

Scrutiny Board:	Safer Neighbourhoods and Active Communities Scrutiny Board
Report Title	Council House New-Build and Acquisitions Programme
Date of Meeting	3 July 2025
Report Author	Alan Martin - Business Manager Housing Partnerships
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Wards Affected	All wards

1. Executive Summary

- 1.1 In 2014 Cabinet approved the revised strategic plan for the delivery of housing in the borough. This authorised officers to undertake several actions in relation to the future of housing in Sandwell. Of relevance to this report, are the recommendations to progress proposals in relation to building new council homes, buying 'off plan', identifying existing council owned sites and premises suitable for conversion to residential use, exploring the designation of a Housing Zone and other ways to assist developers to bring sites forward, exploring the purpose and viability to develop a self-financing vehicle and exploring the viability and potential for building new housing through a Partnership.
- 1.2 This report provides an overview of activities in relation to the above – several of which have been subject to further Cabinet approvals, a review of work to date on the council house build programme, the process that programme follows and highlights proposed next steps for the council house build programme at a strategic level.

2. Recommendations

The Committee is recommended to:

- 2.1 Consider and comment upon the Council House New-Build and Acquisitions Programme.

3. Proposals – Reasons for the recommendations

3.1 National Context

- 3.2 Government aims to deliver 1.5 million net additional dwellings in England alone by August 2029, coinciding with the end of the current Parliament. This

figure refers to the net increase in housing stock, not just new starts, but includes conversions and demolitions offset.

- 3.3 To support the delivery of the target, the government has taken steps such as mandating local housing targets via the National Planning Policy Framework (NPPF), introducing the concept of 'grey' belt-and taking steps to speed up the planning system.
- 3.4 On 11 June 2025, as part of the Spending Review, Government announced a 10-year £39 billion affordable and social housing programme. More granular implementation documents, detailing exact grant allocations, delivery targets and application processes for the full 10-year horizon-are expected to be published later this year.

3.5 Sandwell's Housing Supply

- 3.6 The Census indicates that there were 134,758 dwellings in Sandwell in 2021. The number of dwellings in the Borough grew by 6.0% between 2011 and 2021 (some 7,686 dwellings). This growth is lower than that recorded regionally (the number of dwellings grew by 7.3% across the West Midlands between 2011 and 2021) and nationally (growth in dwellings of 8.5% over the same time period) *.
- 3.7 In relation to the tenure of households in Sandwell in 2021 the data indicates that 27.6% of households in the Borough are owner-occupiers without a mortgage, owner-occupiers with a mortgage in Sandwell equates to 26.2%. The proportion of households in shared ownership accommodation (at 0.5%) is lower than the regional and national equivalents (0.8% and 1.0% respectively). Some 26.6% of households are resident in the Social Rented sector, notably higher than the figure for the West Midlands (18.2%) and England (17.1%). Finally, some 19.2% of households in Sandwell live in private rented accommodation, compared to 18.1% in the West Midlands and 20.6% in England*.
- 3.8 The council is preparing a new Local Plan for Sandwell. Once adopted, the Sandwell Local Plan will replace all current development plan documents and will provide the framework for the long-term planning of the borough until 2041.
- 3.9 The Local Plan and supporting information were submitted to the Secretary of State for examination on 11 December 2024. The Examination in Public is due to commence in July 2025.

** – Sandwell Housing Market Assessment Update (Second Draft) August 2024.*

- 3.10 The submission version of the Local Plan identifies land for 10,434 homes over the period 2024-2041. Housing need in Sandwell is estimated at 26,350 new homes over the plan period (calculated using the Governments' standard method). This equates to a shortfall of land to deliver 15,916 homes. Officers are working with neighbouring authorities under the Duty to Cooperate to understand how the shortfall can be offset.
- 3.11 The Sandwell Housing Market Assessment Update (August, 2024) identifies the tenure profile required by households in Sandwell by 2041 in comparison

to the existing tenure profile at 2024. The data indicates that in terms of need 54.9% of new housing in Sandwell should be owner-occupied, 19.8% private rented, 7.8% should be Shared Ownership and 17.5% Social Rent/Affordable Rent.

