

Cabinet

Report Title	Grove Street, Halberton Street, Abberley Street and Cranford Street, Smethwick – Compulsory Purchase Order
Date of Meeting	Wednesday, 10 September 2025
Report Author	Hayley Insley, Capital Projects Manager
Lead Officer	Executive Director - Place Alan Lunt
Lead Cabinet Member(s)	Cabinet Member for Regeneration and Infrastructure
Why is this a key decision?	1. Expenditure over £1 Million+
Wards Affected	Soho & Victoria
Identify exempt information and exemption category	Public Access
Is the report urgent?	Yes-/ No
Reasons for urgency (only where applicable)	N/A
Appendices (if any)	1. SAM/12980/004 2. SAM/21160/001

1. Executive Summary

- 1.1 This report requests authority to exercise Compulsory Purchase powers using Levelling Up Funding to acquire sites at Grove Street, Halberton Street, Abberley Street and Cranford Street for the purpose of bringing forward regeneration of the Grove Lane Regeneration Area.

2. Recommendations

The Cabinet is recommended to:-

- 2.1 Subject to the completion and approval of an appropriate capital appraisal, delegate authority to the Service Director – Governance (Monitoring Officer) to take all necessary action to secure the making, confirmation and

implementation of a Compulsory Purchase Order under Section 226 (1) of the Town and Country Planning Act 1990 as amended by Section 99 of the Planning and Compulsory Purchase Act 2004, Acquisition of Land Act 1981, and Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 to be known as The Borough Council of Sandwell (Grove Street, Halberton Street, Abberley Street and Cranford Street, Smethwick) Compulsory Purchase Order. The Compulsory Purchase Order is in respect of approximately 3.45 hectares of land situated across several sites off Cranford Street, Grove Street, Abberley Street and Halberton Street as shown on plans SAM/12980/004 & SAM/21160/001, or lesser land as may be deemed necessary and also including the air space above an area lying to the north and south of the development during the construction;

- 2.2 In the event of the Compulsory Purchase Order being unopposed, and the Council thereby being granted powers to do so by the Secretary of State for Housing Communities and Local Government, to confirm the above order and serve all necessary notices to implement the Compulsory Purchase Order, including the issuing of sheriff warrants;
- 2.3 Delegate authority to the Executive Director for Place to make minor amendments to the (Cranford Street, Smethwick) Compulsory Purchase Order and, more particularly, marked "Map referred to in Borough Council of Sandwell (Grove Street, Halberton Street, Abberley Street and Cranford Street, Smethwick) Compulsory Purchase Order" prior to it being made and submitted for confirmation;
- 2.4 Delegate authority to the Executive Director for Place to continue negotiations and to acquire land and property within the proposed Order lands, on terms to be agreed, in advance of confirmation of the Compulsory Purchase Order by the Secretary of State.

3. Proposals – Reasons for the recommendations

- 3.1 In August 2022, a bid was submitted to the Ministry for Housing, Communities and Local Government (MHCLG) for approximately £18m of grant funding from the Levelling Up Fund Round 2 for the acquisition of sites and remediation of land to accommodate future residential development. The bid was not successful at that time.
- 3.2 In November 2023 Government announced that, as part of the Round 3 Levelling Up Fund, it would be reviewing unsuccessful Round 2 bids, which included Grove Lane. They then invited the council to submit the bid, subject to project validation, subsidy control checks and government departmental sign-off. On the 22 December 2023, the council was advised that an updated bid submission would be required by the 2 February 2024.

