

Cabinet

Report Title	Brownfield Land Remediation Fund submission
Date of Meeting	Wednesday, 11 March 2026
Report Author	Allison Blakeway
Lead Officer	Executive Director - Place
Lead Cabinet Member(s)	Cabinet Member for Regeneration & Infrastructure
Why is this a key decision?	To result in the council incurring expenditure, the making of savings or the generation of income amounting to £1m or more.
Wards Affected	Cradley Heath and Old Hill;
Identify exempt information and exemption category	Open
Is the report urgent?	No.
Reasons for urgency (only where applicable)	
Appendices (if any)	N/A

1. Executive Summary

- 1.1 This report seeks approval to submit a funding bid of £1.3m to the Brownfield Land Release Fund (BLRF) towards the demolition and remediation of the Cradley Heath Community Centre site, in readiness for future housing development (subject to planning). Subject to the funding bid being successful, and a capital appraisal being undertaken, this report also seeks delegated authority for the Executive Director - Place to accept the funding.

2. Recommendations

The Cabinet is recommended to:-

- 2.1 Delegate authority to the Executive Director - Place to submit a grant application to the Brownfield Land Release Fund for a maximum of £1.3m for

the demolition and remediation of the former Cradley Heath Community Centre;

- 2.2 If the grant application is successful and a grant offer made, and subject to a capital appraisal being undertaken, delegate authority to the Executive Director - Place in conjunction with the Executive Director - Finance and Transformation in consultation with the Monitoring Officer, Service Director - Governance to negotiate (as necessary) and confirm the terms of grant agreement.

3. Proposals – Reasons for the recommendations

- 3.1 BLRF is provided through One Public Estate (OPE), a partnership between the Office of Government Property, Cabinet Office, Local Government Association and the Ministry of Housing, Local Government and Communities (MCHLG) in conjunction with, and administered by the West Midlands Combined Authority.
- 3.2 The aims of the programme are to accelerate the release of council-owned land for housing development by unlocking otherwise unviable sites for housing delivery, and assisting regeneration, economic development and place-making. The fund supports upfront capital investment to support site delivery, such as demolition, remediation, infrastructure provision, addressing environmental or other relevant constraints. The council has previously benefitted from earlier funding rounds which have supported work at the former Langley Baths site, and the former Gas Showrooms in West Bromwich.
- 3.3 WMCA confirmed in late 2025 that £1.3m funding had been secured for Sandwell, and work was progressed to identify suitable options for which the funding could be utilised. Liaison with WMCA identified the former Cradley Heath Community Centre as the most suitable candidate.
- 3.4 Cradley Heath Community Centre remained in operation as a local community centre until its closure in August 2025. Future options for the site, and adjacent council-owned land were considered by Cabinet in March 2025 (Minute 29/25 refers), with the key recommendations being that:
- The Centre was declared surplus to requirements for all council activities.
 - The demolition of the site be undertaken; and
 - That the site be developed for the council-house new build (HRA) programme, subject to an acceptable business case being made.
 - Alternatively, if the business case could not be made, authority was given to dispose of the site on the open market.
- 3.5 In addition to the demolition work required, subsidence is evidenced on the site, and repairs to a retaining wall are anticipated as a minimum. Further ground conditions will be investigated once the building has been demolished. Irrespective of who develops the site, these works will be required prior to the development of the site for housing purposes. An informal planning brief has been prepared which proposes an indicative site capacity of 13 units.

- 3.6 Whilst the future development of the site has been confirmed, and is subject to planning, no capital allocation of the funds required to support site preparation have been committed. Utilisation of the proposed grant will reduce the financial commitment required from the HRA programme and enable earlier delivery.
- 3.7 Given the known ground conditions and local house values, the site is unlikely to generate a viable scheme on the open market. The utilisation of grant to overcome site constraints will de-risk the site, making it more attractive for housing developers should the business case for HRA delivery not be proven.

4. Alternative Options Considered

4.1 The following alternative options have been considered:-

4.1.1 **Option 1 – Don't progress the grant.** In this scenario, it is assumed that the council decide not to progress the grant application. In such circumstances, the ability to progress delivery of the site would require additional council resources (HRA) thus limiting the scope for their use elsewhere and delivery would take longer, pending the outcome of the HRA Business Case. If the HRA Business Case is not proven, disposal of the site on the open market is likely to be less attractive due to the viability concerns arising from known (and potentially unknown) ground conditions. This may delay housing delivery on the site overall. This option was dismissed.

4.1.2 **Option 2 - Identify alternative sites for grant submission.** A range of sites were identified in the early stages of discussion with WMCA. However, due to programme timescales and the readiness of each of these schemes, they were each determined to be unsuitable for this round of funding. This option was dismissed.

5. Consultation

5.1 Internal consultation and engagement has been undertaken internally with the Property and Assets, and Housing Partnerships teams who have assisted with the preparation of the funding bid. The Cabinet Member for Regeneration and Infrastructure has been briefed and consulted on the proposed funding submission and is supportive of the approach adopted.

5.2 Should the funding application be successful, community engagement detailing the proposals would be completed prior to any planning application being submitted.

6. Financial Implications

6.1 There are no immediate financial implications relating to the submission of the grant, as this has been undertaken using existing resources. If the application is successful, the council will receive £1.3m capital funds which will be required to be ring-fenced for this scheme. A Capital Appraisal will be required to be undertaken prior to the grant being utilised.