- 3.12 This report focuses on the provision of more social/ affordable housing via direct interventions the council can take to increase council house stock.

Key Issue for Housing development in Sandwell

- 3.13 **Land:** Sandwell has a finite supply of land readily available for development; it is very unlikely that additional land to help meet housing need will be found within Sandwell itself. In part, this is due to a reduction in the supply of vacant brownfield / industrial / employment sites which were expected to become available but will now be retained for employment uses.
- 3.14 **Delivery:** Practical delivery is a challenge due to economic uncertainty, long lead in times due to land contamination and the need to secure funding to support viability, and fragmented land ownership or landowners with inflated expectations around land value.
- 3.15 **Viability:** Many sites are not viable for development requiring grant funding which elongates the lead in times for developer and creates additional risks.
- 3.16 **S.106 Housing:** Poor viability within housing schemes sometimes results in schemes coming forward with limited or no affordable housing provision. This approach is in line with government guidance on securing affordable housing as part of the planning process.

Progress to Date

- 3.17 The council has made significant progress since the Changing Housing Landscape report in 2014. This section will review progress against each heading.

3 Building new council homes

- 3.18 The council house build programme has delivered a total of 573 homes since the inception of the programme in 2015 (2 units are High Rise at Thorne Close).

- 3.19 The build rate per annum is as follows.

Year	No. of Units Delivered	Comments
2015/16	4	
2016/17	25	
2017/18	72	
2018/19	113	
2019/20	45	
2020/21	95	
2021/22	111	
2022/23	47	
2023/24	15	
2024/25	14	(12 if excluding high-rise)
2025/26	32	
TOTAL	573	571 (excluding high-rise)

Purchasing 'off plan',

- 3.20 39 new homes have been purchased off plan and are incorporated into the HRA Stock from the Brindley II site in Smethwick.
- 3.21 The early off-plan purchase of homes at the Brindley II development in Smethwick played a critical role in enabling the wider housing scheme to progress. The developer had been unable to secure a Registered Provider to manage the affordable housing element of the scheme, which was a key requirement linked to grant funding. The commitment to purchase off-plan provided the necessary confidence and financial support to move the project forward in the absence of a Registered Provider, thereby helping to unblock the scheme.
- 3.22 The council's approach to off-plan purchasing has been deliberately limited, as Registered Providers typically work directly with housebuilders to acquire and manage affordable housing on development sites where there is a Section 106 requirement. Council intervention has only taken place where this model has not been deliverable and where the council's involvement was necessary to unlock or support the delivery of a scheme. This targeted approach ensures that the council does not compete with Registered Providers and focuses its resources on sites affected by an element of market failure.
- 3.23 There is an opportunity to explore the off-plan purchase of houses for council rent on larger development sites where a policy-compliant affordable housing scheme is already being delivered by a Registered Provider. In such cases, any additional homes acquired by the council would represent an uplift in affordable housing provision, delivering units over and above those secured through planning obligations, thereby increasing the overall supply of affordable homes in the borough. It should be noted however that purchasing off plan non-s.106 homes would most likely be at open market value, albeit with a possible small discount if purchasing several homes. These purchases would not be the affordable housing value paid by registered providers. Each proposal would need assessing separately to ensure value for money and necessary approvals obtained.

Identifying existing council owned sites and premises suitable for conversion to residential use.

- 3.24 A process is in place whereby all council sites are now reviewed for acceptability for council house build prior to the site being released on the open market.
- 3.25 Since 2015, 23 sites have been developed for council homes. These sites are as follows.

