Levelling Up Programme

Bromsgrove District Council

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Background

In October 2021, the Council was awarded £14.5m in Levelling Up Funding.

The funding was allocated for the following projects –

Nailers Yard (Former Market Hall)	Windsor Street (Demolition and remediation)	Public realm improvements

Public Realm - Complete

Public Realm Improvements

- footway areas upgraded with natural stone paving to complement the High Street
- new street trees
- new cycle parking
- new benches
- Improved drainage
- removal of excessive street clutter
- new bollards

Before and After

Before and After

Before and After

Before and After

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Public Realm Budget and Programme

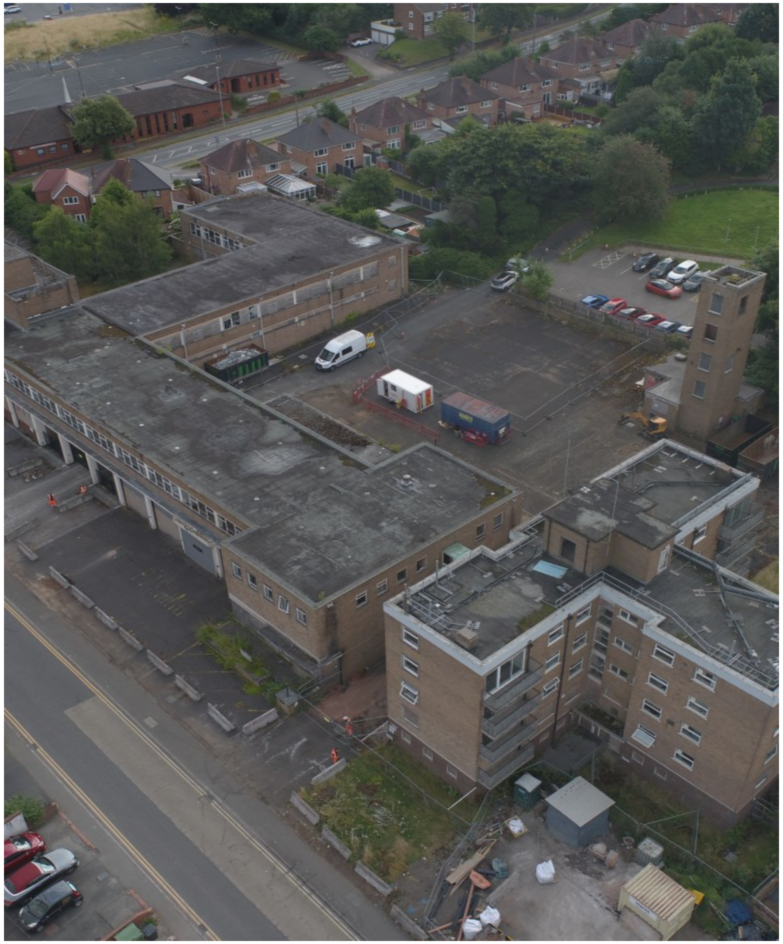
Original Budget (2021)	Revised Budget (Nov 2024)	Out turn
£2,233,000	£1,686,000	£1,306,000

Planned start and end date	Actual start and end date
July 2024 – September 2025	July 2024 – April 2025

£1.306m funded from LUF. Cost savings of £927k due to shorter programme and inflationary pressures below what was anticipated. Underspend managed within overall programme

Windsor Street

- The site had been derelict since 2014.
- There were issues with anti-social behaviour
- Viability issues
- Three planning applications that did not progress
- Levelling Up Funding secured in 2021 to bring the site back into positive use



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Windsor Street – Progress to Date

- Demolition complete
- Phase 1 (removal of contaminated soil) complete
- Phase 2 ground water remediation commenced June 2026 and will be complete September 2026
- 12 month monitoring period will be complete by September 2027

Windsor Street – Before and After Demolition

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Windsor Street Programme

Original Start and end date	Actual Start Date	Projected End Date
August 2024 – TBC	August 2024	September 2027

