



SEIZING THE MOMENT

HOW TO DELIVER REGIONAL REGENERATION IN BRITAIN

A Regen Connect report | October 2026



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INTRODUCTION

Making the most of a new phase of placemaking ambition



Chloë McCulloch

Urban regeneration is back. After more than a decade of drift, political ambivalence and fragmented funding, the UK is entering a new phase of placemaking ambition. But this moment will only matter if industry and political leaders are equipped to act on it.

That is why, in February 2026, we launched Regen Connect, a year-long editorial campaign delivered across Building, Building Design and Housing Today, led by the Building the Future Think Tank. Understanding how investment flows, how mayors are prioritising growth, and how clients, developers and consultants are engaging with local authorities has become vital. The challenges are real: viability pressures, a loss of regeneration expertise, low demand in parts of the market, and a construction sector stretched by competing priorities.

In the first decade of this century, regeneration was the development industry's biggest buzzword, with the Richard Rogers-chaired urban task force revolutionising policy and the city centres of Manchester, Liverpool and Birmingham irrevocably changed. Then spending austerity cut the funding and shut the institutions that supported it: "core"

Understanding how investment flows, how mayors are prioritising growth, and how clients, developers and consultants are engaging with local authorities has become vital

regeneration funding fell by two-thirds in just two years, from £11.2bn in 2009/10 to £3.9bn in 2011/12. "For a while, regeneration was a dirty word around government," says Mary Parsons, regeneration and partnerships director at Lovell and one of our Regen Connect advisers. "It was all about housing numbers."

This time, the drivers are different. It is mayoral and combined authorities, not central government agencies, setting the pace, backed by Homes England's £46bn settlement and a wave of new devolved powers. And halfway through the year, the story was overtaken by an even bigger one: the rapid political rise of Andy Burnham, who became prime minister on 20 July following Keir Starmer's resignation, and whose devolution agenda – commonly referred to as "Manchesterism" – has pushed regional regeneration to the centre of national politics.

This report pulls eight months of that coverage together, and presents our advisory panel's verdict on the new administration's first weeks in office: what has changed, what the industry now needs and what we are recommending that the government, mayors and the supply chain do next.

Chloë McCulloch is the editorial director of Building

Roadblocks

Regeneration has returned to the political agenda, driven by mayors and combined authorities rather than Whitehall. Andy Burnham's elevation to Downing Street has turned that shift from a slow policy trend into the defining regeneration story of 2026. But the industry we've spoken to over eight months of coverage is clear that funding, viability and delivery capacity all remain live problems

1.

Funding remains fragmented

Since 2024, the government has made efforts to rationalise the myriad national and local funding streams so projects don't have to spin so many plates to make schemes work, including Homes England's combined National Housing Delivery Fund. But reform is a work in progress. Muse's Phil Mayall says Homes England controls many of the funding streams a regeneration scheme might need, but has not joined them up, so developers must "get approval separately". He contrasts this with the system before 2010, when regional development agencies took a scheme on as a whole and made the process "far simpler".

2.

Development viability problems are severe and widening

Regeneration projects have always faced viability challenges. But soaring build costs, weak general demand and the collapse in demand for apartment schemes mean even some greenfield and straightforward build-to-rent schemes in high-value areas are not viable. Without support, schemes will not go ahead. A 300-home scheme modelled by the British Property Federation that promised an £8.2m return in 2020 is now £6.2m in the red, driven by construction cost inflation, higher yields, interest rates, tax changes and Building Safety Act costs.

3.

Viability challenges vary by region, and will need tailored approaches

Viability in the North of England is a distinct problem brought about by lower land and property values, combined with high remediation costs for brownfield sites. "Northern viability challenges [...] are the biggest blocker to housing-led regeneration," according to Tracy Harrison, chief executive of the Northern Housing Consortium. But some of the toughest challenges are in London, where much higher construction and regulatory costs are hitting high land values.

4.

Devolution is not a silver bullet

Manchester's success shows what can be achieved if mayors are given long-term funding and responsibility, but concerns abound around the capacity of other areas to take advantage of any new powers. A lack of stable local leadership and fewer quality officers could still see the experiment founder. David Lunts, a board member at Clarion Housing Group, warns that full devolution to "unprepared authorities with little experience or capability could be problematic".

5.

Business cases are too weak to spur investor confidence

While the UK's stable legal environment is attractive, investors appear to be deterred by an unstable political system that has seen successive prime ministers fall, each failing to tackle the bureaucratic barriers to economic growth. AtkinsRéalis research earlier this year found that 90% of investors see the UK as an attractive destination for infrastructure investment over the next three years, but nearly two-thirds have stepped away from UK projects – citing returns, risk and regulatory complexity.

6.

Infrastructure capacity, not planning, is now the binding constraint on renewal in many places

Electricity grid capacity is slowing development in west London and the inner M4 corridor; sewage treatment capacity is limiting housing development in, for instance, Oxford; failure to deliver road and rail upgrades across the North is holding back the regeneration of key cities; while Cambridge's growth ambitions are limited by water – the city depends on a chalk aquifer already under stress. The timing and cost of such infrastructure are both key hurdles. "Sub-stations cannot be value engineered out of existence. Neither can sewer upgrades," says Hien Nguyen of MCW Architects.

The way forward

Our report identifies several key steps that could overcome the roadblocks to an effective regional regeneration strategy

1.

Explore extending the use of development corporation-style delivery vehicles

This will take the delivery of regeneration projects outside the day-to-day political cycle. Mayoral development corporations (MDCs), the model used in Stockport and now proposed for Bolton, Oldham and Tameside, have been successful at unlocking stalled sites. However, MDCs require staffing and are not a panacea for local authority capacity issues – they should only be set up where there is a clear need, plan and mandate.