Scheme Project Name	Number of units
Kent Close, West Bromwich	29
Gladstone Street, West Bromwich	5
Monmouth Drive, Hatley Heath, West Bromwich	6
Ladbury Road, Yew Tree, Walsall	6
Oxford Road, West Bromwich	93
Tibbington Terrace, Tipton	7
Hilton Road, Tividale, Oldbury	10
Brindley II, Mafeking Road	38
Carrisbrooke Close, Wednesbury	50
West Road, Hamstead	47
Strathmore Road, Tipton	63
Alfred Gunn House (Old Hobicus Lane)	16
Moor Lane, Rowley Regis	90
Albion Road (4,5,6) and Bull Lane site West Bromwich	5
Reservoir Road, Rowley Regis	27
Churchvale, Lowry Close, Smethwick	20
Brittania School, Rowley Regis (former science block)	10
King Street, Wednesbury	5
Crosswells Road, Langleys	12
Whitgreave Street West Brom (Former Ryder House site)	6
Beever Road Tipton	18
St Vincent Crescent (Harvills Hawthorn) West Bromwich	8
Thorn Close (High rise)	2
Total:	573

Exploring the designation of a Housing Zone and other ways to assist developer to bring sites forward.

- 3.26 The Grove Lane area of Smethwick and the Friar Park housing site in Wednesbury were designated as Housing Zones in 2016. Although the Housing Zone programme no longer provides dedicated funding and its formal

status has diminished, the strategic focus and alignment it offered at the time were instrumental in supporting the development of both the Grove Lane Masterplan and the Friar Park Masterplan.

- 3.27 The Grove Lane area is one of Sandwell's key regeneration areas with a vision of transforming the former industrial land into a new, well connected residential community. With construction of the new Midland Metropolitan University Hospital complete the proposals for the Grove Lane area seek to create a residential led environment that provides a range of housing to suit the needs of the local residents, access to public transport and a local school and making best use of the canal and green spaces.
- 3.28 The Grove Lane Masterplan was prepared alongside the Smethwick to Birmingham Corridor Framework with both documents being approved by the council in February 2022. The Development Framework and Masterplan have been prepared jointly by Birmingham City Council and Sandwell Council working with the West Midlands Combined Authority, Transport for West Midlands, Homes England, Sandwell and West Birmingham Hospitals NHS Trust and the Canal and River Trust to ensure that all the stakeholders aspirations are met from development within this key corridor.
- 3.29 The Framework outlines a vision and guiding principles for the area as well as setting out the transport strategy that will help in delivering development on key opportunity sites. The Grove Lane Masterplan, however, provides more detail for the area immediately adjoining the hospital, outlining how this area can be redeveloped to provide over 800 much needed new homes, a new school and an improved environment over the 18 hectares of brownfield land.
- 3.30 The masterplan includes indicative designs for the various land parcels, how these connect with the existing urban structure and where access to the existing and proposed green space can be made. It also includes improving accessibility to and usage of the canal network for recreation, leisure and transport.
- 3.31 Funding to commence the delivery of the Masterplan has been secured through the Towns Fund (£4,350,000) and through Levelling Up Fund Round 3 (Levelling Up Fund - £18,063,128.41, Sandwell Council - £2,007,013.69).
- 3.32 The Friar Park Urban Village comprises one of the largest brownfield (previously developed land) residential development sites in the region. Located approximately 2 miles from Wednesbury Town centre and 100m from Tame Bridge Parkway Station, overcoming the challenges arising from the historic legacy of industrial use and realising a number of opportunities, the transformation of this 27 hectare site will become a major flagship for the regeneration of brownfield land throughout the industry.
- 3.33 A masterplan was developed by joint owners, Sandwell Council and West Midlands Combined Authority in 2023 to assist developers to progress the planning application and remediation strategy. The masterplan overcomes the challenges of former land uses, the proximity to Bescot Sidings and the M6, poor connectivity and anti-social behaviour by promoting a well connected, integrated development which strengthens the community through provision of circa 630 new homes, of which 25% will be affordable and 10 hectares of publicly accessible open space.

