

Overview and Scrutiny Board

6th January 2026

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	Rebecca McElliott Job Title: Regeneration Programme Manager email: Rebecca.Mcelliott@bromsgroveandredditch.gov.uk
Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Council Priorities	Development Communities and Housing Infrastructure
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Overview and Scrutiny Board is asked 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 projects funded through the Levelling Up Fund (LUF).
- 2.2 The three projects are Nailers Yard, Windsor Street (acquisition, demolition and remediation) and Public Realm improvements (which is now complete).

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3. PROJECT UPDATES

Windsor Street Update

- 3.1 As of the 19th December 2025, Brownfield Solutions have completed phase one of the remediation strategy. This included groundwater monitoring following the removal of contaminated soil. These results were submitted to the Environment Agency (EA) for technical review.
- 3.2 Feedback was received from the EA on 13th November 2025. Their feedback can be summarised as follows –
 - a) The proposed soil remediation has largely removed the main PFAS source and should reduce further contamination of groundwater, though groundwater PFAS levels in source zones still exceed targets and further remediation is needed as outlined in the October 2025 report.
 - b) Groundwater treatment options are supported, with emphasis on developing a detailed treatment specification, managing disposal of contaminated groundwater, and incorporating post-treatment groundwater monitoring.
 - c) For human-health protection aspects, the advice of Worcestershire Regulatory Services Environmental Health/Pollution Control should be sought as the lead regulator.
- 3.3 A meeting was held with the main contractor (City Demolition), Soilfix and Brownfield Solutions to discuss options for phase 2 remediation works on 16th December. Soilfix have proposed two options for phase 2 including either source injection works or barrier injection works. If works commence at the end of January 2026, it will take 20-23 weeks to undertake the treatment. This will need to be followed by 25 weeks of post monitoring (expected completion of December 2026-January 2027).
- 3.4 Cabinet agreed on the 19th of November 2025 that the site would be redeveloped for housing and their preferred option for delivery is to partner with a Registered Social Landlord (RSL). The Assistant Director for Regeneration and Property and the Assistant Director for Legal, Democratic and Procurement Services were given delegated authority to explore this option further and will report back to Cabinet on the outcomes at a later date.

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3.5 The project manager instructed an external solicitor to provide specialist legal advice on partnership and procurement options for the site. The deadline for advice is 23rd December 2025. Following a review of this advice, an options report will be prepared for Cabinet.

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).

3.7 Works to both buildings are progressing well. The electric supply works have been completed, and the culvert works have commenced. Since the previous Overview and Scrutiny meeting in October, the expected completion date remains the same – 4th May 2026. The project is estimated to cost £15,004,552 (no change from previous report).

3.8 Bruton Knowles have been appointed to undertake the property management of the commercial building. They will deal with landlord/tenant commercial leases, collecting rent and day-to-day enquiries, arranging contractors and repairs (Facilities Management) and broader value-enhancing changes (Asset Management). The management costs of a commercial building are met by the tenants through service charge. A landlord is responsible for service charge in any un-let space.

3.9 GJS Dillon are continuing to receive enquiries for the commercial building. They are agreeing heads of terms with an incoming tenant who would like to rent the whole of the second floor and half of the third floor which is 50% of the office space available.

3.10 The regeneration team are reviewing options for the operational management of the Pavilion building. Enquiries have been received from several community groups who would like to hire the space.

3.11 The full business case (FBC) for GBSLEP funding was presented to the Enterprise Zone Programme Board on the 22nd of October and the Enterprise Zone Partnership Board on the 12th of November. It was approved by the EZ Partnership Board, and it is progressing to

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Birmingham City Council's Cabinet for approval on the 20th January 2026. This will enable funds to be paid in Quarter 1 2026/2027 towards the Nailers Yard project.

3.12 Kier are engaging with Heart of Worcestershire College and will be arranging a site visit for students in January 2026. They are also going to attend career events and extend the invitation to their supply chain. Any surplus materials from site such as bricks or plasterboard will be donated to the college for their students to use.

4. FINANCIAL IMPLICATIONS

4.1 The Council has been given a further extension from the Government for the Levelling Up Fund to the end of March 2027.

4.2 The original budget for the programme was £16.103m which was made up of the Levelling Up Fund and the Council's 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 a confirmed underspend of £927,335. Nailers Yard and Windsor Street projects are ongoing.