2.

Press ahead with fiscal devolution so mayors can borrow against future tax receipts

This change, trailed while Rachel Reeves was still chancellor, would give mayors the opportunity to raise cash for large capital investments against the potential future increase in business rates likely to stem from them. A standard funding or fiscal devolution menu, rather than bespoke deals negotiated scheme by scheme, would allow much swifter uptake of funding freedoms.

3.

Fund a £5bn, 10-year place-based regeneration fund for mayoral strategic authorities

Such a fund would be along the lines proposed by the Northern Housing Consortium's Renew inquiry, accessed via a "single conversation" approach with either the relevant mayoral authority or Homes England to avoid funding fragmentation. Current funding under the £39bn Affordable Homes Programme must also be front-loaded, so the majority is allocated during this parliament.

4.

Introduce flexibility into the 10% cap on using Social and Affordable Homes Programme grant for regeneration

Homes England's cap on allocations to strategic partners exists to ensure that money doesn't just replace existing homes on renewal schemes without adding to supply overall – but this blunt rule can constrain major estate regeneration schemes which demonstrate genuinely additional homes.

5.

Build an expanded role for the National Housing Bank and the National Wealth Fund

In their expanded role, these funds would invest in regeneration projects, working alongside Homes England and the Greater London Authority and directed to the priorities of combined authority leaders. Both agencies have the potential to be powerful enablers of mayoral ambition – and should ensure that coastal and smaller towns are assessed on the same footing as core cities.

6.

Treat infrastructure capacity – water, electricity grid, transport, sewage – as a precondition for growth allocations

Infrastructure capacity should be treated as a precondition for growth allocations rather than a downstream technical problem to be solved after sites are allocated. Infrastructure costs should be fully bottomed out up front, with public investment made where it can be justified by the wider social and economic return, rather than assuming land value will cover it.

7.

Develop an intensive programme to build construction, regeneration and local government capacity for delivery of major projects

The government should confirm building and construction as one of the new vocational GCSEs, with employers and professional bodies involved in setting the content, and support for a national roll-out drawing on the Manchester Baccalaureate's construction and green economy pathways, tailored to each region's labour market. Mayors and local authorities, now responsible for linking schools with employers, should prioritise construction work experience and give SMEs practical support to host placements. Every mayor should take up the expanded local apprenticeship service from March 2027, with construction prioritised and apprenticeship places tied to the regeneration pipeline and social value requirements in mayor-funded schemes.

Advisory panel



Dav Bansal
Partner, Howells

Leads the firm's Birmingham studio; projects include the Solihull town centre masterplan and the Paradise Circus redevelopment in Birmingham



Lord Richard Best
Crossbench peer

Former chief executive of the National Housing Federation (15 years) and the Joseph Rowntree Foundation (18 years); co-chairs APPGs on housing and on new towns



Jasmine Ceccarelli-Drewry
Director for place, strategy and social impact, Avison Young

Previously built Montagu Evans' social impact consultancy offer



Ben Denton
Principal, Verilus Advisors

Previously head of strategic growth at L&G and managing director of L&G's affordable housing division



David Lunts
Board member, Clarion Housing Group; vice chair, Joseph Rowntree Foundation

Former CEO of the Old Oak and Park Royal Development Corporation; member of the original Richard Rogers-led Urban Task Force



Simon Marks
City executive for the Midlands, Arcadis

Over 30 years' regeneration experience; sits on the advisory board of City Redi at the University of Birmingham



Alex Notay
Chief executive, Housing Forum

Previously placemaking and investment director at Thriving Investments



Olaide Oboh
Managing director, Populate

Also sits on the executive board at parent company Socius



Mary Parsons
National regeneration and partnerships director, Lovell Partnerships

Past chair of the Town & Country Planning Association; chair of educational charity MOBIE



Leigh Thomas
Managing director, Kier Property

Joined Kier in 2005



John Wilkinson
Chief operating officer, Bam UK & Ireland

Became COO in 2021



Paul Woodhams
Managing director for regeneration, McLaren Construction

More than 30 years in construction

Methodology

Research for this report was conducted by Building, Building Design and Housing Today journalists over the course of 2026, supplemented by contributions from the Regen Connect advisory panel.

The views expressed are those of the Building the Future Think Tank, our research hub; panel members cannot be assumed to have endorsed every conclusion.

"We are extremely pleased to be able to tap into the valuable expertise of this panel. Between them, our advisers have decades of experience delivering major regeneration projects as well as providing advice on ways that can unlock development," said Chloë McCulloch, Building's editorial director, on the panel's launch in early 2026.

The devolution drive: Burnham powers up

Coming up in chapter 1...

- Manchesterism and No 10 North
- Fiscal devolution – effects and opportunities
- Leeds, Birmingham and the ‘single front door’ model
- Concerns over capacity and viability
- Impact on private housebuilding activity

Mayoral-led combined authorities in Manchester, the West Midlands, West and South Yorkshire and the West of England, among others, now have varying powers to marshal funding, and will soon all have strategic planning powers to boot.

At the same time, Homes England has made a shift towards backing local priorities rather than policing individual funding pots. “The agency’s new focus has taken it closer to the ground, and closer to local government,” says Michael Lyons, chair of the New Towns Task Force and the English Cities Fund.

Manchesterism and No 10 North

In the second quarter of 2026, this story was overtaken by Andy Burnham’s political rise. Following Keir Starmer’s resignation in the wake of Burnham’s Makerfield by-election win, the former Greater Manchester mayor used a state-of-the-nation speech in Manchester to lay out “Manchesterism”: a plan to rebalance power away from Whitehall, anchored by a new prime ministerial outpost dubbed “No 10 North” to be based in the city.