- 3.3 The bid was submitted by the due date following a review of the previous submission to ensure that the outputs could still be delivered within the funding allocation of £18,063,128 and with the council match funding of £2,007,014. However, the council raised concerns regarding the timescale for spend given the passage of time and requested further discussion with MHCLG to resolve this issue. A financial appraisal to ensure there is no risk to the council is also required for this project.
- 3.4 Council received verbal confirmation that funding had been approved for the project in May 2024. However, due to the announcement of the general election and the change in Government, the council did not receive formal written notification of the funding until 31 October 2024 following Government's review of funding programmes.
- 3.5 Further discussions with MHCLG ensued to understand the timescales for delivery and spend and whether an extension to the programme was likely. A Memorandum of Understanding was also prepared between MHCLG and Sandwell Council setting out the terms, principles and practices regarding the administration and delivery of the Levelling Up Fund for Grove Lane. Initially the Memorandum of Understanding outlined the funding allocations up to March 2026. However, in April 2025 notification was received regarding a variation to the Memorandum of Understanding to extend the funding profile to March 2028.
- 3.6 Work has progressed with this project with the commissioning of site valuations to assist the council with negotiating with landowners to acquire sites. The next stage will be to commence negotiations with landowners and others that may have an interest. However, there is the possibility that acquisition by agreement will not be possible and therefore the council may need to undertake a Compulsory Purchase Order to acquire some or all of the sites.
- 3.7 In November 2022, Cabinet approved the use of Compulsory Purchase to acquire a site south of Cranford Street in Smethwick. Within that report there was also an authority to prepare a Compulsory Purchase Order for land included within the submitted Levelling Up Fund bid to Government (Minute 215/22 (j) refers), subject to a more detailed report being presented to Cabinet at a later date once funding had been secured. This report asks for authority from Cabinet to take the necessary steps to commence working up the Compulsory Purchase Order for the land included within the plans SAM/12980/004 & SAM/21160/001 attached to this report.

4 Alternative Options Considered

- 4.1 Option 1: The offer of funding from MHCLG was to progress this project in Grove Lane only, therefore no other sites could be considered for its spend. If it is not possible to acquire by agreement, the only other option would be to acquire the land compulsorily. If Cabinet are not minded to approve, the council will not be able to progress with the CPO and ultimately deliver transformational change in this area, losing out on £18m grant funding.

5. Consultation

- 5.1 Consultation has been undertaken in previous years on the Smethwick to Birmingham Corridor Framework and the Grove Lane Masterplan. Both of these documents set the guiding principles for future development to come forward within this major regeneration corridor. In particular the Grove Lane Masterplan provides more detail for how this area could redevelop over time and complement the major investment with the new Midland Metropolitan University Hospital.
- 5.2 The Levelling Up Fund will assist in realising this vision, by acquiring the sites and remediating the land required to drive forward major regeneration of the Grove Lane area. By preparing the sites for residential development and removing some of the risk associated with dealing with contaminated land, the Council will be in a better position to attract major developers to provide the much-needed housing for this area.

6. Financial Implications

- 6.1 The Levelling Up Fund round 3 has allocated £18,063,128 to this project with council match funding of £2,007,014. The funding is for the acquisition of sites and the remediation of land to accommodate future residential development.
- 6.2 Due to the extremely tight timescale to submit the original bid, the project did not receive a financial appraisal at the time, However, with the agreement of the S.151 Officer, the bid was submitted on the basis that a financial appraisal be undertaken at a later stage. Given the passage of time and the increase in construction costs, the original bid was reviewed before its resubmission in February 2024. However, a financial appraisal will be required to confirm that the project can still be delivered within the existing funding allocation and that the council's match funding contribution of £2,007,014 alongside the £18m granted by MHCLG can be considered value for money.

6.3 Cabinet approved the acceptance of the grant funding on 5 February 2025 subject to an acceptable financial appraisal which is currently being undertaken.

6.4 No capital expenditure will be incurred until this appraisal has been completed.

7. Legal and Governance Implications

7.1 S.226 of the Town and Country Planning Act 1990 (TCPA 1990) authorises local authorities to compulsorily purchase land if the authority thinks that the acquisition will facilitate the development, redevelopment or improvement of land, or acquisition is required to achieve the proper planning of an area. Before a CPO can be implemented, the acquiring authority will have to justify it to the Secretary of State. The local authority must be able to demonstrate, in respect of the CPO, that:

