BROMSGROVE DISTRICT COUNCIL

Overview and Scrutiny Board 17th November 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 and Property
Report Author: Rebecca Milward	Job Title: Regeneration Programme Manager email: Rebecca.Milward@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 1		

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 As Members will be aware, Phase 1 works have successfully seen the former library and fire station site cleared, having been derelict for many years. Phase 2 remediation works were completed at the end of October 2026. Ground water monitoring will be undertaken by Brownfield Solutions for a period of 12 months in line with Environment Agency requirements.

3.2 Procurement for appointing a planning specialist to secure outline planning permission for the site has commenced. The contract is expected to be awarded in December 2026.

3.3 Securing outline planning permission is expected to take up to nine months. Based on the current programme, site disposal is anticipated to take place in early 2028.

Nailers Yard Site

3.4 Members will be aware that this project has regenerated 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). The project has also acted as a catalyst for wider regeneration in the area, prompting neighbouring businesses to undertake improvements to the appearance of their premises.

3.5 Both buildings are now complete, together with all external works apart from a small area of public realm to the rear of the buildings. This final area will be completed once the George Street works are finished, as access through this area is required to carry out those works.

3.6 The external works programme has been subject to delay arising from matters associated with the Section 278 works. The Council is currently reviewing the position on these matters and the potential programme and financial implications with support from its external legal and professional advisers. As these discussions remain live and commercially sensitive, further detail is provided in Appendix 1 under exempt cover.

3.7 The SLA is being finalised between Rubicon Leisure Ltd and the Council. Rubicon Leisure Ltd will operate and manage the Pavilion on behalf of the Council. They are developing an activity and events programme and are engaging with local groups and organisations interested in using the facility. Detailed layouts for the flexible multi-functional space have been agreed, with furniture specified to support a range of community, leisure and event uses.

3.8 GJS Dillons are continuing to make positive progress with viewings for the commercial building. The lease for 1.5 floors of office space with our anchor tenant is now in its final stages.
Building Control has advised that partial possession of the site (the buildings) can be taken in November, subject to Building Control being satisfied that all necessary requirements have been met and that no outstanding issues elsewhere on the site affect occupation. Subject to achieving partial possession as planned, we expect to complete the lease and progress tenant occupation shortly thereafter.

Hole Underneath George Street

3.9 During the implementation of the public realm works, a hole was discovered beneath George Street immediately adjacent to the Nailers Yard development site. It is believed to follow the former route of the culvert. Although the hole is not related to the Nailers Yard development, it must be addressed before the remaining external works can be completed. The Council considered a number of options for delivering the necessary investigation and remedial works, including continuing with the current contractor or removing the works from the existing contract and appointing an independent third party. Given Kier's contractual responsibility, technical knowledge of the works and existing mobilisation on site, it was decided that Kier should undertake the investigation and design phase. The costs submitted by Kier were reviewed by an independent quantity surveyor and confirmed as reasonable for the proposed scope of works. The Council reserves the right to appoint another contractor for the second phase, which will include filling and reinstating the hole.

4. FINANCIAL IMPLICATIONS

4.1 The Levelling Up programme was originally approved with a total budget of £16.103m. This comprised £14.5m of Levelling Up Fund grant and a Council contribution of £1.6m. The programme originally covered three projects in Bromsgrove: Windsor Street, Nailers Yard, (formerly the Market Hall site), and Public Realm improvements. The original allocation across these projects is set out below:

Project	Funding allocated (£)
Windsor Street	3,471,000
Nailers Yard (former Market Hall)	10,399,000
Public Realm	2,233,000
Total	**16,103,000**

4.2 In addition to the original Levelling Up Fund grant, further external funding has been secured for the programme. This additional funding totals £3,518,612 and is shown in the table below:

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**

4.3 In August 2025, an urgent decision was made to increase the Council's contribution from £1.6m to £2.1m due to overspend relating to culvert works on the Nailers Yard project. Together with the £3.519m additional funding in the table above, this increased the budget from £16.103m to £20.122m.

4.4 There was an underspend on the public realm project of £927,000. This was reallocated within the overall programme budget to the Nailers Yard project. Following this reallocation, the available budget for each project is as follows:

Project	Funding Allocated (£'000)
Windsor Street	3,555
Nailers Yard (former Market Hall)	15,261
Public Realm	1,306
Total	**20,122**

4.5 As of 8th October 2026, spend to date across the three schemes has reached £18,867.549 and a breakdown is included in the following table.

Project	Budget (£'000)	Spend to 08 Oct 2026 (£'000)	Committed spend (£,000)	Variance (£,000)
Windsor Street	3,555	3,326	3,569	14
Nailers Yard (former Market Hall)	15,261	14,369	14,806	(455)
Public Realm	1,306	1,306	1,306	0
Total	**20,122**	**19,001**	**19,681**	

4.6 During 2026/27, whilst the units are being marketed and occupancy levels established, the Council is expected to incur holding and operating costs. The financial performance of the development will therefore continue to be monitored, and any budget implications will be considered through the Council's normal budget monitoring and reporting processes.

4.7 In relation to Windsor Street, the Council will 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.

4.8 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 External legal advice from construction law experts is being sought on the specifics of the Nailers Yard project.

6. OTHER – IMPLICATIONS

Local Government Reorganisation Implications

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. The buildings on the Nailers Yard 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:

Project	Risk	Mitigation
Nailers Yard	Commercial units are not let – Council responsible for void costs	GJS Dillon actively marketing units
Nailers Yard	Hole – George Street	Instructing Kier to undertake work to reduce impact on programme
Windsor Street	Remediation strategy does not result in a clean site.	Additional site investigation undertaken prior to phase 2 and working closely with Environment Agency
Windsor Street	RPs do not want to purchase the site for redevelopment	Soft market testing already undertaken and dialogue continues with Registered Providers

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 – Exempt information

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

- Overview and Scrutiny (O&S) Levelling Up Programme Update July 2026
- Overview and Scrutiny (O&S) Levelling Up Programme Update April 2026
- Overview and Scrutiny (O&S) Levelling Up Programme Update January 2026
- 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.

9. REPORT SIGN OFF

Department	**Name and Job Title**	**Date**
Portfolio Holder	Cllr Karen May	5/11/2026
Lead Director / Head of Service	Rachel Egan AD Regeneration and Property	4/11/2026
Financial Services	Paul Hutchinson Senior Finance Business Partner	4/11/2026
Legal and Democratic Services	Claire Green, Principal Solicitor – Commercial Contracts	6/11/2026
Policy Team (if equalities implications apply)	Not Applicable	N/A
Climate Change Team	Not Applicable	N/A