

Report title	Citywide Non-traditional Property Investment and Regeneration Programme – Procurement of contractor and progress update.	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Bhupinder Gakhal City Assets and Housing	
Key decision	Yes	
In forward plan	Yes	
Wards affected	Bilston East, Bilston North, Bushbury North, Bushbury South & Low Hill, Fallings Park, Merryhill, Oxley, Wednesfield North	
Accountable Director	John Roseblade – Director of City Housing and Environment	
Originating service	Housing	
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Report to be/has been considered by	City Housing & Environment Leadership Team	1 November 2022
	Cabinet Member for City Assets and Housing	2 November 2022

Recommendations for decision:

The Cabinet is recommended to:

1. To approve a budget of £25.0 million for the redevelopment of the Tarran Bungalow estates as Phase One of the Non-Traditional Property Re-development project.
2. To authorise the procurement to appoint a contractor to deliver the proposals for Phase One of the Non-Traditional Property Re-development Project, as outlined in paragraph 3.3.

3. Delegate authority to the Cabinet Member for City Assets and Housing in consultation with Director of City Housing and Environment to appoint the most appropriate contractor for Phase One of the Non-Traditional Property Re-development Project following the completion of the procurement exercise.
4. Receive further reports on the future phase of the regeneration proposals for non-traditional properties.
5. Approve holding any new non-traditional void properties which are included in the investment programme to allow investigation surveys to be undertaken to support the design options for decarbonisation.
6. Receive further reports on the progress made on the future phases within the investment programme to deliver improvements to the remaining non-traditional properties.

Recommendations for noting:

The Cabinet is asked to note:

1. The progress made on delivering the re-development proposals for the Tarran bungalow (prefabs) estates (Phase One).
2. The progress made regarding customer engagement for the Tarran bungalow estates (Phase One) across the city.
3. The progress made on delivering the phased investment programme to improve the condition of non-traditional properties owned by the Council throughout the city.

1.0 Purpose

- 1.1 To provide Cabinet with an update on the progress being made with Phase One of the re-development proposals for the estates with Tarran bungalows (prefabs).
- 1.2 To note the progress of the customer engagement for the estates with Tarran bungalows (Phase One) across the city.
- 1.3 To seek approval to procure a contractor to deliver the proposals for the Phase One Re-Development Area, as outlined in paragraph 3.3.
- 1.4 To provide delegated authority to the Cabinet Member for City Assets and Housing in consultation with Director of City Housing and Environment to appoint the most appropriate contractor following the completion of the requisite procurement.
- 1.5 To inform Cabinet on the progress made on delivering the phased investment programme to improve the condition of non-traditional properties owned by the Council throughout the city.
- 1.6 To approve holding, for a short period, any new non-traditional void properties where future investment is planned to allow intrusive investigation surveys to be undertaken to assist with developing design options for decarbonisation.
- 1.7 To agree to receive further reports on the progress made on the future phases within the investment programme to deliver improvements to the remaining non-traditional properties and the regeneration proposals for those non-traditional properties that are no longer suitable for further investment.

2.0 Background

- 2.1 In June 2021, a report to Cabinet provided an overview of the findings from detailed visual surveys carried out by specialist structural engineers to circa 4,000 council-owned non-traditional properties, to assess their condition. These surveys were then followed by more comprehensive intrusive investigations to a proportion of these dwellings (approximately ten percent), which included chemical analysis of the structural concrete.
- 2.2 Approval was duly given to commence a phased investment programme for those properties deemed suitable for long-term investment, subject to a further report regarding the investment required to complete this programme.
- 2.3 Cabinet also gave approval for a phased regeneration programme for those properties where investment is no longer viable. Delegated authority was also given to purchase privately owned non-traditional properties to assist with the regeneration programme, if required. The first phase (Phase One) would commence with the three estates of Tarran bungalows (prefabs) across the city.
- 2.4 Approval was given to commence consultation with residents in the first phase of the regeneration programme, to cease letting Tarran properties, to rehouse affected tenants and award Home Loss and Disturbance payments. Further approval was given to suspend Right to Buy applications following the serving of an Initial Demolition Notice.

- 2.5 A £2.0 million project budget for Phase One of the regeneration programme was also approved to fund Homeloss and disturbance payments for tenants within Phase One of the regeneration programme and for the potential purchase of any privately owned Tarran properties across the estate, if required.

3.0 Progress

Regeneration programme – re-development proposals.

- 3.1 Proposals for the redevelopment of the Tarran bungalow estates will consider the option of Modern Methods of Construction. The current site layout for each of the estates provides detached bungalows which can be demolished and removed from site allowing for groundworks to be facilitated as soon as each property is cleared without having to rely on large clusters of properties needing to be demolished to free up areas of land before any works can commence. The proposal allows for offsite modules to be developed within factory conditions and delivered to site fully complete or panelised and constructed on site, reducing the overall programme timescales and disruption to the occupied properties, including owner occupiers.

