned property will be considered in a further report under the delegated authority this report is recommending.
[JM/18102023/D]

9.0 Legal implications

9.1 Part III of the Land Compensation Act 1973 sets out that a person who has been occupying a dwelling as their only or main residence for a period of 1 year, is entitled to a home loss payment where they are permanently displaced from their dwelling, including where an order for possession on ground 10 of Schedule 2 to the Housing Act 1985 is made i.e. where the Council intends, within a reasonable time of obtaining possession of the dwelling, to demolish or reconstruct the dwelling, but cannot reasonably do so without obtaining possession of the dwelling-house. A possession order can only be made

where suitable alternative accommodation is available. The compensation figure payable is £8,100. No home loss payment or discretionary payment shall be made until the person makes a claim (which can be made within 6 years of the date of displacement) – payment should be made on or before the latest of the date of displacement, or three months from the person making a claim. The person displaced may also be entitled to “disturbance payments” for their reasonable expenses of moving from the dwelling. Even if there is no entitlement, the Council has the discretion to make a disturbance payment.

9.2 Any rehousing of the tenant and allocation of bands must be carried out in accordance with the Allocations Policy.

9.3 Any negotiations and subsequent acquisition of Gough Avenue must be carried out in accordance with the Constitution and Contract Procedure Rules.
[CS/16102923/1]

10.0 Equalities implications

10.1 The properties referred to in this report have been recommended for demolition due to the structural condition. The tenants referred to in this report will be required to be rehoused and alternative suitable accommodation will be identified through the Choice Based Lettings Scheme and will meet the housing needs of the household.

11.0 All other implications

11.1 The demolition of these properties will be managed through an approved demolition contractor with due regard to waste disposal and recycling of any arisings. Once the properties are demolished, further ground investigations will be carried out prior to re-development to develop a ground remediation strategy to rectify the poor ground conditions.

11.2 There is potential for any new homes developed on this site to be installed with digital technology and innovative solutions to support modern living.

11.3 There are no direct Corporate Landlord implications as the properties are within the Housing Revenue Account portfolio, however, asset acquisition advice may be taken during the negotiation period for the privately owned property.

11.4 The health and wellbeing of residents whether tenants or owner occupiers is a priority and where residents are living in structurally defective properties it could have an impact on their health. The relocation of the remaining occupants will provide them with a better condition home.

12.0 Appendices

12.1 Appendix 1: Red Line Plan 5 – 11 Gough Avenue

12.2 Appendix 2: 1946 OS Plan