- 3.34 The joint owners of the site are seeking a development partner who shares the vision of the aspirational regeneration of this strategically important site through providing a highly sustainable neighbourhood comprising high quality, energy efficient homes, new public open spaces enhancing site bio-diversity, and opportunities to promote active travel as well as capitalising on the local public transport network. A tender exercise has been completed and a report will be taken to Cabinet in due course to appoint a preferred developer.
- 3.35 The first phase is for site clearance and remediation works to take place. This will prepare the ground ready for house building. This work is due to start in 2025 once a development partner is in place. The first phase of work on site is being supported by funding from the Levelling Up Partnership (£11.5m).
- 3.36 There is potential for the Council House Build Programme to purchase units within these developments as additional affordable housing, over and above that secured through Section 106 agreements, or should it be necessary, to take up all or part of the s.106 affordable housing element should this be needed to meet the council's 1-4-1 expenditure requirements (in such cases this provision would be instead of Registered Provider affordable housing). Such acquisitions would be subject to further detailed consideration and require Cabinet approval, ensuring alignment with strategic housing objectives and value-for-money principles.

Exploring the purpose and viability to develop a self-financing vehicle, and exploring the viability and potential for building new housing through a Partnership.

- 3.37 This work stream was completed in June 2023 (June 2023 Cabinet Decision) following extensive research and option analysis conducted by external consultants.
- 3.38 It was not possible to demonstrate a validated business model for a self-financing vehicle, referred to as a wholly owned Housing Development Company, within acceptable levels of risk. Therefore, it was determined not to proceed with a self-financing vehicle (Housing Company).

Other progress

- 3.39 In 2022 the council endorsed the regeneration pipeline which sets out the projects in the Borough that will be prioritised for delivery, either directly by the council or the private sector, or jointly via the council providing support to the private sector to deliver for example, through the council accessing grant funding. A 'theme' of the Regeneration Pipeline is Housing. The pipeline is categorised via stages of delivery. As of May 2024, there were 7 housing projects in concept stage, 2 at business case, 6 in delivery, and 6 on site. Pipeline progress is reported bi-annually to Cabinet, the most recent update report being scheduled for July 2025. Maintaining oversight of these pipeline housing projects ensure that the council are intervening where necessary to support wider housing delivery (private as well as affordable homes) on key sites.
- 3.40 The council will continue to support registered providers in their new build ambitions and work collaboratively with them to provide strategic support to proposed schemes in order to access funding and make schemes viable. For

example, the council supported Green Square Accord to access gap funding for their Swan Lane Scheme in West Bromwich which will deliver 147 new homes for affordable rent.

Council House Build Programme

- 3.41 **Process-** there is a defined process for council house delivery outlined and cabinet approved through the Changing Housing Landscapes report. For the purposes of scrutiny the process and mechanisms for delivery are detailed below.
- 3.42 **Securing and allocation of funding/resources** - Funding is secured from three main sources;
- Housing Revenue Account (HRA)
 - Right to Buy 1-4-1 receipts
 - Homes England Grant Funding
- 3.43 The council constantly reviews funding sources for proposed schemes to ensure the best use of available resources to achieve the most advantageous financial outcome for the council. This takes into account grant conditions and the RTB 1-4-1 retention agreement (currently under review by the government), the available balance of 1-4-1 replacement receipts or Homes England grant funding to ensure the most appropriate use of funding.
- 3.44 **Housing Revenue Account (HRA)** allocations have been made to resource delivery through revenue reserves or prudential borrowing this is reviewed annually as part of the budget setting process for the capital programme which feeds into the Medium Term Financial Strategy (MTFS).
- 3.45 **Right to Buy 1-4-1 receipts** - Sandwell signed the 1-4-1 retention agreement on 1 January 2014. Currently receipts of £35.9m are available to invest in replacement stock. The RTB 1-4-1 receipts are constantly financially re-profiled to ensure they are expended within the required time period and the most appropriate funding is tailored to individual schemes
- 3.46 **Homes England various programmes e.g. SOAHP/ Homes England New Ways of Working Strategic Partnership 1/ Continued Market Engagement** – The council is now in the process of completing all of the Homes England New Ways of Working Strategic Partnership 1 (SP1) which are due to complete in July 2025.
- 3.47 **Towns Fund Tipton** – In 2023, the Regeneration Team secured £20m of Government funding via Levelling Up Funds (from the Capital Regeneration Fund), which the council has matched via £13.23m of HRA funds. This funding will deliver circa 70 units across 3 sites and will improve Tipton Town Centre through improved public realm, highways improvements and urban greening.
- 3.48 Other funding sources such as Section 106 Commuted Sums, Local Enterprise Partnerships Land Remediation, Combined Authority Land Remediation and One Public Estate Brownfield Land Remediation Fund will be considered, pursued and utilised to compliment the main funding sources