“Change will be driven through the prime minister’s office in an extended operation based here in Manchester,” Burnham said. “No 10 North will support the regions on three clear tasks: reform of essential utilities; reindustrialisation; and the regeneration of places.” Burnham pledged the “biggest rebalancing of power our country has seen”, including the biggest council housebuilding

“ Burnham pledged the ‘biggest rebalancing of power our country has seen’, including a massive council housebuilding programme delivered through 10-year plans to be written by regional authorities



Andy Burnham arriving at Downing Street for the first time as prime minister in July. Ahead of taking office, he had already proposed the idea of an outpost in Manchester called No 10 North

“

Summer announcements included call-in powers for mayors over strategic planning applications, an arm of government based in Manchester to oversee devolution, and £10bn of spending on affordable housing

have been waiting for for a long time,” said Stephen Beechey, former group public sector director at Wates, of the wider fiscal devolution trend overseen by the then chancellor, Rachel Reeves.

In March, giving the Mais Lecture at Bayes Business School in the City of London, Reeves announced a City Investment Fund and, for the first time, a proposal to let city regions keep a share of locally raised tax revenue. The UK currently taxes just 1.7% of GDP locally, against an OECD average of 3.7% – France is at 6.5%, Sweden at 15%.

“You need to give an incentive to mayors to do the things that are most growth-generating, where the upside of that growth comes back to them,” says Henri Murison, chief executive of the Northern Powerhouse Partnership. “If you just took the West Yorkshire transport budget [...] and turned that into a share of national insurance revenue, then [mayor] Tracy Brabin could borrow £15bn against that today, and build a mass transit system herself. The leverage is massive.”

A single front door

A Building roundtable held in May at the UKREiF real estate conference in Leeds heard that devolution should be understood as more than a funding mechanism. “We fall into the trap of thinking it’s just about funding. Funding is huge, but devolution is a way of working, a long-term commitment to how we operate at a local level,” said Nicola Rigby, principal at Avison Young.

Leeds’ new mayoral development zone, announced the day before the roundtable, co-locates Leeds City Council, the West

programme since the post-war period, delivered through 10-year plans that regional authorities would be required to write, using public and vacant public land to reduce costs.

He pointed to Greater Manchester’s bus franchising model, the Bee Network, as a template for public control of essential services more widely, and to Stockport’s mayoral development corporation as the model for “public intervention where necessary to set higher ambitions for towns [and] kick-start the process of change”.

The reaction from the built environment industry has been positive but wary. “This is devolution proper. It’s something the regions



Yorkshire Combined Authority, Homes England and MHCLG into a unified Leeds Growth Team. This “single front door” model is also being adopted in Birmingham, where mayor Richard Parker’s new Birmingham East Mayoral Development Corporation covers Digbeth, the city’s Knowledge Quarter and the Sports Quarter and as part of a wider mayoral development zone represents “£10bn worth of regeneration opportunity”.

Local empowerment

Burnham was confirmed as prime minister on 20 July, delivering his inaugural address outside 10 Downing Street just days after Starmer’s resignation. The industry’s first reaction was one of cautious hope.

“When Burnham became PM, there was a bit of a smile from those of us in the regeneration and placemaking space. A sense of – ‘that’s really interesting’,” says Simon Marks, partner and city executive for the Midlands at Arcadis. “He really understands how important place is. And he also understands the impact of local empowerment and local decision-making.”

Burnham has since moved quickly. Summer announcements included new call-in powers for elected mayors over strategic planning

applications equivalent to those already held in Greater London, an arm of government based out of Manchester to oversee devolution, and £10bn of spending on affordable housing. A Treasury white paper on fiscal devolution of income tax and business rate receipts – allowing mayors to borrow against expected future growth revenues – is also due.

“I genuinely think devolution is a major opportunity, and we want more of it,” says Marks. Richard Best, former chief executive of the National Housing Federation and co-chair of the all-party parliamentary groups on housing and new towns, expects Burnham’s focus to mean “a shift to regeneration”. He adds: “Mayors and combined authorities are going to have different ideas to Whitehall and Westminster. This will mean a greater emphasis on the existing condition of homes, on high streets, and on estate renewal.”

Concerns over capacity and viability

But no one on Building’s advisory panel expects goodwill alone to solve longstanding problems, and two concerns dominate. The first is capacity. John Wilkinson, chief operating officer at Bam UK & Ireland, says: “Devolution can bring decision-making closer to the

West Yorkshire’s uneven devolution

Leeds has built more than 11,000 homes in the past three years – more than the number constructed by all of Greater Manchester’s authorities combined – and West Yorkshire is about to receive its first £1.96bn integrated settlement. But Northern Powerhouse Rail’s Bradford Station upgrade remains

only vaguely slated for “in the 2030s,” and the region’s tram system has been resequenced by the Department for Transport to the mid-to-late 2030s. “There is a viability issue with all of the developments across the North,” says Niall Bourke, Leeds office leader at Arup.

communities impacted, but greater powers need to be matched by the capacity and funding to turn ambition into delivery.”

Marks agrees: “Money’s been cut, people have been cut, people have taken early retirement [...] there’s a significant shortage of capacity. And so the risk is that we can’t deliver at the pace that we need to.”

This risk is sharpened by political fragmentation: 40% of English councils are now under no overall control following May’s local elections, the highest proportion on record. “Devolution policies weren’t devised to cope with the level of fragmentation in our politics that we have now,” says Alex Notay, chief executive of the Housing Forum, who warns that investors assessing the likelihood of winning planning consent in a fragmented council are reduced to “fingers in the air”.

