

Overview and Scrutiny Board

22nd July 2025

LEVELLING UP REPORT – BROMSGROVE TOWN CENTRE REGENERATION

Relevant Portfolio Holder		Councillor Karen May
Portfolio Holder Consulted		Yes
Relevant Head of Service		Rachel Egan – Assistant Director Regeneration & Property
Report Author	Job Title: Assistant Director, Regeneration and Property email: Rachel.Egan@bromsgroveandredditch.gov.uk	
Wards Affected		All
Ward Councillor(s) consulted		No
Relevant Council Priorities		Development Communities and 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(s) 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended in Appendix 1		

1. RECOMMENDATIONS

Overview and Scrutiny Board is asked to note the work undertaken to date detailed within this report and to RESOLVE that:

- 1) the update on the progress of the Levelling Up Fund projects be noted.**

2. BACKGROUND

- 2.1 The purpose of this report is to provide a quarterly update on the progress of all regeneration schemes funded through the Levelling Up Fund (LUF).

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3. PROJECT UPDATES

Windsor Street Update

- 3.1 As of the 15th of June, Brownfield Solutions are continuing to undertake ground water monitoring on site. There are six wells in total, with monthly testing taking place. Following the initial six-month period (phase one), these results will be submitted to the Environment Agency. They will advise the Council if the presence of PFAS/PFOS chemicals (per and polyfluorinated alkyl substances) across the site within the soils and groundwater are at an acceptable level and the site can be redeveloped. If they are not, a further six-month remediation strategy will be undertaken through to January 2026.
- 3.2 The access road has been reinstated for the property to the north of the site and the Wendron Centre. No issues have been reported to date by either party.
- 3.3 The project is continuing to progress in line with timescales and remains to be on track to be delivered by January 2026. This is due to time saved during phase 2 of the project. In early 2026, the Council will have a clean site that is ready to be redeveloped.
- 3.4 Whilst the remediation strategy is executed during 2025, the project team will present options for the future use of the site to Cabinet in November 2025, with a view to progress the preferred option following a decision. Thomas Lister have provided a development appraisal that will form part of the options paper. The project manager has also met with Homes England to discuss potential funding opportunities. Construction would not be expected to start on site until early 2027.
- 3.5 The updated financial position can be found in Appendix 1 for the overall LUF programme.

Nailers Yard Site

- 3.6 Members will be aware that this project aims to regenerate a key brownfield site in Bromsgrove town centre by creating a vibrant new commercial and cultural hub on the former Market Hall site (which has been renamed Nailers Yard). Progress photos are shown in Appendix 2.

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- 3.7 The steel structures for both buildings are now complete with the precast lift shaft and stairs installed on the commercial building. The next stage will see the installation of rooflight steelwork and complete purlins to the Pavilion building and the reinforcement and concrete to all floors and fire boxing of steelwork which commenced in late June. As discussed in the previous report to Overview and Scrutiny, there is a six-week delay to the programme due to unforeseen ground obstructions.
- 3.8 SCP Transport Planning are instructed to undertake the travel plan and welcome pack for the site. This is a planning condition that must be discharged prior to occupation. The project team are working through all planning conditions to ensure that they are discharged in a timely manner.
- 3.9 The public were asked to vote on the name of the development site in April 2025. There was a clear winner with almost 65% of the votes which was 'Nailers Yard'. The communications team are currently working on logo and branding designs which will be used in marketing material.
- 3.10 GJS Dillon were appointed to market the commercial building in December 2024. They are preparing marketing particulars and will advertise the space as well as handle lettings on behalf of the Council. There has already been some early interest in the office units and the food and beverage units. This is discussed in more detail in Appendix 1.
- 3.11 The project manager is preparing the full business case that will be submitted to Birmingham City Council to release Bromsgrove District Council's share of the former Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) funding. To submit the full business case, an updated Benefit Cost Ratio (BCR) assessment of the project must be submitted. The Council have instructed Volterra LLP to support with this calculation as they were involved in the original Levelling Up Fund application.

4. FINANCIAL IMPLICATIONS

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- 4.1 The Council has obtained a further extension from government for the LUF to end of March 2026.
- 4.2 The original budget for the programme was £16.103m which was made up of the Levelling Up Fund and Council contribution. This was allocated to the following projects within Bromsgrove:

Project	Funding allocated
Windsor Street	£3,471,000
Nailers Yard (former Market Hall)	£10,399,000
Public Realm	£2,233,000

- 4.3 The public realm project was completed in early 2025 with an underspend of £546,000. Nailers Yard and Windsor Street projects are ongoing.
- 4.4 Further to the LUF money (£14.5m) being awarded to Bromsgrove District Council, some additional funding has also been awarded to the projects in Bromsgrove. These sums total £1.08m and are as follows –

Funding source	£ total received
UK Share Prosperity Fund (UKSPF) - Nailers Yard	222,364
Brownfield Land Release Fund	722,748
UKSPF - Windsor Street	84,000
Levelling Up Fund	50,000
Total	1,079,112

- 4.5 Thus the overall funding secured of £16.103 million (£14.5m plus £1.6m) was increased by £1.08m to a total of £17.183 million.