Regeneration programme – procurement of contractor.

- 3.2 An early engagement exercise with Offsite Manufacturers has seen an appetite for the delivery of the redevelopment works across all sites through Modern Methods of Construction.
- 3.3 This report seeks approval to commence the procurement of a suitable contractor, through a competitive exercise to identify a suitable contractor to deliver a full turnkey solution on an open market design and build basis.
- 3.4 Once tenders are returned, a full evaluation process will take place and this report seeks delegated authority to the Cabinet Member for City Assets and Housing in consultation with Director of City Housing and Environment to appoint the most appropriate contractor.

Regeneration programme – resident engagement.

- 3.5 Initial resident engagement commenced in July for the Tarran bungalows in Bushbury. Each resident received a letter informing them of the decision to redevelop the site and invited residents to several open days which were held on the estate. These open days enabled residents to discuss the redevelopment, the outline proposals for replacement properties and to establish the impact the programme of work would have on the residents.
- 3.6 Residents of the Tarran bungalows within Wednesfield and Portobello received the same level of consultation during August.
- 3.7 Following the initial engagement, further communication has been shared with owner occupiers across the three sites and a 'Frequently Asked Questions' document developed following the discussions held and has been issued to all residents.

- 3.8 Individual bespoke home visits are now being carried out to gather relevant data such as residents housing needs and requirements, to assist with developing the demolition, decanting and redevelopment programme for each site.

Investment programme – Design work.

- 3.9 The non-traditional properties' improvement programme is focused on eleven non-traditional archetypes, namely Cornish, Orlit, Smith, Wimpey No-Fines, Dennis-Wild, BISF, Bryants (System-2), Frameform, MacTrad, Arcon and MHC. The Smith properties were initially identified for demolition but following further investigation a suitable structural repair solution has now been identified.
- 3.10 These archetypes have variants within them, such as differences in the construction system (e.g., Cornish Type-1 and Cornish Type-2), or the property type (e.g., there are no-fines flats and houses). Consequently, to ensure there was a reasonable cross-section, 102 specialist surveys (known as retrofit assessments) have been undertaken.
- 3.11 The survey process has included digital scanning, which along with the retrofit assessments provides all the information needed to complete energy modelling and the digital design process (referred to as Building Information Modelling or BIM). This will enable innovative retrofit design solutions to be created for each of the non-traditional archetypes, which will improve the Energy Performance Certificate (EPC) ratings of the properties through a range of measures including External Wall Insulation, new windows, and the use of renewable technologies.
- 3.12 Further structural surveys are being undertaken to identify the appropriate solutions to repair / protect the structure and external envelope of each of the archetypes.
- 3.13 To assist with maximising the design opportunities for building in decarbonisation elements into the properties within the investment programme, it will be required to carry out intrusive surveys to identify repair solutions required as well as working toward a net zero solution.
- 3.14 This report requests approval to hold any non-traditional void properties that are archetypes from Tranches One & Two as below are held for a period of time to enable further survey work to be undertaken to avoid disruption to tenanted properties.

Investment programme – Proposed programme.

- 3.15 The non-traditional properties that are being retained, and where future investment is planned, fall into three distinct tranches.
- 3.16 The first tranche is comprised of the non-traditional properties with the worst energy performance and are primarily the concrete and steel-framed systems.
- 3.17 The second tranche is comprised of the non-traditional properties with poor energy performance, where timber-framed systems were finished externally with various forms of proprietary cladding materials (such as hanging tiles).

- 3.18 The third tranche comprises of those non-traditional properties that have been previously improved to a good standard, so already meet the minimum standard of an EPC 'C' rating.

Tranche One (1,310 properties)

Cornish
Orlit
Smith
Wimpey no-fines
Dennis-Wild
BISF (Merry Hill only)
Bryants System-2 and Frameform (cross-wall construction)
MacTrad

Tranche Two (approx. 600 properties)

MHC (finished with tile / timber cladding)
Miscellaneous timber frame (finished with tile / timber cladding)

Tranche 3 (approximately 1,120 properties)

BISF (Bushbury North); clad in cavity brickwork
Arcon; clad in cavity brickwork
MHC (finished with brickwork)
Miscellaneous timber frame (finished with brickwork)

- 3.19 Wolverhampton Homes in conjunction with the Council are currently preparing a bid submission for Social Housing Decarbonisation Fund (SHDF) - Wave 2.1. If this bid is successful, it will allow the retrofit and improvement to be delivered to archetypes identified within Phase-1 over the next two years. The grant award will enable this phase of the investment programme to be delivered at a reduced cost. Should the funding application not be successful, the investment programme will be delivered over a longer period.
- 3.20 The funding bid is being prepared by Wolverhampton Homes in conjunction with the Council's strategic construction partners; Wates Living Space and United Living, who have successfully delivered projects through Wave 1 of the SHDF project.