David Lunts, a board member at Clarion Housing Group and vice chair of the Joseph Rowntree Foundation, says devolution to Manchester and London “makes an awful lot of sense” given both cities’ two decades of consistent political leadership – but “fully devolving this to unprepared authorities with little experience or capability could be problematic. Yes, there needs to be a lot more decentralisation of power and authority and funding, but it can’t just be unconditional.”

The second concern is viability, which several panel members believe the new administration has yet to fully grasp. “Developers are really positive about devolution,” says Notay. “But the bigger problem is viability [...] I’m not sure that the Burnham government has really picked up quite how fragile and how difficult things are.”

London – the original poster-child for city



devolution – has some of England’s biggest challenges getting schemes to stack up after years of stagnant house prices, low apartment demand and high build costs. Developer Ballymore’s chairperson Sean Mulryan has described the capital’s housing market as on the brink of an “extraordinary collapse”.

Mary Parsons, national regeneration and partnerships director at Lovell Partnerships, warns the sector risks becoming “overdependent” on Homes England support. “Even with the funding they have, they can’t fund everything [...] they’re saying they’re not far off greenfield development being unviable,” she says.

In the upcoming Budget on 28 October, details are expected on Burnham’s recently announced plan for a housing market stimulus in the form of a Help to Buy-style equity loan model, called Your First Home.

Could council housing come at the expense of delivery?

Our advisory panel also flags another, and more political risk: that the new government’s focus on council housing over affordable housing more broadly comes at the expense of delivery.

Just 1,090 homes were started by English councils in 2025/26, against more than 30,000 affordable homes delivered by other providers in the same period, and housing minister Matthew Pennycook has already admitted that some Social and Affordable Homes Programme funding was held back from providers while councils ready themselves to build.

“The announcement that some of the strategic partnership funding has been held back to look at council housing [...] that’s displacing and potentially delaying investment into delivery of affordable homes through registered providers,” says Parsons. “We need it as additionality.”

“No one expects goodwill alone to solve longstanding problems, and two concerns dominate. The first is capacity – a risk sharpened by political fragmentation in local government. The second is viability

Lunts is blunter still: “What we need is affordable housing [and] social housing. I’m all in favour of councils building if they can build at scale and pace and at decent quality, but singling them out risks sending a negative message to the rest of the affordable housing world that does have the capacity and track record of getting this stuff built.”

This concern is shared beyond the panel. Richard Cherry, executive chair of developer Stonebond, warns that thousands of social homes are ready to proceed through Homes England’s project-by-project grant route “if funding approvals can be provided quickly and consistently”.

The shift towards local authorities, “many of which have not delivered homes for years and do not have the resources to do so”, carries “a huge risk of a significant and immediate reduction in delivery as other parties, who have sites ready to go, pause to take stock and understand where they fit within this new direction”, argues Cherry.

Whether a more sophisticated approach returns is, in the panel’s view, still an open question as the Burnham premiership heads into its first Budget test.

What Greater Manchester’s devolution looks like on the ground

Greater Manchester’s economy grew at 3.1% per year between 2015 and 2023 – more than double the rate of 1.5% across the rest of the UK overall. This was built on three decades of council collaboration since

the 1986 abolition of the Metropolitan County Council. New mayoral development corporations are now planned for Bolton, Oldham, Atom Valley, Middleton, Ashton-Stalybridge, Leigh and Old Trafford.

CHAPTER 2

Funding the pipeline: mayoral investment and delivery vehicles

Coming up in chapter 2...

- Greater Manchester's £2bn Good Growth Fund
- York Central's de-risking model
- Build-to-rent on the back foot
- The Renew inquiry's £5bn ask
- Bristol Temple Quarter's four-way partnership

Greater Manchester's £2bn Good Growth Fund is the clearest example yet of what a devolved, recyclable funding pot can do. Built from £300m of Greater Manchester Pension Fund money, £314m of transport funding, £500m from the National Wealth Fund, £175m of City Investment Fund money and the balance from GMCA's £2.71bn integrated settlement, the fund has already committed £820m across two allocation tranches.

"Even with the flexible approach to the funding, there is nowhere near enough to go around and do everything that the city wants to do," cautions Becca Heron, strategic director of growth and development at Manchester City Council. Yet the fund is explicitly designed to spread growth beyond the city centre, into Oldham, Stockport, Bolton and Middleton.

"We are the UK's fastest-growing city region," said Andy Burnham when he was mayor. "But, if you look at the city, it's in certain hot spots; it's concentrated in certain locations. And we have now got to build from that and take it out much more widely."

De-risking regeneration

York Central shows how the same de-risking principle of shared funding works when several delivery partners come together. A 45ha former railway site next to York Station - nearly double the size of King's Cross Central - has been unlocked by £135m of public infrastructure investment from Homes England, City of York Council and the West Yorkshire Combined

“ York Central shows how the de-risking principle of shared funding works when several delivery partners come together. This 45ha site next to York Station is nearly double the size of King's Cross Central



At York Central, a 45ha former railway site next to the city's main station has been unlocked by £135m of investment from Homes England, York council and the West Yorkshire Combined Authority



Bristol Temple Quarter: a four-way partnership

Bristol City Council, Homes England, the West of England Combined Authority and Network Rail have joined forces in a limited liability partnership, Bristol Temple Quarter LLP, armed with £95m of grant funding, to unlock 135ha of largely derelict land next to Bristol Temple Meads Station. The plan is to partner with the private sector to deliver 10,000 homes and 22,000 jobs, generating a £1.6bn contribution to the local economy.