and assist in achieving scheme viability subject to grant conditions allowing them to be used alongside the main funding sources.

3.49 There are currently no new Homes England grant funded schemes included in the future current capital programme. The next phase of new schemes are all funded through RTB 1-4-1 Receipts with the exception of the Tipton Towns fund. Grants may be available to the council through Homes England (HE) directly or via the Matrix consortium which Green Square Accord are the lead partner. The decision to utilise 1-4-1 receipts as a first choice for new build and acquisition expenditure in the current capital programme is because:

- a) Grant rates that have been available through recent HE Strategic Partnership 1 funding vary between £34k-£53.5k per unit which means any remaining build costs must be funded through borrowing/SMBC resources. In comparison 1-4-1 receipts may fund 50% or, currently 100% of new build and acquisition expenditure thus reducing the amount of borrowing or council resources required to deliver new units.
- b) The council currently has accumulated receipts with more being received in 25/26 and future years. Any 1-4-1 receipts not spent within 5 years following year of receipt are repayable to government with compound interest.
- c) Potential grant rates available through HE Continuing Market Engagement, SP2 or through the emerging Government Spending Review affordable and social housing programme will be more than grant levels indicated in (a) above but will not be at the level of funding per unit currently available through 1-4-1 receipts.
- d) It should be noted that following changes to RTB legislation the number of applications has decreased following a spike in numbers of applications received (due to the effect of the legislative changes on discounts available). It is expected that levels of 141 receipts will be significantly lower in future years than has been recently experienced.

3.50 **How sites are identified** - the council currently maintains a list of potential pipeline sites that are held pending initial feasibility assessment. The list has been developed from the council's surplus assets register and sites that have been through the councils Asset Management Group and been deemed surplus to requirements. They are held under various asset registers not all are housing land and some of these should they prove to be viable will require appropriation. Initial checks are carried out such as ownership checks, title checks for covenants/restrictions and a site visit to check for rights of way and potential issues with public open space and access.

3.51 **How the mix of properties is determined, Stage 0 initial feasibility stage.** This stage examines whether the site is suitable for residential development, any constraints and financial viability. Planning are consulted regarding planning status of the land and permissible densities. Housing management are consulted regarding housing needs for the area then a small group of planning, housing management and urban Design (Architects) meet to agree

a scheme layout that best fits both housing needs and planning requirements. This initial scheme layout is developed by architects and passed to quantity surveyors who provide a build cost estimate for strategic investment capital appraisal.