- It was always envisaged that there would be two phases of remediation works
- Securing sign off from Environment Agency to proceed with phase 2 took longer than expected
- Additional time taken on site investigation to ensure success of phase 2

Windsor Street – Future Development (Outside LUF Programme)

Preferred and subsequent option achieve the following:

- Council has some control over the development
- Financial risk of development is mitigated
- High proportion of affordable housing

- Sept 25 O&S – options considered and preferred option of 50/50 partnership with an RSL identified
- Nov 25 O&S – Preferred option agreed by Cabinet
- December 25 – sought legal advice regarding the approach
- Jan 26 – legal advice provided
- Jan – March 26 - meetings with RSLs
- April 26 – collated feedback, no support from RSLs for partnership option, ability to achieve same goals through disposal to RSL
- May 26 – senior officer and Portfolio Holder review
- June 26 – Cabinet decision to support disposal to an RSL to achieve same goals as previous preferred option

Windsor Street Budget and Spend to Date

Original Budget (2021)	Revised Forecast (Nov 2024)	Current Budget (2026)	Spend to Date	Anticipated Out turn
£2,941,000	£3,490,000	£3,505,748	£2,959,000	£3,569,000

Funding Source	Amount
Levelling Up Fund	£2,129,000
Brownfield Land Release Fund	£722,748
BDC Funds	£570,000
UK Shared Prosperity Fund	£84,000
Total	£3,505,748

The increase of 18.7% between the original budget and Nov 2024 forecast is consistent with inflation for a project of this type

Nailers Yard - A vibrant commercial and cultural hub, supporting economic growth, business activity, town-centre footfall and community use.

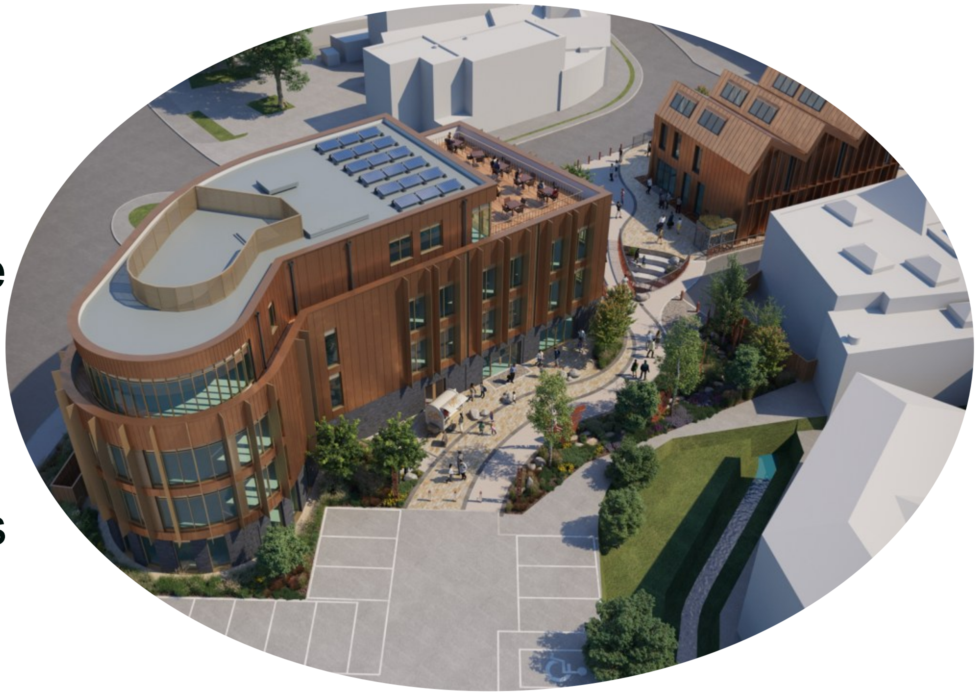
Following an options appraisal and consultation, a planning application was submitted and approved in early 2024 for a mixed-use development comprising:

- Approximately 11,500 sq ft of office and workspace accommodation;
- Over 3,500 sq ft of café/food and beverage space;
- A separate Pavilion building providing over 2,000 sq ft of community space. The pavilion will be a multipurpose community asset with an open plan ground floor encouraging creative exhibitions, markets, and community use during the day, evenings, and weekends.

