

Cabinet

Report Title	Acquisition of residential properties at Halesowen Street, Blackheath and Piddock Road, Smethwick.
Date of Meeting	Wednesday, 11 March 2026
Report Author	Alan Martin, Rachael Snade, Eleanor Weaver
Lead Officer	Alan Lunt - Executive Director - Place
Lead Cabinet Member(s)	Councillor Vicki Smith - Cabinet Member for Housing & Planning
Why is this a key decision?	To result in the Council incurring expenditure which exceeds that included in any approved revenue or capital budget or the limits set out within an approved borrowing or investment strategy and was not the subject of specific grant
Wards Affected	Blackheath; Smethwick;
Identify exempt information and exemption category	Open
Is the report urgent?	No
Reasons for urgency (only where applicable)	N/A
Appendices (if any)	<ol style="list-style-type: none"> 1. Red line boundary - proposed site at the Former Smethwick Police Station, Piddock Road 2. Red line boundary - proposed site at Halesowen Street, Blackheath

1. Executive Summary

- 1.1 This report seeks approval for the acquisition of approximately 50 residential units across two sites, to be delivered by Cornerstone Housing, to expand the Council's affordable housing stock and support strategic housing need. The report sets out the proposed acquisitions, the sites, relevant background, financial considerations, and the rationale supporting approval.

2. Recommendations

For the reasons set out in the report, Cabinet is recommended to: -

- 2.1 Approve the acquisition of approximately 50 affordable residential units at Halesowen Street, Blackheath, and the former Smethwick Police Station, subject to:
 - 2.1.1 planning approval; and
 - 2.1.2 a Strategic Investment Unit (SIU) appraisal score of at least 65%.
- 2.2 Delegate authority to the Executive Director – Place in consultation with the Executive Director – Finance & Transformation and the Service Director – Governance to progress development and/or acquisition arrangements with Cornerstone Housing.
- 2.3 Delegate authority to the Executive Director – Finance & Transformation to allocate Right to Buy one-for-one receipts to support the acquisitions.
- 2.4 Delegate authority to the Executive Director – Place, in consultation with the Executive Director – Finance & Transformation and the Service Director – Governance, to submit any external grant funding applications and to enter into any grant agreements as may be required.
- 2.5 Authorise the Executive Director – Place, in consultation with the Executive Director – Finance & Transformation and the Service Director – Governance, to take all actions necessary to give effect to the recommendations set out in this report
- 2.6 Note that following practical completion, the properties will be managed and let in accordance with the Council’s Housing Allocation Policy.

3. Proposals – Reasons for the recommendations

Background

- 3.1 The Council continues to face significant demand for affordable housing, with pressure on waiting lists and demand for 1- and 2-bed homes.
- 3.2 Cornerstone Housing has recently approached the Council and identified two deliverable sites capable of providing approximately 50 affordable units. Early feasibility indicates both schemes are viable, subject to planning approval and funding confirmation.
- 3.3 Cornerstone’s delivery model provides an opportunity to accelerate the pace of adding new homes to the Housing Revenue Account (HRA), complementing existing new-build programmes. Therefore, council officers worked with Cornerstone to identify potential sites/ buildings with potential for conversion for them to do an initial feasibility and viability assessments and present an offer to the council.

Proposed sites for development and acquisition

- 3.4 Four sites were initially considered by Cornerstone with two of those discounted as a land purchase option could not be secured. Two sites have

been progressed to an estimated offer which Cornerstone require an in-principle decision from the council in-order to proceed to land purchase. These two sites have the potential to deliver circa 50 proposed residential properties at:

