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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE OVERVIEW AND SCRUTINY BOARD

TUESDAY 16TH JUNE 2026, AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

SUPPLEMENTARY PAPERS PACK 2

The attached papers were specified as "to follow" on the Agenda previously distributed relating to the above mentioned meeting.

14. **Windsor Street Delivery Options - Pre-Scrutiny** (Pages 3 - 16)

J. Leach
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

9th June 2026

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Windsor Street – Housing Delivery Options

| | |
|---|--|
| Relevant Portfolio Holder | Councillor Karen May |
| Portfolio Holder Consulted | Yes |
| Relevant Assistant Director | Rachel Egan |
| Report Author Rebecca McElliott | Job Title: Regeneration programme manager Contact email: Rebecca.mcelllott@bromsgroveandredditch.gov.uk Contact Tel: 07484 546750 |
| Wards Affected | All |
| Ward Councillor(s) consulted | No |
| Relevant Council Priority | Economic Development Housing |
| Non-Key Decision | |
| If you have any questions about this report, please contact the report author in advance of the meeting. | |
| This report contains exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended – Appendix 1 | |

1. RECOMMENDATIONS

Cabinet is asked to RESOLVE that:

- 1) **The feedback received from Registered Providers be noted.**
- 2) **Delegated authority is given to the Assistant Director for Regeneration and Property, in consultation with the Portfolio Holder, to progress an outline planning application for the Windsor Street site for up to 50 residential units.**
- 3) **Subject to the granting of outline planning permission and completion of Phase 2 remediation works, that the Windsor Street site be disposed of to a Registered Provider.**
- 4) **Delegated authority is given to the Assistant Director for Regeneration and Property, in consultation with the Portfolio Holder to agree the terms of disposal and select the Registered**

Provider, following evaluation of proposals against the Council’s objectives.

- 5) **A budget of up to £150,000 is approved to meet the costs of progressing the outline planning application as set out in paragraph 4.3.**

2. BACKGROUND

2.1 In November 2025, Cabinet considered an options paper setting out the redevelopment proposals for the Windsor Street site, a key brownfield regeneration opportunity in Bromsgrove Town Centre. The report outlined the history of the site, progress on remediation, and four potential delivery routes for bringing forward new housing. It also sought a decision on the strategic direction of the project.

2.2 In November 2025 Cabinet resolved the following:

- 1) Agree that the Windsor Street site be redeveloped for residential use.
- 2) Agree that the Council should seek to enter into a partnership with a Registered Social Landlord (RSL) to bring forward the development, subject to a further Cabinet report setting out the detail of the collaboration agreement.
- 3) To delegate authority to the Assistant Director for Regeneration & Property and the Assistant Director for Legal, Democratic & Procurement Services, in consultation with the Leader, to progress the preferred option, undertake necessary administrative and contractual steps, and report back to Cabinet.

2.3 Bromsgrove District Council secured significant external funding to de-risk and remediate the site (none of which required Council match funding), including:

| Funding Source | Total (£) |
|------------------------------|------------------|
| Levelling Up Fund | 2,583,252 |
| One Public Estate | 100,000 |
| UKSPF | 84,000 |
| Brownfield Land Release Fund | 722,748 |

Phase 1 remediation was completed in late 2025. Phase 2 remediation works commenced on 1st June 2026 and are expected to complete in September 2026. This will be followed by a 12-month monitoring period which will end in September 2027. Following this monitoring period, the Environment Agency will confirm whether the site can be redeveloped. The project is currently £78,000 over budget. This overspend is being met by the existing Levelling Up Programme contingency budget.

2.4 Cabinet were presented with five options, ranging from “do nothing” to full Council-led development. The key delivery options were:

- a) Option A – Obtain outline planning permission and dispose of the site (lowest risk but lowest control; unlikely to secure more than 30% affordable housing).
- b) Option B – Develop through Spadesbourne Homes Ltd (full control but highest financial risk; long payback period).
- c) Option C – 50/50 partnership with a private developer (shared risk and expertise but unlikely to exceed 30% affordable housing).
- d) Option D – 50/50 partnership with a Registered Social Landlord (shared risk and funding opportunities; strongest route to delivering 50% affordable housing and meeting local housing need).

2.5 Both the Overview & Scrutiny Board and the Cabinet supported Option D – partnership with an RSL as the preferred route, as it best aligned with:

- a) Delivering a high-quality mixed-tenure housing scheme
- b) Achieving at least 50% affordable homes
- c) Controlling design quality
- d) Managing risk through shared responsibility
- e) Meeting funding requirements linked to the Brownfield Land Release Fund.

3. REGISTERED SOCIAL LANDLORD FEEDBACK

3.1 Since November, The Regeneration Programme Manager and Strategic Housing Services Manager have approached five RSLs that are actively seeking development sites in Bromsgrove to undertake soft

market testing. The names of these RSLs have been anonymised for the purpose of this report and can be found at Appendix 1.