Development partners have already signed up: L&G has taken on Temple Island for a £350m, 550-home Zaha Hadid Architects designed scheme; Muse has been selected as preferred development partner for the St Philip's Marsh and Temple Meads West sites; and developer Square Bay is delivering £375m of investment in the Silverthorne Lane area. Bristol University's new £500m enterprise campus is being billed as the catalyst for the wider regeneration (see chapter 4 for more details).

Authority, removing the need for developer McLaren Property/Arlington Real Estate's joint venture to fund upfront infrastructure.

"We have got a once-in-a-lifetime opportunity for a site next to a railway station on a publicly owned site with public infrastructure already in the ground," says Edward Twiddy, adviser to the joint venture. The same model is now being used at Bristol's Temple Quarter (135ha in size, with an ambition to build 10,000 homes) and Newcastle's Forth Goods Yard (a 50ha site expected to provide 2,500 homes).

Losing the boost of build-to-rent

But funding alone doesn't fix viability. Build-to-rent (BTR) – an early-stage "market-making" investment for many regeneration schemes – has fallen sharply since 2022. UK BTR starts are down 70% from their peak, according to the British Property Federation and Savills.

Retailer John Lewis has abandoned its 2021 pledge to build 10,000 BTR homes, shutting down its residential development and property management operations after concluding the model was no longer viable. "New build-to-rent schemes in London are pretty much unviable right now," says David Lunts of Clarion Housing Group. The knock-on risk is to major



Funding alone doesn't fix viability. Build-to-rent – an early-stage 'market-making' investment for many regeneration schemes – has fallen sharply since 2022, bringing a knock-on risk

regeneration schemes like Old Oak Common in west London: "For big, challenging regen schemes [...] you are probably not going to create much of a market in early years for sale product," Lunts warns. "BTR is a really valuable front-end pioneer investment, because it doesn't face the same challenges."

The Northern Housing Consortium's (NHC) Renew inquiry, chaired by Lord Best, put forward a clear industry-led funding ask this year. As well as more than 100,000 homes through densifying town and city centres, and 320,000 new homes on brownfield land, around 100,000 end-of-life social homes can be renewed or replaced. The inquiry's interim report – titled Unlocking Over 500,000 Good Quality Homes in the North – proposes a new £5bn, 10-year place-based regeneration fund for mayoral strategic authorities.

"Northern viability challenges, brought about by lower land and property values, combined with high remediation costs for brownfield sites, are the biggest blocker to housing-led regeneration," says NHC chief executive Tracy Harrison. "We wouldn't have had a minister in the room discussing housing-led regeneration 10 years, or even five years ago. Now, it's definitely back on the table."

Two further concerns around funding have emerged. Mel Barrett, chief executive of Metropolitan Thames Valley Housing, argues the 10% cap on using Social and Affordable Homes Programme grant for regeneration is "too blunt an instrument" for schemes that demonstrate genuine additionality.

And Richard Bonner of AtkinsRéalis argues the real blocker is business-case quality, not capital availability. "Ninety percent of investors see the UK as an attractive destination for infrastructure investment over the next three years," but nearly two-thirds have stepped away from live UK projects over returns, risk and regulatory complexity, he says – pointing to the Liverpool Central Station pilot of the reformed Treasury Green Book methodology as a model for building investable cases.

Not every funding problem is about money, however. Cambridge's growth ambitions are capped by water infrastructure constraints: the city depends on a chalk aquifer already under stress, and sewer, grid and flood infrastructure "cannot be value engineered out of existence," argues Hien Nguyen of MCW Architects. "Infrastructure capacity is beginning to determine whether growth is possible in the first place."

CHAPTER 3

Skills and the supply chain

Coming up in chapter 3...

- Vocational GCSEs and Burnham's technical education reforms
- The Manchester Baccalaureate explained
- Can it scale beyond Greater Manchester?
- A decade of reform churn
- SMEs and work placements

Andy Burnham's own platform sets the direction here. Within 10 days of taking office he announced major changes to the education system which will give 14-year-olds early access to technical education, skills training and work experience. The changes are widely seen as a national roll-out of a system modelled on the Manchester Baccalaureate (MBacc), the framework he developed as mayor of Greater Manchester.

The first concrete detail arrived in late September, ahead of the Budget: a new suite of vocational GCSEs, nationally set and regulated by Ofqual, to replace Technical Awards from as

early as September 2029. Construction is on the government's list of possible subjects, but it has not been confirmed.

Four days later, chancellor John Healey announced a £100m expansion of local apprenticeship services, matching young people with employers. The enhanced scheme had been planned as a pilot in a small number of areas, but from March 2027 any mayor in England who wants it can run it locally, paid for with savings from the Department for Work and Pensions' fraud crackdown. Healey said mayors "know which firms are hiring, which colleges are delivering, which estates have been left behind". However, as for the new vocational GCSEs, there has been no detail yet on what this will mean for construction.

Lessons from the MBacc

The MBacc itself is not a qualification but a co-ordination framework: it links schools, colleges and employers across seven sectors, including construction and the green economy, so that 14- to 19-year-olds on a technical pathway have a clear line of sight into work, backed by T-levels, structured work placements and employer contact.

Conceived during Burnham's first mayoral term to address what he called England's "academic bias" - where education providers prioritise academic subjects such as English and maths over technical and vocational ones - the framework grew out of a three-year period of employer-led research and working groups.



Andy Burnham meeting apprentices after announcing his technical education reforms in the summer

“

The MBacc is not a qualification but a co-ordination framework: it links schools, colleges and employers so that 14- to 19-year-olds on a technical pathway have a clear line of sight into work



Dawn Moore, people director at contractor Murphy, chaired the construction workstream as part of the development of the MBacc: “[For] many talented young people who didn’t want to follow the traditional academic paths [...] those paths were failing to get them to work,” she says. One innovation was a shared portal where employers and education providers post opportunities as a one-stop-shop for young people choosing a technical route.