- 3.4.1 Halesowen Street, Blackheath – estimated 22 new build residential units; and
 - 3.4.2 Former Smethwick Police Station, Piddock Road – estimated between 28-31 residential units following conversion/refurbishment works.
- 3.5 The former Smethwick Police Station site is on Piddock Road, north of Smethwick High Street (Smethwick Ward). The boundary of the site on Piddock Road faces existing terraced housing. The rear boundary of the development site faces onto Crocketts Lane. The existing building is not a statutorily Listed Building but is of Victorian heritage, is locally listed, and falls within the Smethwick High Street and Crocketts Lane Conservation Area. The proposal set out by Cornerstone Housing intends to preserve this heritage through conversion rather than new build. The site is within close proximity to Smethwick High Street District Centre making it a sustainable location for residential development.
- 3.6 The proposed development site on the corner of Horner Way and Halesowen Street, Blackheath (Blackheath Ward), is currently in use as an operating garden centre ‘Green Leevs Garden Centre and Interior Plants’. Whilst not within the designated boundary of Blackheath Town Centre, the site is in very close proximity to the Britannia pub and Sainsbury’s supermarket both of which are visible from the site. The site is in a sustainable location for future residential development. Appendix 1 and 2 identifies the location and boundary of each site.
- 3.7 Both locations are well connected to public transport, services and town centre amenities. Cornerstone is progressing land acquisition, with planning applications anticipated in Spring 2026 and determination expected in Autumn 2026. Subject to approvals, construction would commence in late 2026 or early 2027, with anticipated handover in Spring 2028.
- 3.8 These schemes could deliver approximately 50 homes for affordable rent as part of the Council’s wider priority to provide affordable, high-quality housing to contribute to addressing local housing need and the number of people on the waiting list for a council home. The schedule of accommodation for Halesowen Street site and the current options for Smethwick Police Station site is provided below:

Halesowen Street, Blackheath: Proposed Schedule of Accommodation

Property type	Number of units
1-bedroom apartment	7
2-bedroom apartment	15
Total units:	22
Total parking spaces:	22

Former Smethwick Police Station, Smethwick: Options on the Proposed Schedule of Accommodation:

Option 1:

Property type	Number of units
1-bedroom apartment	15
2-bedroom apartment	16
Total units:	31

Option 2:

Property type	Number of units
1-bedroom apartment	13
2-bedroom apartment	14
6-bedroom house	1
Total units:	28

- 3.9 The above mixes have been reviewed by colleagues in Housing Solutions and they have confirmed that apartment-led schemes at these sites are acceptable in principle with regard to the latest Housing Needs Assessment and would support local housing needs.
- 3.10 Current Housing Revenue Account (HRA) forecast proposals include options to increase rental income through the development/purchase of additional properties by maximising the use of capital receipts and government grants. The development and subsequent acquisition of the proposed homes support this option.
- 3.11 The proposals support the Council's priority to increase the supply of safe, good-quality and affordable homes. They support the reduction of pressure on waiting lists and provide homes in sustainable locations that align with wider regeneration objectives. The developments also contribute to the delivery of the Council's Housing Strategy and the Strategic Themes, ensuring that investment decisions reflect corporate priorities and local housing needs.

Site ownership

- 3.12 Cornerstone Housing have agreed Heads of Terms for acquisition of the Former Smethwick Police Station and have instructed solicitors to begin the process of purchase. The Heads of Terms require exchange of contracts before 20th March 2026.
- 3.13 The site at Halesowen Street is an operating garden centre at present and is an owner operated business. There is an informal agreement in place between Cornerstone Housing and the current owner to purchase the site, and it is expected that solicitors will be instructed shortly to formalise the purchase terms.

Costs

- 3.14 A full SIU appraisal will be completed, requiring a minimum score of 65%. Funding is expected to comprise:

- 3.14.1 HRA resources;
 - 3.14.2 Use of Right to Buy one-for-one receipts;
 - 3.14.3 Potential grant from Homes England or the West Midlands Combined Authority.
- 3.15 Detailed modelling will be completed as schemes progress. Rental income will return to the HRA and support long-term financial sustainability. The schemes provide modern homes with efficient designs, reducing short- to medium-term maintenance costs and contributing to long-term savings within the HRA.