- 3.52 **How the schemes are designed** – The manner in which schemes are designed is dependent on the procurement delivery route selected. If the scheme is delivered through the traditional procurement route all the RIBA stages below are completed in house. If the scheme is delivered through the Design and Build procurement route RIBA stages 3 and 4 are completed by the selected contractor and the design is managed through Client Requirements and Contractor Proposals process and still requires client sign off.
- 3.53 **How the schemes are designed RIBA Stage 1 and 2 Design Brief and develop Concept Design.** -Once a site has been confirmed as being financially viable it will move to stage 1; This will agree design principles, outcomes/outputs (including Climate change and renewal energy) and known constraints of the site (SI, topology, ecology) to be shared with Architects to develop the concept design for each site. This will be done by issuing a proforma to be agreed by the group. The concept designs will then be reviewed/updated against the Design Brief and be presented to the group for discussion and Architects should highlight any differences to the design brief and explain the reasoning for it. Client sign off process is required before moving to detailed design
- 3.54 **How the schemes are designed RIBA Stage 3 Detailed Design** The approved concept design is to be worked up to detailed design. This will require a sign off process by the client for various elements including property types, overall layout, landscape, SUDs design (maintenance implications), mechanical and electrical drawings. This takes place before submission for planning consent.
- 3.55 **How the schemes are designed RIBA Stage 4 Technical Design** The technical design is to be prepared and then reviewed by the Client before tender stage. The specification for the Mechanical and Electrical (M&E) installation is also reviewed and signed off by Housing's M&E contracts and maintenance teams.
- 3.56 **How we oversee delivery / ensure quality - RIBA Stage 5 Construction Team Site A Team** is set up for each project which includes Client (Housing Partnership Team), Employers Agent (Urban Design Team), Clerk of the works (Urban Design Team), Quantity Surveyor (Urban Design Team), M & E Clerk of Works (Housing Contracts Team). The remit of this team is:
- To ensure that the project is delivered contractually to the agreed specification and delivery programme.
 - To capture any issues experienced during the construction process, to manage in accordance with the contract and to feed into the review process.
 - To ensure that as part of the handover process for the project all paperwork is provided in a timely manner.
 - To undertake a snagging process and ensure that all defects are closed

out.

- To discuss any issues experienced during the construction phase as part of the Urban Design Lesson Learnt Post Project Evaluation and where appropriate put actions in place to remedy the situation for the next project. This includes client feedback, design, contractor, financial, consultant and tenant feedback to put actions in place.
- To ensure that all remedial works are completed at the end of the Defects Liability Period.

3.57 The approvals process – The approvals process is dependent on the procurement route selected.

- Traditional Route – Budget cost estimate is provided at RIBA stage 0 and a full scheme proposal including financial monitoring is submitted for full financial appraisal. If the scheme scores 65% or more a full report is submitted for Cabinet approval with recommendations that the scheme is approved and the authority to enter into contract, which is delegated to directors. Following the tendering process a delegated report is submitted to directors for approval.
- Design and Build Route - Budget cost estimate is provided at RIBA stage 0 and a full scheme proposal is developed and put out to tender. A cabinet approval is requested to appoint the contractor and enter into the Pre-Construction Services Agreement (PCSA); this is a contract used in the construction industry to engage a contractor for pre-construction work before a formal building contract is finalised. It allows the contractor to provide input on design, cost, and buildability matters and prepare for the construction phase. Essentially, it's a way to involve a contractor early in the process, especially in design and build projects, to help refine the project before committing to the full construction. At RIBA stage 4 the contractor provides a full contract sum and a full scheme proposal including financial monitoring is submitted for full financial appraisal. If the scheme scores 65% or more a full report is submitted for Cabinet approval with recommendations that the scheme is approved and the authority to appoint the contractor and enter into contract is delegated to directors.