- It is authorised by statute to purchase land compulsorily for a particular purpose and the CPO is necessary to achieve this purpose.
- There is a compelling case in the public interest that sufficiently justifies interfering with the rights of those with an interest in the land affected. In this case that the scheme will improve the economic, social or environmental wellbeing of the area.
- Adequate resources are (likely to be) available to implement both the CPO and the CPO scheme, within a reasonable time frame. (This would include any financial contributions from other bodies, including the private sector).
- There is a reasonable prospect of the CPO scheme going ahead. For example, the scheme is unlikely to be blocked by the programming of any infrastructure or remedial work that may be required or the need for planning permission or other consent or licence.
- There is no alternative site or alternative means of bringing about the objective of the CPO.
- The CPO is a measure of last resort and that negotiations for acquisition by agreement have been pursued but have proved fruitless.

7.2 The above consideration factors have been tested and applied through this report and previous decisions of Cabinet relating to this proposed acquisition. Legal Services, in conjunction with external advisers, will continue to monitor the progress of the CPO to ensure compliance with legislation and that the Council is on track to achieve a successful acquisition via CPO powers.

- 7.3 S.9D of the Local Government Act 2000 requires that all functions of a local authority are the responsibility of the executive unless otherwise specified in regulations. The discharge of functions in relation to regeneration and in particular the making of a Compulsory Purchase Order are not specified within regulations as to not be functions of the executive. Therefore, this is an executive power to be exercised by the Cabinet which is consistent with previous decisions made on this matter.

8. Risks

- 8.1 A Risk Register is in place to manage the risks associated with this project in line with the council's risk management procedure.
- 8.2 The main risks associated with this project include an inability to acquire sites by agreement and therefore the council requiring to initiate its Compulsory Purchase powers.
- 8.3 Confirmation has been received from Government that the funding relates solely to acquisition and remediation of sites, and there will be no clawback of funding regarding non-delivery of housing and the school which are outcomes of the project rather than outputs. Ongoing monitoring of project costs will be undertaken to ensure that the project can be delivered within the funding allocation from MHCLG. There will also be regular meetings with MHCLG representatives to monitor spend against the funding profile and to raise any issues that may affect project delivery. It is acknowledged that construction/development costs have increased since the original submission in 2022, however should there be a requirement to rescope the outputs of this project, these will be reported to MHCLG via a formal change request as per the normal reporting mechanisms outlined in the memorandum of understanding. A Risk Register has been prepared and will be updated for the duration of this project.

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

- 9.1 Whilst this project involves the acquisition of several sites and will necessitate relocation for many of the occupants, it is not considered to directly affect most of the protected characteristics identified within the Equality Act 2010. An Equality Impact Assessment has been completed, identifying where there may be an impact and suggested mitigation. It is an Appendix to this report.

10. Other Relevant Implications

- 10.1 Not applicable.

11. Background Documents

11.1 Not applicable.

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

12.1 This report will support the delivery of the following Strategic Themes: -

- Living in Sandwell
- Healthy in Sandwell
- Growing up in Sandwell
- Thriving Economy in Sandwell

12.2 The Smethwick to Birmingham Corridor Framework was produced in collaboration with a range of other agencies such as Birmingham City Council, Homes England, WMCA and the Sandwell and West Birmingham NHS Trust. The Framework sets out guiding principles which should be used when bringing forward new development within this corridor which will assist in bringing forward healthy living and lifestyles.

12.3 The acquisition and development of these sites lies within that Corridor vision and more importantly within the Grove Lane Masterplan. Acquisition of these sites will enable the council to drive further regeneration into the area, meeting housing need and creating improved environments in which people can live healthy and happy lives. In addition, the outcomes of the project include the provision of a primary school to support the quantum of new development envisaged for this area and the potential increase in children that will reside there.

Relevance Check

Budget Reduction/Service Area:

Service Lead

Date:

In what ways does this Budget reduction have an impact on an outward facing service? How will the service feel different to your customers or potential customers?

N/A

If not, how does it impact on staff e.g. redundancies, pay grades, working conditions? Why are you confident that these staff changes will not affect the service that you provide?

N/A

Is a Customer Impact Assessment needed? No