Timescales

- 3.16 Cornerstone Housing propose that both schemes be built to similar timelines with planning submissions proposed for Spring 2026 and planning determination estimated to be in Autumn 2026. Preparation to commence works would then take place with current estimated start on site dates late 2026/early 2027. The build contracts for both sites would run for approximately 15 months, meaning handover of homes at both sites expected in Spring 2028.
- 3.17 In summary, following the purchase of the schemes from Cornerstone Housing, new Council-owned affordable properties offering majority 1- and 2-bed apartments will be delivered in key areas that have significant affordable housing need.

4. Alternative Options Considered

- 4.1 The following alternative options have been considered –
- 4.1.1 **Option 1 – Do not proceed.** This would remove an opportunity to secure 50 affordable homes, reduce the Council’s ability to respond to local housing needs, and leave both sites vulnerable to private development with fewer assurances on affordability and quality. Should the council not proceed with the purchase, there is risk that the former Police Station building could remain vacant, and Garden Centre could become vacant. Prolonged vacancy could increase the likelihood of anti-social behaviour, crime, and disorder, as well as create ongoing management challenges. Whilst alternative developers may emerge and development controlled by the local planning authority, this introduces considerable uncertainty. Not recommended.
 - 4.1.2 **Option 2 – Explore other delivery routes.** While alternative arrangements exist, they would extend delivery timescales and generate additional risk and cost. Not recommended.
 - 4.1.3 **Option 3 – Proceed with Cornerstone model (recommended).** This provides a deliverable route aligned with the Council’s strategic housing objectives, subject to appropriate assurance. This option forms the basis of this report.

5. Consultation

- 5.1 The development and subsequent acquisition of these properties is subject to ongoing internal consultation with key stakeholders from Finance, Legal and Housing as well as local and cabinet member briefings.
- 5.2 Decision-making that requires statutory consultation, for example as part of the Planning process will be undertaken in accordance with the relevant policies and procedures.

6. Financial Implications

- 6.1 Strategic Finance will carry out a Strategic Investment Unit (SIU) appraisal of the costs of acquiring the proposed homes. The appraisal process will need to score 65% or more to proceed. As outlined above, acquisition of the homes will not proceed without achievement of this score.
- 6.2 These schemes are included within the future new build pipeline and appear on the financial forecasts as potential future sites (subject to the approval of Cabinet), as such they are included in current financial allocations for 1-4-1 funding. Cost estimates have been based on high level estimates and are in-line with comparable schemes already delivered in the council house build programme. As the schemes progress detailed financial modelling will be completed as part of the Strategic Finance appraisal process.
- 6.3 Initial conversation with Homes England about the new Social and Affordable Homes Programme 2026-2036 have indicated potential grant for organisations acquiring affordable homes from private developers. Funding options for the development/acquisition of these properties are to be explored further with external funders as the detail around the new programme delivery options emerge.
- 6.4 There is also potential to approach the Combined Authority if there are viability gaps in new development proposals, this option will also be pursued on an individual scheme basis should it be required.
- 6.5 The income generated from rent will go back into the Housing Revenue Account. The increase in new homes will result in additional income generation from Council Tax. The properties once completed and acquired will be managed and maintained by the council and all the associated costs will be met from within the Housing Revenue Account.

7. Legal and Governance Implications

- 7.1 The decision sought is an in-principle approval to progress two potential acquisitions and does not, at this stage, create any legally binding commitment on the Council to purchase either site. However, the Council must ensure that all preparatory activity undertaken in relation to these schemes is compliant with statutory requirements and the Council's governance framework.
- 7.2 The Council has the necessary powers to acquire land for housing purposes, including through the general power of competence under the Localism Act 2011 and powers contained within the Housing Act 1985. Any eventual

acquisition will need to demonstrate compliance with these statutory powers, supported by appropriate due-diligence, valuation work and an appropriate decision-making record.