The final cost of the Levelling Up Programme is currently estimated to be £18.65m. This is made up of the following amounts per project –

Project	Total (£)
Nailers Yard	13,476,590
Windsor Street	3,490,000
Public Realm	1,686,000

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The total amount of funding available to the projects, including the GBS LEP funding is £19.605m. This is made up of the following amounts:

Funding source	Total funding
Levelling Up Fund	£14.5m
Bromsgrove District Council	£1.6m
Additional funding sources (secured)	£1.08m
GBSLEP funding (not secured)	£2.425m

- 4.6 The project team are preparing an Expression of Interest to Birmingham City Council for the GBSLEP monies totalling £2.45m. The project manager is preparing the full business case for submission. This money will be spent on the Nailers Yard project. Birmingham City Council have confirmed that interest is not applied to the Regional Investment Fund (RIF) funding as this isn't a ring fenced 'pot' of funding which sits within its own bank account. The RIF programme is funded from the programme's cashflow generated by the business rate income on a year-by-year basis.
- 4.7 The Windsor Street project is continuing to progress in line with timescales and remains to be on track to be delivered by January 2026. The current spend to date on site purchase, clearance and remediation is £3.191m (which is within the budget envelope of £3.490m).
- 4.8 If the Windsor Street project does not require phase 2 remediation works, then there is a potential saving that could be reallocated to Nailers Yard. However, we will not know until August 2025 if phase 2 remediation work is required.
- 4.9 Options for the Windsor Street site will be presented to Overview and Scrutiny in September 2025 and Cabinet in November 2025 where Members will be asked to agree how the site will be delivered for housing. Each option will have different financial implications for the Council.
- 4.10 The Chief Finance Officer signs off an assurance statement that is sent to the Ministry for Housing, Local Government and Communities (MHCLG) on a quarterly basis updating on progress.

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- 4.12 The Levelling Up Fund programme is being actively monitored via the Ministry of Housing, Communities & Local Government (MHCLG). Quarterly monitoring reports are submitted and reviewed. MHCLG have confirmed that the Council is progressing the projects and they do not have any concerns.

5. LEGAL IMPLICATIONS

- 5.1 There are legal implications arising from the contracts between the Council and various third parties (consultants and contractors). They are specific to each contract and assessed by the Council's legal team.

6. OTHER - IMPLICATIONS

Local Government Reorganisation Implications

- 6.1 There are no specific implications for Local Government Reorganisation.

Relevant Council Priorities

- 6.2 This project supports the following Council Priorities: Economic Development and Infrastructure.
- 6.3 The work on this project supports economic development and regeneration as well as a balanced housing market.
- 6.4 The regeneration project at Nailers Yard provides workspace and will enhance the vitality and viability of the town centre with the extra food and beverage offer and the community space.

Climate Change Implications

- 6.5 Through the redevelopment of the Nailers Yard site, energy efficiency measures and Low and Zero Carbon technologies will be introduced with a view to reduce operational energy consumption and the associated carbon emissions targets. These include introducing U values better than Building Regulations Part L, mechanical ventilation with heat recovery (MVHR), natural ventilation where possible, utilising

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building thermal mass, high efficiency air source heat pumps and low energy LED lighting. The Nailers Yard site commits to achieving a minimum Building Research Establishment Environmental Assessment Methodology (BREEAM) 'very good' rating on this site.

Equalities and Diversity Implications

- 6.6 There are no specific equalities and diversity implications.

7. RISK MANAGEMENT

- 7.1 As part of the governance and reporting requirements, a risk register has been produced for each sub project. The key risks for each project are as follows:

Project	Risk	Comments
Nailers Yard	Culvert works	Potential impact on project budget and programme
Nailers Yard	Incoming electrics	Potential impact on project budget and programme
Nailers Yard	Commercial building layout	Potential impact on project budget and programme
Windsor Street	Remediation strategy	Environment Agency need to sign off prior to any development on site
Windsor Street	Redevelopment options	Bromsgrove District Council to agree future delivery option for site prior to any works

8. APPENDICES and BACKGROUND PAPERS

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Appendix 1 – Programme Financial Update - Contains exempt information

Appendix 2 – Nailers Yard site progress photos

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Karen May	4/7/2025
Lead Director / Head of Service	Rachel Egan AD Regeneration and Property	4/7/2025
Financial Services	Bob Watson	7/7/2025
Legal Services	Nicola Cummings, Principal Solicitor – Governance	10/07/25
Policy Team (if equalities implications apply)	Not Applicable	N/A
Climate Change Team	Matthew Eccles	23/07/25