But the MBacc itself is still an early-stage programme, and scaling it nationally will not be straightforward. “Greater Manchester is a fast-growing economy with a diverse range of industries, and it’s unclear how this approach would work in other places,” says Pepe Di’Iasio, general secretary of the Association of School and College Leaders. “It might be more challenging in rural areas, for example, to forge the necessary links with employers.”

A complex skills landscape

Regional leadership structures compound the problem: Burnham wants to hand mayors control of 16-19 education funding, but many areas do not yet have a mayor or strategic authority in place to receive it.

Industry’s other concern is churn. The MBacc is the latest in a run of technical education reforms stretching back a decade and over four administrations – Theresa May’s T-levels and institutes of technology, Boris Johnson’s skills bootcamps and Skills and Post-16 Education Act, Rishi Sunak’s Advanced British Standard, and Keir Starmer’s growth and skills levy, foundation apprenticeships, Skills England and 14 technical excellence colleges.

“It takes time for employers of all sizes to adapt to changes, so of course we need to address problems where they arise, but less chopping and changing please – no one can keep up,” says Suzannah Nichol, chief executive of Build UK.

Judith Topley, an architect who now advises south London secondary schools on career pathways, says: “What has come to my understanding over the last six months is how swamped schools are with all the requirements, continual levels and levels and levels.”

CIOB head of policy and public affairs David Barnes agrees that complexity is holding back engagement. “It’s always a brand-new scheme rather than just keeping it and letting it almost work,” he says. “You’ve got to have

“

Employer engagement remains the weakest link, particularly among SMEs, which make up the vast majority of UK construction firms but often lack the resources to engage with schools or colleges

that repetition to actually make sure there’s consistency in the advice that we are giving.”

Employer engagement remains the weakest link, particularly among SMEs, which make up the vast majority of UK construction firms but often lack the resources to engage with schools or colleges. “We’ve had really fantastic young people who are ready to go, who want a degree apprenticeship – but they can’t get one for love nor money,” says Alison Watson, founder of Class of Your Own, a social enterprise providing built environment education programmes.

Richard Cook, senior economics director at Pegasus Group, warns that any Burnham intervention “can’t just be a one-size-fits-all sort of intervention” given how differently large contractors and small subcontractors are placed to take on apprentices. The CIOB’s Barnes points to a further distortion: big infrastructure projects can poach SME-trained apprentices with higher wages before their training is complete, discouraging smaller firms from investing in the first place.



CHAPTER 4

Design ambition and placemaking beyond the big cities

Coming up in chapter 4...

- UK design capital candidates: Bradford, Cardiff, Plymouth and York
- Martyn Evans on why a city's most important commission is a vision
- Four placemaking case studies, including Bristol university's enterprise campus

Design ambition in this year's regeneration coverage has not been confined to headline city-centre masterplans. From our deep dives into the shortlisted cities for Building Design's UK Design Capital of the Year award, to our examination of small schemes tucked into industrial estates, station approaches and seaside high streets, the strongest projects we have looked at share a common thread: architecture doing real regeneration work, not just decorating it.

This chapter brings together the four shortlisted design capital candidate cities alongside placemaking case studies from Cambridge to Grimsby, London to Bristol, showing how good design is being used to unlock sites, win public trust and make the case for density, heritage and mixed use beyond the places already used to the spotlight.

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Good design is being used to unlock sites, win public trust and make the case for density, heritage and mixed use beyond the places already used to the spotlight

Design Capital shortlist:

Bradford

Bradford boasts a decade of strong delivery: the £50.5m restoration of Bradford Live, a 1930s art deco cinema saved from demolition and reopened in August 2025; the six-acre Mirror Pool at City Park, the UK's largest urban water feature; the £32.3m Darley Street Market; and the £45m Norfolk Gardens pedestrianisation, delivered with West Yorkshire Combined Authority funding.

Meanwhile its pipeline of upcoming regeneration includes the 1,000-home Bradford City Village, backed by £13.1m from the West Yorkshire Combined Authority and £30m from Homes England.

"This is a place that deserves – and can show – that it's got huge opportunities and massive potential," says Jamie Saunders, enabling officer at Bradford council, adding that devolution "has been vital for Bradford's revival".



The 1,000-home Bradford City Village, being delivered by the city council and designed by 5plus Architects, is set to replace a swathe of old retail spaces

Regeneration schemes in Cardiff include Central Quay, masterplanned by Rio Architects for property developer Rightacres, on the site of the former Brains brewery



Design Capital shortlist:

Cardiff

Cardiff tells a story of dense, tall-building-led regeneration built on industrial heritage: the £1bn Central Square and Central Quay developments (the latter retaining the original 46m Brains Brewery chimney), a £100m Cardiff Crossrail linking the station to the bay ahead of Euro 2028, and heritage retrofits like Hodge House. "We believe cities need people, and we are very focused on trying to increase the density in the appropriate way," says Andrew Gregory, Cardiff council's assistant director of planning.

Design Capital shortlist:

Plymouth

Plymouth is planning at an impressive scale, with a new city-centre masterplan from WSP, Howells and Mae for 10,000 homes, prompted by a £4.4bn central government investment in HMNB Devonport. The city's post-war Abercrombie Plan legacy is being reworked rather than replaced, and the recently completed £30m Armada Way public realm scheme has just reopened.

"Plymouth's growth and boom periods have, whether we like it or not, been aligned with the military. And now we are going into another," says Martin Ivatt, the city council's city-centre programme director.