Investment programme – development of budget requirements

- 3.21 The budget requirements for the investment programme are currently being developed to support the submission of the Social Housing Decarbonisation Fund – Wave 2.1 bid. A more detailed investment programme will be presented in a further report as part of the HRA Business Plan 2023/2024 once design solutions and costs have been assessed.

4.0 Evaluation of alternative options

- 4.1 **Option One: Do nothing** - The non-traditional properties require investment or have been recommended for demolition. The current condition of some of the properties will

continue to deteriorate and the health and wellbeing of the tenants will be affected. There could be claims submitted under the Landlord and Tenant Act 1985 as the properties remain unimproved or not demolished.

- 4.2 **Option Two: Ad-hoc demolition only** - A programme could be developed to demolish recommended non-traditional properties as and when they become void. This would extend the programme by some considerable time and would mean that properties would be vacant for potentially years until the adjoining property/properties became void. This would further increase the maintenance responsibilities as properties will require additional security measures and removal of fly tipping and potentially attract anti-social behaviour. The vacant properties would be a blight for the remaining residents living on the estates.
- 4.3 **Option Three: Minimal investment to remaining stock** - The condition of some of the non-traditional properties recommended to be retained and improved will further decline over a number of years, if a programme of investment works is not approved. Again, there could be claims submitted under the Landlord and Tenant Act 1985 for those properties unimproved.

5.0 Reasons for decision(s)

- 5.1 **Regeneration Programme** - The properties recommended for demolition are beyond repair and investment is not a viable option. The structural condition of the properties is deteriorating, and they have reached the end of their lifetime
- 5.2 **Investment Programme** - The investment works proposed will deliver much needed improvements to non-traditional homes and the scope of works will involve structural repairs and improvements to the external envelope such as external wall insulation, new windows, and roof covering, to improve the thermal efficiency of the homes, and these measures are likely to be supported by SHDF Wave 2 funding.

6.0 Financial implications

- 6.1 The Cabinet report of 16 June 2021 approved an initial £2 million project budget to fund Homeloss and disturbance payments. Phase One of the redevelopment of the Tarran bungalows is anticipated to cost around £25.0 million and will be funded from the medium term HRA capital programme budget provision for estate remodelling. This budget provision totals £38.0 million with £11.0 million being allocated to the demolition and planning stage of the redevelopment of New Park Village as part of the Capital Monitoring report Q2.
- 6.2 The HRA Business plan, Rents and Service Charge report 2023-2024 that will be presented to cabinet in January 2023 will incorporate a revised HRA capital programme and address further budget requirements for estate remodelling.

[JM/27102023/H]

7.0 Legal implications

- 7.1 The Council has fiduciary duties amongst other statutory duties to act in the best interest of its local rate payers, which must a consideration in determining the recommendations set out in this report
- 7.2 As detailed in the body of the report, subject to approval, the Council will need to undertake a procurement exercise, legal advice should be obtained from the Council's Legal Services team in this regard to ensure compliance with the relevant laws together with the Council's constitution in relation to this matter.
[JA/28102022/F]

8.0 Equalities implications

- 8.1 An equalities impact assessment has been completed in conjunction with the equalities team.
- 8.2 From the assessment it was identified that appropriate steps needed to be taken to ensure the programme does not adversely impact on the current residents and wider communities.

9.0 All other implications

- 9.1 The regeneration programme will have some implications for the environment during the phased demolition. There will be short periods of demolition work, but demolition contractor will be required to work to strict Health and Safety guidelines in terms of dust suppression, noise reduction and works traffic control.
- 9.2 However, the future redevelopment programme will bring forward newbuild homes that will meet all modern standards for sustainability and will help reduce carbon emissions in the city.
- 9.3 There will be some Human Resource implications due to the need to appoint a Project Manager and support team withing the City Housing Team.
- 9.4 There are no Corporate Landlord implications, the investment and regeneration programme will be funded using the allocated funds identified within the Housing Revenue Account.
- 9.5 The condition of the structurally defective non-traditional properties is bringing issues for tenants in terms of energy consumption. The properties are very poorly insulated, and it is therefore costly to maintain a reasonable level of heat within the properties. The regeneration programme will bring forward the development of energy efficient properties which will help address fuel poverty for residents who are currently living in these properties across the city.

9.6 The outbreak of Coronavirus (COVID-19) declared by the World Health Organisation as a 'Global Pandemic' in March 2020 has had worldwide impacts. Consideration needs to be given to ongoing resident consultation and how and where this is conducted. As there is a current rise in positive Covid case, it may be necessary to carry out consultation in several ways such as contacting tenants via personal mobiles, email, and utilising Microsoft Teams, rather than holding public meetings and events.

10.0 Schedule of background papers

10.1 Cabinet report 16 June 2021 – [Citywide Non-traditional Property Investment and Regeneration Programme](#).