- 3.2 The RSLs were asked if they were interested in the site, and on what basis. Their feedback is summarised in the table at Appendix 2. The organisations varied significantly in size, development output, and geographical focus, which shaped the level of interest shown.
- 3.3 Three of the five RSLs (A, B and E) confirmed they were not interested in the site at this time. Reasons included not being able to access Homes England funding, the site being too small for their minimum development thresholds or not aligning with their strategic priorities. These organisations collectively manage portfolios ranging from around 4,400 to 50,000 homes and typically deliver between 70 and 1,750 new units annually.
- 3.4 Two RSLs - (C and D)—expressed positive interest. RSL (C) indicated they would consider acquiring the site to deliver 100% affordable housing and acknowledged that local nominations would continue to be managed by BDHT. RSL (D) showed strong interest, preferring an outright acquisition and proposing delivery of a 100% affordable scheme using their in-house construction capability, guided by local housing need. This is higher than the minimum requirement that Members asked for previously (50%).
- 3.5 Securing outline planning permission prior to disposal significantly increases the site's value by reducing planning risk and giving potential purchasers confidence in the development potential. It also broadens market interest, particularly among RSLs, who are generally risk-averse and more likely to bid competitively on a site where the principle and scale of development have already been established. Obtaining outline consent allows the Council to set key parameters such as unit numbers, access arrangements, and design expectations, ensuring the eventual scheme aligns with local priorities. It also accelerates delivery, as a purchaser can move directly to reserved matters rather than starting the planning process from scratch. Finally, it reduces the likelihood of delays or failed transactions during disposal, as bidders will not need to undertake extensive pre-planning due diligence or negotiate conditional offers based on uncertain planning outcomes. The outline planning application will be informed by

identified local housing need, in consultation with the Strategic Housing Lead, and shaped by viability considerations, while remaining mindful of relevant planning policy.

- 3.6 Although Cabinet initially expressed a preference to progress the scheme through a partnership with a Registered Social Landlord (RSL), soft market testing indicates that, due to the site's relatively small scale, Registered Providers do not consider a partnership model to be commercially or operationally proportionate, as it would introduce additional governance and administrative overheads compared with an outright disposal route. In light of this, it is recommended that the Council proceeds with a disposal of the site to an RSL, conditional upon the granting of planning permission, to enable the timely delivery of much-needed housing.
- 3.7 This recommendation is not the Council's original preferred option, but fully aligns with the strategic objectives for the site—namely delivering a high-quality housing development with a strong affordable housing offer. Proceeding in this way removes development risk from the Council while enabling partners to bring forward a well-designed scheme that reflects local needs and priorities. Crucially, this route also allows the Council to secure a higher overall level of affordable housing than would likely be achieved through a traditional market-led disposal.
- 3.8 By inviting Registered Social Landlords to submit proposals as part of the disposal process, the Council retains the ability to select the scheme that best meets its objectives. Whilst the Council has a duty to achieve best value on disposals, they are permitted to accept a lower receipt in exchange for the delivery of strategic outcomes but must evidence this. Given that the clearing and remediation of the site has been funded through external grant funding, generating a capital receipt is not the primary driver. Instead, the recommended approach supports the wider ambition to maximise affordable, sustainable housing delivery while ensuring the site is brought forward in a way that reflects the Council's long-term regeneration goals.

4. FINANCIAL IMPLICATIONS

- 4.1 A budget of £150,000 is recommended to progress and secure outline planning permission for the site. This includes the following –

- a) Planning application fee
- b) Mandatory surveys and technical reports
- c) Planning consultant and architect
- d) Public consultation (if required)

- 4.2 The Council would receive a capital receipt from disposing of the site to a Registered Social Landlord (RSL); however, the value of that receipt cannot be confirmed until the proposed development scheme is defined and the planning position is known. Land without planning permission is discounted heavily as the buyer will take on all planning risk. Therefore, the investment of £150,000 to obtain planning permission will provide a return on that investment.
- 4.3 The expenditure required to secure outline planning permission would initially be funded from revenue reserves, with a view to replenishing those reserves once a capital receipt is received.

5. LEGAL IMPLICATIONS

- 5.1 Under section 123 of the Local Government Act 1972, the Council must ensure that any disposal of the site achieves the best consideration reasonably obtainable, unless a lawful basis exists to dispose at an undervalue. This requires the Council to obtain and have regard to appropriate valuation advice and to ensure that the terms of disposal, the selection of the preferred Registered Provider and the decision-making process are properly documented, rational and auditable.
- 5.2 The Council is not obliged simply to accept the highest monetary offer, but it must be able to evidence why the agreed transaction represents the best consideration reasonably obtainable in the circumstances, taking account of factors such as deliverability, certainty and risk. If the Council proposes to dispose of the site at less than best consideration in order to secure wider regeneration, housing or wellbeing objectives, it may only do so where it is satisfied that the disposal will help to secure the promotion or improvement of the economic, social or environmental wellbeing of the area and where the undervalue does not exceed £2 million, in accordance with the General Disposal Consent (England) 2003; otherwise, specific consent from the Secretary of State would be required.