To pave the way for Plymouth's new masterplan, the council has invested heavily in improving the public realm of the city centre, focused on central avenue Armada Way and its environs

Design Capital shortlist:

York

York Minster's new £9.3m Centre of Excellence designed by Tonkin Liu is dedicated to nurturing the skills needed to maintain the cathedral



York demonstrates that heritage can be a springboard rather than a constraint, with Tonkin Liu's £9.3m Centre of Excellence for craft skills at York Minster, Hugh Broughton Architects' reworking of Clifford's Tower and the 279-home Cocoa Works conversion of the old Rowntree's factory. The forthcoming York Central scheme to transform 45ha beside the station will provide 2,500 homes and over a million square feet of commercial space.

"York does have a pretty face, but it's not just a pretty face," says councillor Pete Kilbane. "There's lots of stuff going on to bring us into the modern world, and we're not frightened of that at all."



Bermondsey Heights provides 253 homes alongside industrial shed space on a site in Southwark that the council designated as strategic industrial land

Exemplar standalone schemes

Placemaking ambition isn't confined to city centres or to the Design Capital shortlist.

■ **Cambridge South Station**, designed by Fereday Pollard & Partners, deliberately rejects the “forbidding” architecture of the AstraZeneca biomedical campus opposite it in favour of a landscape-led, green-roofed design: “If the station had simply followed the same architectural language, it risked being drowned out,” says director Jan Kroes.

■ And in Grimsby, the new **Horizon Youth Zone** – a converted Victorian warehouse bringing more than 60 jobs to a derelict stretch of the River Freshney – shows regeneration reaching beyond housing and offices into civic and social infrastructure for young people, part of a government £500m youth strategy investment. “We have never had anything of this scale purely for young people in Grimsby,” says chief executive Lucy Ottewell-Key.

■ In south-east London, **Bermondsey Heights** offers a rare attempt at genuine mixed-use density on a cramped urban site: architects Maccreeanor Lavington and dMFK's 27-storey tower for Barratt London packs 253 homes alongside 2,538m² of industrial shed space on

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The strongest projects we have looked at share a common thread: architecture doing real regeneration work, not just decorating it

land Southwark council designates as strategic industrial land, within the GLA's Old Kent Road opportunity area. “The emphasis was on trying to create a proper co-location warehouse, not just a bit of workspace or a maker-type space,” says Maccreeanor Lavington director Gavin Finnan.

■ In Bristol, the university's new £500m **enterprise campus** (see chapter 2) is intended to kick-start the Temple Quarter regeneration of 135ha of largely derelict land beside Temple Meads station. The campus's centrepiece is the 38,500m² Sloane Robinson Building designed by Feilden Clegg Bradley Studios (FCBS), which includes a business school, a centre for innovation and entrepreneurship, and the UK's largest dedicated quantum technologies facility. “There was always an ambition to expand the university down into the centre to connect more with the city and industry,” says FCBS partner Mike Keys.

Four student accommodation blocks are already under construction or complete nearby, alongside a half-finished academy – early evidence, the university hopes, that a single anchor institution can widen out into housing, schools and commercial uses.

JACK HOBHOUSE

Why a city's most important commission is a vision

Martyn Evans, creative director at Landsec and one of the judges for the UK Design Capital of the Year 2026 award, explains what the shortlisted cities teach us about civic ambition.

I have spent much of my working life involved in regeneration, and one thing has become increasingly clear: the most valuable design commission a city can make is not necessarily a building. It's a vision.

Reading the nominations, as one of the judges for this year's UK Design Capital of the Year award – Bradford, Cardiff, Plymouth and York – reinforced that conviction.

The award deliberately looks beyond individual buildings towards strategic vision, leadership, placemaking, delivery, social impact and economic transformation. That matters because cities are not collections of development sites – they are complicated organisms in which housing, streets, transport, culture, heritage, landscape, work and civic life constantly interact. Yet we still have a development system remarkably good at considering these things separately.

We all hope that somehow it will all add up. Often it doesn't.

I have long believed that successful regeneration begins with understanding what is already valuable about a place. Heritage, landscape, culture, memory, communities, eccentricities – these aren't inconveniences to be cleared before development begins. They are the raw material from which value is created.

There is another reason why city visions matter: it is because they allow us to think beyond political and market cycles. Buildings take years to realise, neighbourhoods take decades and cities take generations. During that time, political administrations change, property markets collapse and recover, funding programmes appear and disappear and individual planners and developers come and go. A sufficiently powerful civic vision, however, can survive all that.

And perhaps that is the most interesting thing that the four cities shortlisted as design capital have in common. They are not simply building things. They are each, in different ways, trying to construct a narrative about their future.

The best city visions do something wonderful. They allow people to imagine the future of a place before it gets built. That imagination gives politicians permission to be ambitious, communities something to debate and own – and it gives architects a framework within which their creativity can contribute to something larger.

Finally, importantly, it gives investors confidence that the projects they are funding are not isolated buildings, but parts of a bigger, beautiful jigsaw. We spend enormous amounts of money building cities. We should spend rather more than we currently do deciding what we want them to become.



CHAPTER 5

Voices of regeneration

Coming up in chapter 5...

- Strategic approaches tailored to each region
- Innovation with smaller funding pots
- Specific solutions for coastal towns
- Using a space ahead of the fundraising
- Remembering Eamonn Boylan

Building's roundtable events and interviews this year have put a human face on the funding and policy stories elsewhere in this report.

The most poignant is a tribute to Eamonn Boylan, former chief executive of the Greater Manchester Combined Authority (see overleaf).