3.58 How we procure contractors – The procurement route selected for any individual scheme is dependent on a number of factors;

- The size, cost and complexity of the scheme
- Time available for the tendering process i.e. are there any timescales that must be met for external funding requirements
- Available inhouse resources for design and preparing tender documents

3.59 Some schemes have been put out through open tender on the intend system and these are mostly the smaller schemes which gives the opportunity for local SME's to bid for the work. The remainder of the schemes are procured through a number of frameworks as this has the benefit that contractors on the frameworks have already been vetted by pre-qualification to ensure that they have the ability and resources to deliver the size of scheme within their framework group. Examples of the frameworks that have been used to date are;

- Constructing West Midlands (CWM) – St Vincent Crescent & Crosswells Road
- Homes England ‘Delivery Partner Panel 3’ – Alfred Gunn House, Strathmore Road and West Road
- Worcestershire & West Midlands Development Framework – Railway Street and Harvest Road

- 3.60 **Acquisitions ‘off plan’** – The council has already purchased properties off plan for affordable housing within the HRA. This route remains an option moving forward and sites will be considered individually on their own merits to ensure that they reach the required quality thresholds and local need.
- 3.61 **Acquisitions ‘off plan’ How we determine the need** – There are two aspects of need, programme and social. If the council house build programme cannot deliver the number of units required to meet the spending requirements of RTB 1-4-1 funding within the required timescales acquisitions off plan are a route to supplement the programme and meet shortfalls. The social housing need is determined from a number of sources e.g. demographic data, the Sandwell Plan, the Housing Register (waiting list) and the bidding data from choice based lettings.
- 3.62 **Acquisitions ‘off plan’ How we ensure they are appropriate affordable / social housing units** – At the point of offer the council would request from the developer a without prejudice information package that would include priced schedule, full set of plans and full specification.
- 3.63 **Acquisitions ‘off plan’ How we go about identifying properties on the market for acquisition** – At present the council considers property that is offered directly and have not been sourcing additional properties as the new build programme to date has been able to meet funding expenditure requirements. Moving forward this can be achieved by contacting developers who have made planning applications, dialogue with active developers within Sandwell and potentially appointing a sourcing agent.
- 3.64 **Acquisitions ‘off plan’ How we agree prices** – The Sandwell property team will agree prices in accordance with the RICS Red Book (Valuation Guidance). This is either completed by the inhouse property team or an external agent is appointed to value and negotiate a purchase price on the council’s behalf which is then approved by the inhouse team prior to gaining approval to acquire.
- 3.65 **Acquisitions ‘off plan’ What works we undertake before handover.** The process is very similar to the process undertaken at handover on council new build properties. A surveyor will check the properties to ensure that the property has been completed in accordance with the agreed specification and expected quality thresholds. Checks are also made to ensure the required documentation is in place and is correct e.g. all certifications and warranties, take meter readings on completion and ensure that there is an insurance backed 10 year guarantee in place. Legal services will manage the conveyance.
- 3.66 **Next Steps – Future Process** - The council will continue to deliver the next tranche of available and viable sites from the pipeline over the next 12-18

months and continue with feasibility and viability appraisals of additional sites from the pipeline. If no other new sites become available through surplus to requirements it is unlikely that many of the small, limited number of sites on the pipeline will prove to be viable, so alternative delivery routes need to be considered to ensure continued delivery of new council homes. Officers are currently working on potential alternative delivery options which will be reported to cabinet in due course. Options currently being considered are:

- Acquisition off plan relating windfall opportunities or sourced sites
- Acquisition off plan relating to major regeneration schemes
- Acquisition of land
- Acquisition of s.106 units (on viability grounds or in exceptional circumstances)
- Conversion of property into housing
- Working in partnership to convert property into housing

3.67 Officers will continue to review and revise the financial model and allocations made from HRA to acquire/ build new housing to ensure expenditure of 1-4-1 receipts within the required timescales which will form part of the budget setting process for the capital programme 2026/27 which feeds into the Medium Term Financial Strategy (MTFS). This will give an indication of the scale of the delivery required and help shape the future strategy for delivery options. As part of this process there is a need to build in the uncertainty around potential changes in the percentage of RTB receipts that can be used after March 2026 and the detail around the 11th June 2025 Spending Review when Government announced a 10-year £39 billion affordable and social housing programme.

3.68 There is a need to maximise the potential of all options to ensure the council replaces lost stock through RTB but every effort needs to be made to create additionality and not compete with existing registered providers when possible.