6. OTHER - IMPLICATIONS

Local Government Reorganisation

- 6.1 The government intends to issue directions under section 24 of the Local Government Act requiring written consent from successor Councils for land disposals worth more than £100,000, entering contracts of more than £1 million for capital and entering contracts of more than £100,000 for non-capital (whole life costs). The timeline for the date of these has not yet been confirmed but in the meantime, the government expects councillors and statutory officers to be mindful of their responsibilities and for Councils to work together in sharing information and making decisions that are in the best interests of the whole area.

Relevant Council Priority

- 6.2 Redevelopment of the Windsor Street site is one of the key projects within the Council Plan and Centres Strategy. As a brownfield site, its redevelopment will meet housing needs whilst protecting the Green Belt. Transforming an underutilised site into residential use will increase footfall and support local businesses, contributing to a more vibrant town centre. This approach is part of the Council's broader strategy to regenerate the town centre, making it a more attractive place to live, work, and visit.

Climate Change Implications

- 6.3 The redevelopment of the site has positive climate change implications as it involves the redevelopment of a brownfield site, encourages sustainable urban living and land remediation will improve soil and water quality. New housing will be built to modern energy efficiency standards, reducing operational carbon emissions.

Equalities and Diversity Implications

- 6.4 Increasing the supply of housing (including affordable) in the district helps households on low incomes by providing them with good quality

housing. It is important that the preferred option considers the potential for bringing appropriate housing stock to the market.

7. RISK MANAGEMENT

| Risk | Mitigation |
|--|--|
| Phase 2 remediation and/or subsequent 12-month monitoring does not achieve a position that enables redevelopment; Environment Agency sign-off delayed or not achieved. | Soilfix are undertaking additional site investigations prior to commencing Phase 2 works to confirm the barrier injection design and optimise delivery, to provide assurance that the treatment will perform as intended. Maintain regular liaison with the Environment Agency and maintain clear audit trail of verification information. |
| Outline planning application delayed or refused | Early pre-application engagement with planning department. Keep scheme parameters aligned with local policy and housing need. |
| Insufficient interest from Registered Providers at disposal stage, reducing competition and risking delay. | Build on soft market testing, engage early with interested RPs and provide clear disposal timetable. |
| Decision route for selecting RSL and approving disposal is unclear, leading to delay or challenge. | Confirm delegated authority and decision points (including consultation requirements). Align with Constitution and Legal/Procurement advice. |
| Disposal does not demonstrate “best value” (s123 LGA 1972) where wider objectives are prioritised over highest receipt, risking legal challenge. | Obtain valuation advice, maintain transparent, auditable evaluation and ensure legal sign-off. |
| Local Government Reorganisation consent | Monitor government directions and assess transaction value thresholds early. Build |

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|---|---|
| thresholds affect timing or ability to dispose of the site. | consents into programme and engage Legal and relevant successor authority contacts as required. |
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8. APPENDICES and BACKGROUND PAPERS

Appendix 1 – Details of Registered Social Landlords consulted (EXEMPT)

Appendix 2 – Feedback from Registered Social Landlords

Cabinet
2026

17th June

9. REPORT SIGN OFF

| Department | Name and Job Title | Date |
|--|---|-----------|
| Portfolio Holder | Cllr Karen May | 22/4/2026 |
| Lead Director / Assistant Director | Rachel Egan | 22/4/2026 |
| Financial Services | James Walton | 18/5/2026 |
| Legal Services | Nicola Cummings, Principal Solicitor - Governance | 18/5/2026 |
| Policy Team (if equalities implications apply) | Rebecca Green | 18/5/2026 |
| Climate Change Team (if climate change implications apply) | Matthew Eccles | 18/5/2026 |

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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Appendix 2 - RSL feedback:

| RSL reference | Location | Interest in site | Basis of interest | Comments |
|----------------------|--|--|---|---|
| A | Worcestershire | Yes but unable to consider at this time. | N/A | They do not currently have a vehicle to access grant and are exploring at pace. They may be in a position to secure grant funding from Homes England by the time the site is ready for redevelopment. |
| B | Central and South West England (multi-regional but not national) | No – too small. Minimum requirement of 50 units. | N/A | They may be interested in the future. |
| C | West Midlands | Yes | Acquisition preferred but would consider disposal and transfer of units to LA | They do not have their own housing list so nominations would come from LA. Not currently that active in Bromsgrove – more so in Birmingham and Coventry but would consider this site |
| D | National (but head office in Worcestershire) | Yes | Acquisition only rather than partnership arrangement with BDC | They have their own construction company so would develop the site themselves. This RP would deliver a 100% affordable scheme on the site based on local housing need. |
| E | Midlands and Central England | No | N/A | N/A |

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