Kier were appointed as the main contractor to deliver the scheme in July 2024

Nailers Yard – Commercial Building

- The commercial building is being marketed by local agent, GJS Dillon.
- Lease about to be signed on 50% of office space
- Ground Floor Food & Beverage at Heads of Terms stage
- Strong interest in the top floor
- It would be unusual to expect a significant proportion of pre-lets for a speculative development outside a major city targeting the SME market



Nailers Yard – Pavillion

- The Pavilion building will be operated on behalf of the Council by Rubicon Leisure
- The SLA is being finalised and bookings can then open
- There are two remaining covenant holders:
  - one has reached an agreement in principle to release
  - despite multiple attempts over a period of time, the other has not engaged
- Funds have been set aside to release the covenant should the other party wish to engage at a later date.
- Rubicon leisure have expressed no concerns regarding the existence of the covenant as the majority of activities will not involve the consumption of alcohol

Nailers Yard Operational Budgets

- Fully occupied and following any rent-free periods the commercial building can achieve up to £300k p.a. rental income
- This income will be used to cover:
  - Void costs e.g. service charges, business rates, etc.
  - Operation of the Pavillion Building
- A net nil budget was included in the 26/27 budget
- During a full year of operation with the commercial building fully let the rental income would cover the costs of operating the Pavillion building and generate a surplus
- During 26/27 the operating budget will be closely monitored against the risks of reduced income/start up costs and any budget implications reported through quarterly monitoring

Nailers Yard Programme

Original Start and end date	Actual Start Date	Projected End Date
July 2024 – December 2025	September 2024	September 2026

Programme delays caused by:

- Ground obstructions
- Culvert works and excessive rainfall during that period
- Issues with S278 and associated works

Nailers Yard Budget and Spend to Date

Original Budget (2021)	Revised Forecast (2024)	Current Budget (2026)	Spend to date	Anticipated Out turn
£10,929,000	£13,034,000	£15,309,864	£13,116,000	*£15,309,864

Funding Source	Amount
Levelling Up Fund	£11,127,500
GBS LEP Funds	£2,425,000
BDC Funds	£1,533,000
UK Shared Prosperity Fund	£224,364
Total	£15,309,864

**To be reviewed when impact of S278 delay is confirmed*

Construction price inflation between November 2021 and September 2024 was approximately 25% so the increase from the original budget at 19.3% was below the expected increase

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Levelling Up Programme Budget and Spend to Date

Original Budget (2021)	Revised Forecast (2024)	Current Budget (2026)	Spend to Date	Anticipated Out turn
£16,103,000	£18,210,000	£20,121,612	£17,381,000	£20,184,864

Funding Source	Amount
Levelling Up Fund	£14,562,500
GBS LEP Funds	£2,425,000
BDC Funds	£2,103,000
Brownfield Land Relief Fund	£722,748
UK Shared Prosperity Fund	£308,364
Total	£20,121,612

Lessons Learned – Full Review to Include:

- Impact of inflation
- Design considerations
- Contract and subcontractor management
- Governance and communication with members

Levelling Up Programme Summary

LARGEST INVESTMENT IN BROMSGROVE IN DECADES

COUNCIL CONTRIBUTED 10.5% AND LEVERAGED OVER £18M FROM PUBLIC GRANTS AND INVESTMENT

TOWN CENTRE PUBLIC REALM TRANSFORMED

DERELICT SITE CLEARED AND BEING REMEDIATED TO PROVIDE MUCH NEEDED AFFORDABLE HOUSING

NEW EMPLOYMENT OPPORTUNITIES

NEW COMMUNITY FACILITIES IN THE HEART OF THE TOWN CENTRE

ASSET AND INCOME FROM COMMERCIAL BUILDING

LESSONS LEARNED WILL INFORM FUTURE DEVELOPMENTS