- 7.3 As the proposal involves a model in which Cornerstone Housing brings forward sites for development and the Council ultimately acquires completed units, officers will need to ensure that any acquisition structure complies with the Procurement Act 2023, the Council's Contract Procedure Rules, and the Financial Regulations. Where external grant funding is pursued - for example through Homes England or the West Midlands Combined Authority - officers must ensure adherence to all associated conditions, reporting, subsidy control requirements and clawback provisions.
- 7.4 There will also be legal considerations relating to planning permissions, title investigation, land assembly, restrictive covenants, easements, and any construction-related obligations that may arise depending on the final delivery route. These matters will be addressed through detailed legal due-diligence once the schemes progress beyond in-principle approval. The Service Director – Governance and Legal Services will provide further assurance at each stage to ensure that legal risks are identified and mitigated.

8. Risks

- 8.1 At this stage there is insufficient detail in relation to contractual, legal and financial arrangements to complete a full risk register as risks with change dependent on the delivery process. As soon as these details have been determined, a full risk register will be completed as part of the full Strategic Investment Unit appraisal process.

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

- 9.1 An Equality Impact Assessment (EIA) screening has been completed and a full EIA is not required. The proposed homes will meet accessibility standards and support diverse housing needs.

10. Other Relevant Implications

- 10.1 The development of the homes presents other implications to the following areas:
- 10.1.1 **Procurement** – advice will be taken from the Council's Procurement Services and Legal Services teams to ensure that the Procurement Act 2023 and the Council's Contract Procedure Rules are complied with.
- 10.1.2 **Climate Change** – as part of standard Planning requirements, the developer will be required to demonstrate an uplift of 10% renewable energy and biodiversity net gain either provided on-site or off-site.
- 10.1.3 **Social Value** – at this stage, details of agreed social value contributions are unknown as this depends on the final delivery route

selected. If the schemes are delivered under contract, all Sandwell's social value requirements will be included.

10.1.4 **Health and Wellbeing** – the proposed developments will provide modern housing, built to good standard. The housing will be energy efficient and sustainable, contributing to reduced living costs for residents and good quality of life.

10.1.5 **Crime and Disorder Act 1998** – the proposed refurbishment of the former Police Station and development of the garden centre is likely to have a positive impact on crime levels because it will put a vacant building into use (Smethwick Police Station currently vacant) and take away the potential for an undesirable use of the current building/land.

11. Background Documents

11.1 None

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

12.1 The proposals in the report deliver against the following objectives:

- **Growing up in Sandwell - Children and young people are given the best start in life** – these properties could provide suitable accommodation for young people (possible allocation of 1- and 2-bedroom apartments for young adults, small families). If selected, the option at Smethwick Police Station that delivers a 6-bedroom house would provide a large family home at an affordable level for families in need.
- **Living in Sandwell - Safe and affordable homes** – purchase of these new-build and repurposed properties to allocate to residents on the Housing Register at an affordable tenure will provide circa 50 affordable homes across two key Sandwell town areas will help contribute to meeting housing need. New-build properties built by an experienced developer offers affordable homes in safe and secure apartment buildings.
- **Healthy in Sandwell - People to lead healthy lives in their community and live well for longer** – the delivery of 1- and 2-bedroom apartments could promote right-sizing for those currently under-occupying homes in the town areas. The potential transition from a larger home to a smaller apartment could promote older people to live well and more independently than they were able before. All homes will be delivered to M4(1) standard Building Regulation allowing access to the homes for wheelchair users.
- **Thriving Economy in Sandwell - Good homes that are well connected** – these homes will be delivered close to town centres, offering good connectivity to local public transport routes and services including shops and doctors. The developer proposing to build the homes for Council acquisition is an established developer, experienced in delivering high-quality homes at an affordable level.

- **One Team One Council - High quality inclusive services for all of our customers** – the delivery of these homes will contribute to meeting housing need in Sandwell through the choice-based lettings service.

Relevance Check**Budget Reduction/Service Area:** Place Directorate**Service Lead:** Tammy Stokes (Growth & Spatial Planning Service Manager)**Date:** 12/02/2026

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