4.4 Further to the Levelling Up Fund money (£14.5m) being awarded to Bromsgrove District Council, some additional funding has also been awarded to the projects in Bromsgrove. These sums total £1.093m and are as follows:

Funding source	£ total received
UK Share Prosperity Fund (UKSPF) - Nailers Yard	224,364
Brownfield Land Release Fund	722,748
UKSPF - Windsor Street	84,000
Levelling Up Fund	62,500
Total	1,093,612

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4.5 Thus the overall funding secured of £16.103m (£14.5m plus £1.6m) was increased by £1.093m to a total of £17.194m. With the additional £500,000 agreed by Bromsgrove District Council, this has increased to £17.694m.

4.6 The final cost of the Levelling Up Programme is currently estimated to be £19.8m. This is made up of the following amounts per project –

Project	Total (£)
Nailers Yard	15,004,552
Windsor Street	3,490,000
Public Realm	1,305,665

4.7 Bromsgrove District Council agreed to provide a further £500,000 to the Levelling Up Programme in August 2025. Therefore, the total amount of funding available to the projects, including the GBSLEP funding is £20,118,612.00. This is made up of the following amounts:

Funding source	Total funding
Levelling Up Fund	£14.5m
Bromsgrove District Council	£2.1m
Additional funding sources (secured)	£1.093m
GBSLEP funding (not secured)	£2.425m

Any underspend or additional funding received will reduce the overall Council contribution to the Levelling Up Programme.

4.8 The spend to date (as of 4th December) on the Windsor Street site for site purchase, clearance and remediation is £3.199m (which is within the budget envelope of £3.490m).

4.9 The current spend to date (as of 4th December) on the Nailers Yard project is £9,491,615.52.

4.10 The Section 151 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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4.11 The Levelling Up Fund programme is being actively monitored via the MHCLG. Quarterly monitoring reports are submitted and reviewed. MHCLG recognise 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 Following LGR, any ongoing revenue income from the Nailers Yard development and Windsor Street site will transfer to the new Unitary Council.

Relevant Council Priorities

6.2 This project supports the following Council Priorities:
Economic Development, Communities and Housing 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 The design of the mixed-use development at Nailers Yard is founded on principles of universal and inclusive design, ensuring that all users — regardless of age, ability, or circumstance — can access, use, and enjoy the building and its facilities independently and with dignity. In accordance with Approved Document M (Volume 2 – Buildings Other Than Dwellings) and BS 8300-2:2018, the proposals will deliver a barrier-free environment that integrates accessibility into the architectural concept from the outset, rather than as an addition or adaptation.

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	Underuse of Pavilion building	Potential reputational and financial risk
Nailers Yard	S278 Highway works	Objection from WCC could impact on budget and programme
Windsor Street	Remediation strategy	Environment Agency need to sign off prior to any development on site

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Windsor Street	Procurement of partner	Potential impact on project budget and programme
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8. APPENDICES and BACKGROUND PAPERS

The Levelling Up Programme has been reviewed at the following meetings:

- O&S Levelling Up Programme update report October 2025
- O&S Levelling Up Programme update report July 2025
- O&S Levelling Up Programme update report February 2025
- O&S Levelling Up Programme update report November 2024
- Bromsgrove Town Centre Regeneration July 2024
- Bromsgrove Town Centre Regeneration – Cabinet, 14th February 2024
- Bromsgrove 2040 Vision, Cabinet 12th July 2023
- Market Hall Proposal – Cabinet 15th March 2023
- Market Hall Scrutiny – Overview and Scrutiny, 13th March 2023.
- Levelling Up Fund Update – Overview and Scrutiny, 24th October 2022.

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Karen May	16/12/2025
Lead Director / Head of Service	Rachel Egan AD Regeneration and Property	02/12/2025
Financial Services	Debra Goodall – Acting S151 Officer	3/12/2025

BROMSGROVE DISTRICT COUNCIL

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Department	Name and Job Title	Date
Legal Services	Nicola Cummings, Principal Solicitor – Governance	3/12/2025
Policy Team (if equalities implications apply)	Rebecca Green	3/12/2025
Climate Change Team	Matthew Eccles	3/12/2025