7. Legal and Governance Implications

- 7.1 Subject to the application being successful and a grant offer being made, a Funding Agreement will be required to be completed between the council and OPE. Any associated conditions of grant will be required to be met.
- 7.2 Legal Services will review any draft funding agreements and advise prior to these being entered into. Appropriate arrangements will be required to ensure compliance with any conditions associated with funding if awarded, to mitigate risks of clawback that may arise from non-compliance.

8. Risks

- 8.1 There are limited risks to submission of the grant application itself. There is a key risk that the grant application is rejected due to there being incomplete/insufficient information to progress the assessment. However, this has been mitigated through ongoing engagement with WMCA to ensure the bid is compliant and meets the funders expectations.
- 8.2 Whilst WMCA have allocated the funds for SMBC specifically, there is a risk that the application is rejected. This would not secure the funds to deliver the project as planned. Should this occur, the scheme would become more reliant upon the council house new-build programme (HRA) to deliver the necessary demolition and remediation works required. If it were to be determined that the scheme is not viable for HRA purposes, the site would be subject to open market disposal. This is likely to impact the ultimate capital receipt.
- 8.3 The application anticipates that the request for funding is sufficient to undertake the works identified. Further work is ongoing to establish the costs associated with the work in more detail, and therefore there is a risk that the costs associated with the work is greater than the grant offered. The work required considers the demolition of the building and the remediation of the site, and in a situation where the allocated funds are lower than the costs associated with both areas of work, a phased approach could be undertaken to suit the grant allocation, e.g. the grant funded works would be limited to just demolition, or just remediation. Again, in this scenario, there would be additional reliance upon the HRA fund to address the difference, or this would be picked up by a third-party developer if the market route is selected. If a third-party disposal was preferred, any capital receipt may be slightly improved when compared with the scenario in Paragraph 8.2 above.
- 8.4 The scheme will be subject to a Capital Appraisal, and there is a risk that this will result in a recommendation that Council resources, particularly the HRA programme, should not be used to progress this project. Where the site is determined not to be suitable for HRA investment, Cabinet have confirmed approval for disposal to a third-party developer. In this event, any grant offer could be utilised to work in partnership with a developer to support the works required on the site to facilitate development (this approach has been utilised using BLRF funding to support Black Country Housing Group deliver the scheme at the former Gas Showrooms in West Bromwich). Alternatively, the

Council could advise that they don't wish to progress the scheme, although this would generate reputational risks around non-delivery of grant funded schemes.

- 8.5 In the event the grant is confirmed and accepted, the council will be required to progress the scheme in accordance with the details outlined in the application, and any associated grant conditions. A resulting risk would be that if the council does not comply with the grant conditions there may be a risk of clawback. These risks will be managed through the normal project management of the scheme.

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

- 9.1 An EIA is not required in this instance.

10. **Other Relevant Implications**

- 10.1 The key additional implications arising from the proposal are as follows:

- **Procurement implications** – any works arising from the offer of a grant will be required to be undertaken following a compliant procurement exercise. Where possible, to aid scheme delivery at pace, the use of a framework will be considered subject to any relevant approvals being obtained.
- **Social Value** –the utilisation of grant to assist the delivery of the works will generate social value requirements. These will be secured through the procurement process, and assessed according to the social value policy. Specifically, opportunities for apprenticeships and job creation arising from work being undertaken utilising grant will be promoted.
- **Health and Wellbeing** – the provision of new, good quality homes will ensure that those benefitting from the ultimate scheme live within a healthy environment. Site layout will be undertaken in such a way that is compliant with Secure by Design principles, and meets the council's housing standards.
- **Crime and Disorder Act 1998** – Utilisation of grant on the terms anticipated is not expected to significantly impact current crime or disorder. The ultimate delivery of housing on the site will remove the potential for anti-social behaviour arising from a derelict site, and will offer improved natural surveillance along Reddall Hill Road.

11. **Background Documents**

- 11.1 None.

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

- 12.1 The proposals in the report will help delivery against the following objectives:-

- **Growing up in Sandwell**
Utilisation of grant will assist the delivery of new housing, providing a healthy and safe environment for young people growing up.

- **Living in Sandwell**
Utilisation of grant will assist the challenges of meeting housing needs within the Borough. In addition, it will provide good quality homes for a range of households.
- **Healthy in Sandwell**
The utilisation of the grant will ultimately result in the delivery of good quality homes which meet modern day standards. This will assist to improve health conditions associated with living in poor quality accommodation.
- **Thriving Economy in Sandwell**
The provision of new housing on the site will generate investment in the local area, including the provision of apprenticeships and jobs associated with progressing the scheme. In addition, social value requirements associated with ensuring local spend will generate additional value into the local economy.
- **One Council One Team Approach.**
The delivery of this scheme will involve a number of different teams within the council, namely Property and Assets, Finance, Legal, Housing and Regeneration.

Relevance Check

Budget Reduction/Service Area: Regeneration

Service Lead: Tammy Stokes

Date:09.02.26

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?

Any budget reduction arising from utilisation of grant instead of council resources will enable wider use of the council resources elsewhere. This may result in additional schemes being brought forward in the medium term, enabling housing needs to be met.

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