

Overview and Scrutiny Board

14th April 2026

LEVELLING UP REPORT – BROMSGROVE TOWN CENTRE REGENERATION

Relevant Portfolio Holder	Councillor Karen May
Portfolio Holder Consulted	
Relevant Head of Service	Rachel Egan – Assistant Director Regeneration and Property
Report Author	Rebecca McElliott Job Title: Regeneration Programme Manager email: Rebecca.Mcelllott@bromsgroveandredditch.gov.uk
Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Council Priorities	Economic 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.	
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 A	

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 continued progress of all regeneration schemes funded through the Levelling Up Fund (LUF).

3. PROJECT UPDATES

Windsor Street Update

- 3.1 Brownfield Solutions have successfully completed phase one of the remediation strategy. This included groundwater monitoring following the safe removal of contaminated soil. Results were submitted to the Environment Agency (EA) for technical review who provided feedback in November 2025, and it was determined that further remediation would be required.
- 3.2 Following feedback from the EA, the Project Manager met with City Demolition, Brownfield Solutions and Soilfix to agree the scope of works for phase 2 remediation which includes barrier injection works. This will take twelve weeks to complete, followed by a monitoring period of 12 months. The EA have confirmed that they are happy with the proposed phase 2 works but have advised that any future development on the site may require routine monitoring.
- 3.3 Phase 2 works will commence in April 2026 for a period of 12 weeks. This will be followed by the monitoring period which has an expected completion date of July 2027. Phase 2 is expected to cost approximately £464,000. The allocated funding for the Windsor Street project is £3,490,000. Phase 2 works will result in a project overspend of approximately £74,000. This will be funded by the LUF programme contingency budget.
- 3.4 The project team presented options for the future use of the site to Cabinet in November 2025, with a view to progress the preferred option following a decision. Cabinet resolved that their preferred option was to deliver housing on the site in partnership with a Registered Social Landlord (RSL). The Project Manager and Strategic Housing Services Manager have met with five RSLs that are actively seeking development sites in Bromsgrove to undertake some soft market testing. A report will be presented to Cabinet including their feedback with recommendations in June 2026. Officers will continue progressing enabling activities in parallel with remediation works to maintain strong project momentum.

Nailers Yard Site

- 3.5 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).
- 3.6 Construction works are progressing well, with both the Pavilion and Commercial buildings showing strong visible progress. Culvert works are ongoing with a new concrete base in place with concrete walls being installed. Heavy rainfall required temporary adjustments to pumping equipment. As a result of poor weather and a delay with the planning decision, there is a three-week delay which will result in a loss and expense claim by Kier. This has not yet been costed.
- 3.7 Part of the external works requires approval from Worcestershire County Council (WCC) under a S278 agreement. This approval was not secured by the original target date, which has caused a delay to the start of the external works. The project manager has continued to work closely with WCC to progress the outstanding technical requirements and has put in place an alternative route via a S184 licence to minimise further delay. The Council is also reviewing the circumstances surrounding the delay and will consider appropriate actions as required. A more detailed explanation of the issues and next steps is provided in Appendix A.
- 3.8 The project team carried out an options appraisal for the operation and management of the Pavilion building, considering both in-house delivery and the appointment of a third-party operator. It was agreed that, as the Council does not currently have the specialist expertise or capacity required to operate the facility, a third-party operating model would be the preferred approach.
- 3.9 Following this, a soft market testing exercise was carried out between 26th January and 9th February 2026 to seek early market insight from organisations interested in operating and managing the Pavilion Building at Nailers Yard. The brief was published on the Proactis portal. The Council received only one response from Rubicon Leisure Limited. Rubicon Leisure Limited is the Redditch Borough Council-owned company that runs Redditch's main leisure, culture, and community facilities — everything from the Abbey Stadium gym and pool to community centres, events, and arts venues.

- 3.10 Due to Rubicon Leisure Limited having the relevant expertise and experience operating similar facilities, approval was sought from the Levelling Up Fund Board to appoint them. Negotiations on the Service Level Agreement are progressing positively.
- 3.11 GJS Dillon continue to market the commercial building, with active interest and site viewings underway. One tenant has confirmed they require floors one and two. Once the lease is finalised, details of the tenant will be shared.
- 3.12 The full business case (FBC) for the former Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) funding was submitted to Birmingham City Council on 19th September 2025, culminating in Birmingham City Council Cabinet approval on 20 January 2026. This will enable funds to be paid in Quarter 1 of 2026/2027 towards the Nailers Yard project. This represents a major funding success and strengthens the financial position of the programme.

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 2028. The funds have all been drawn down and will be spent within the current financial year.
- 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. The 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 was awarded to

Overview and Scrutiny Board

14th April 2026

the projects in Bromsgrove. These sums total £3,518,612 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
GBSLEP	2,425,000
Total	3,518,612

- 4.5 Bromsgrove District Council originally agreed to contribute up to £1.6m to the programme. In August 2025, this was increased to £2.1m.
- 4.6 Thus the overall funding secured for the programme is £20,118,612 (£18,018,612 in external funding and £2,100,000 in Council funding).
- 4.7 The Windsor Street project is delayed due to a requirement for further remediation, and the revised completion date is July 2027. The current spend to date as of 17th February 2026 on site purchase, clearance and remediation is £3.105m.
- 4.8 The Nailers Yard project is likely to be delayed until Summer 2026 due to the delay in agreeing the S278 works. The current spend to date as of 16th March 2026 is approximately £14.347m.

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

Overview and Scrutiny Board

14th April 2026

- 6.1 Following Local Government Reorganisation (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 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 five highest scoring risks for the Levelling Up programme are as follows:

Overview and Scrutiny Board

14th April 2026

Project	Risk	Comments
Nailers Yard	Culvert works	Potential cost and time implications.
Nailers Yard	Commercial units are not let – Council responsible for void costs	GJS Dillon actively marketing units.
Nailers Yard	S278 works	Potential cost and time implications.
Windsor Street	Remediation strategy	Environment Agency need to sign off prior to any development on site.
Windsor Street	Inability to partner with RSL (conflicting priorities and/or lack of interest)	Soft market testing ongoing prior to presenting options to Cabinet.

8. **APPENDICES and BACKGROUND PAPERS**

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

- Overview and Scrutiny (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.

Overview and Scrutiny Board

14th April 2026

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Karen May	1/4/2026
Lead Director / Head of Service	Rachel Egan AD Regeneration and Property	17/3/2026
Financial Services	Debra Goodall	19/3/2026
Legal and Democratic Services	Nicola Cummings, Principal Solicitor – Governance Jess Bayley-Hill, Principal Democratic Services Officer	31/03/26
Policy Team (if equalities implications apply)	Not Applicable	N/A
Climate Change Team	Matthew Eccles	19/3/2026