4 Alternative Options Considered

4.1 Close the Council House Build Programme: council stock would continue to reduce as right to buy reduces council house stock numbers. The level of affordable housing delivery in Sandwell would be likely to reduce resulting in pressures in meeting our obligations around housing provision. Funds that would have been used for council house build (1-4-1 receipts) may have to be returned to Government, with compound interest whilst other HRA funds would be available to invest in existing stock issues. Should the council continue to lose stock under RTB and does not try to replace some through 1-4-1 this will result in diminishing rental income to the HRA which could eventually affect the council's ability to obtain and service prudential borrowing, required to maintain an aging stock portfolio. The majority of stock lost through RTB are 2/3 bedroom family houses; if this trend continues and stock is not replaced the percentage level of flats within the stock portfolio will increase and the availability of family housing will reduce.

5 Consultation

- 5.1 No consultation has been undertaken to inform this report, however, the Sandwell Plan has been subject to extensive statutory consultation.
- 5.2 Each individual council house build site is subject to statutory consultation as part of the planning process.

6. Financial Implications

- 6.1 There are no financial implications as a result of the recommendations in this report. Any financial implications are reported in individual scheme cabinet reports or at programme level are reported at budget setting through the capital programme.

7. Legal and Governance Implications

- 7.1 There are no legal and governance implications arising from the recommendations in this report. Any legal and governance implications from specific actions such as contractual arrangements or buying 'off plan' will be reported in future cabinet reports where decisions to proceed are required.

8. Risks

- 8.1 There are no risks implications as a result of the recommendations in this report. Any risk implications are reported in individual scheme cabinet reports or at programme level are reported at budget setting through the capital programme.

9. Equality and Diversity Implications (including the public sector equality duty)

- 9.1 There are no specific equality and diversity implications as a result of the recommendations in this report
- 9.2 All completed new build projects, since 2022, are either adapted (M43) or capable of being adapted (M42 Building Regulations Standard) meaning that properties incorporate accessible and adaptable standards. The units delivered as part of the High-Rise programme meet M491) as they are replicating what is already there and they are unable to meet the improved standards because of the existing stacking arrangements and limited floor areas.

10. Other Relevant Implications

None

11. Background Documents

Sandwell Local Plan, Publication Version.
Sandwell Housing Market Assessment Update.
Changing the Housing Landscape in Sandwell (minute no 75/14)
Changing the Housing Landscape in Sandwell Summary programme for Council House New Build (Minute no 61/16)

12. How does this deliver the objectives of the Strategic Themes?

- 12.1 **Growing Up in Sandwell** - These new build properties will provide accommodation which better meets the needs of young families allowing / enabling for a better home educational environment
- 12.2 **Living in Sandwell** - The redevelopment of under-utilised sites with modern residential accommodation will improve the asset base of the borough by providing much needed affordable housing. The provision of new build council housing will provide Homes that meet people's needs. Sandwell's population is growing, and people need quality housing that fits their individual requirements. Development of all sites will be guided by the Local Planning Authority in accordance with approved planning and development guidance. This will seek to achieve a development of a quality that sets the highest architectural standards and which provides energy efficient buildings, in furtherance of the aims of the Environmental Policy for Sandwell.
- 12.3 **Thriving Economy in Sandwell** -The development of new council housing will support investing in businesses, people and jobs that will create wealth and tackle poverty. It will also actively promote Think Sandwell with the inclusion of apprenticeships and training opportunities within the contractual arrangements.
- 12.4 **Healthy in Sandwell** - The majority of new properties will be built to the Building Regulations standard M4(2) "Accessible and Adaptable" which allows for easy adaptations of the properties and takes into consideration ease of access to the dwellings.
- Some built to M4(3) fully adapted providing accommodation that allows people with greater needs to live a healthy and independent life.
- 12.5 **One Council One Team** - The project will deliver high quality inclusive properties for all our customers.