In our interview with the chair of Tees Valley Housing Partnership, Matt Forrest, the scale of the challenges in regenerating areas of decline was made very clear. "I could walk you down a road where the average life expectancy drops by 20 years within a mile," he told us.

Forrest's answer is pooled capacity: the 14-member Tees Valley Housing Partnership manages 52,000 homes – 20% of the region's total stock – and is exploring a formal strategic place partnership with Homes England. "What we do [...] is grow the size of the entire pie. We make ourselves more investable, more strategic, so there's more opportunities for everyone."

Meanwhile John Wilkinson, the West of England Combined Authority's director of homes and regeneration, frames his region's task as removing barriers rather than waiting for grant funding. "We don't want to go to government with unrealistic cap-in-hand requests for massive amounts of grant funding," he says. "What we want to do is to articulate to the government that there's a massive growth opportunity in the West of England."

The region's £500m Future Places Fund, modelled on Manchester's Good Growth Fund, aims to crowd in £2 of private investment for every £1 of public money, and its 10,000-home

Bristol Temple Quarter scheme is now solid enough that Homes England stepped back from its delivery board in July, "as local leadership can confidently drive the next stage of delivery".

In Newcastle-under-Lyme, borough council deputy chief executive Simon McEneny is keen to show what a small Staffordshire town can do with an £85m regeneration strategy and a single delivery partner, Capital & Centric. "We've only got this one chance, we're probably not going to get this money again," he says. The council de-risked the deal by having Capital & Centric buy back each completed scheme for whatever the council spent or the market value, whichever is higher.

Speaking up for coastal towns

Coastal towns need their own framing, argues David Atkinson, director of land, development and investment at Willmott Dixon. "If we shift our thinking from the image of the pier to that of the harbour, we begin to see regeneration not as a series of one-off gestures, but as a connected, year-round economic endeavour," he says.

Atkinson's argument is grounded in hard numbers: in Aberystwyth, employment among 16- to 64-year-olds runs at just 46%, against roughly 71% in non-coastal built-up areas; more broadly around the country, around 45% of jobs in smaller coastal towns are part-time.

Hastings offers a community-led regeneration model, led by Hastings Commons, which was co-founded by Jess Steele in the town's White



“I could walk you down a road where the average life expectancy drops by 20 years within a mile

Matt Forrest,
chair of the Tees Valley Housing Partnership



“If we shift our thinking from the image of the pier to that of the harbour, we begin to see regeneration as a connected, year-round economic endeavour

David Atkinson,
director of land, development and investment at Willmott Dixon



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We don't want to go to government with unrealistic cap-in-hand requests for massive amounts of grant funding

John Wilkinson,
director of homes and regeneration at
the West of England Combined Authority



“

Don't sit around kitchen tables forever writing funding bids: get on with being in the space and creating the benefits along the way

Jess Steele,
co-founder of Hastings Commons



“

A scheme can score highly on social value commitments and still produce a negative social impact on the surrounding community

Jasmine Ceccarelli-Drewry,
director at Avison Young

Rock neighbourhood – among the most deprived in England. Its work has turned derelict buildings into affordable homes, workspaces and social infrastructure across 11 properties, catering to more than 120 tenants, using a community land trust model that caps rents on both homes and workspaces.

“Occupy while you're raising money and thinking about what to do,” says Steele. “Don't sit around kitchen tables forever writing funding bids: get on with being in the space and creating the benefits along the way.”

The organisation's phased approach began in 2014 with Rock House, a 1969 office block needing £2m for a full overhaul: “We only had £80,000, so we converted two floors, rented one out, then gathered funds to develop the others,” Steele says. Its more recent projects include the Observer Building, a 4,000m² former printworks that had lain empty for 35 years and been through 13 owners before Hastings Commons took it on in 2019; and Eagle House, a public living room and youth space converted from a former furniture shop.

Steele contrasts this funding and development model with that used for the rebuilding of Hastings Pier, which won the 2017 Stirling Prize then went into administration a year later. “It's a cautionary tale about the fact that prizes and awards do not pay the rent or make you sustainable,” she says. Funding remains precarious – the organisation is largely volunteer-run and is now developing a mutual fund model to attract investment from charitable foundations and pension funds.

Social value is a key issue. “Social value [...] is largely a mechanism of extracting positive additionality from financial-led decision making,” argues Jasmine Ceccarelli-Drewry, director at Avison Young. However, she warns: “A scheme can score highly on social value commitments and still produce a negative social impact on the surrounding community.”

Olaide Oboh, managing director of Populate, takes a similar view but with the focus on delivery. “The most meaningful contributions are often not financial,” she says, adding that the moment when construction starts is “the first point at which people can judge whether what was discussed during planning is actually being delivered”.

Remembering Eamonn Boylan

Eamonn Boylan, who was chief executive of the Greater Manchester Combined Authority from 2017 to 2024 and briefly chief executive of Homes England, died in April 2026 at the age of 66, shortly after giving what became his final interview to Building. Andy Burnham called his death “a devastating loss”.

Boylan believed in the importance of a long-term, place-based vision.

“The thing that has been fundamentally important in driving successful regeneration in Manchester has been a commitment to clear plans – place-based plans – over a lengthy period of time,” he said in the March interview. “Always being very clear that regen is not a three-year programme, or a three or a five-year funding opportunity.

“It's about the realisation of a long-term vision,” he told Building.

His £300m housing loan fund, set up in 2015, was recycled three times over by 2025, delivering 11,000 homes, and became the model for the Good Growth Fund that followed it.



CONCLUSION

The way forward: our seven recommendations



Drawing together the findings of this report, these are the changes that would help mayors and their partners deliver regeneration at scale

POWERS

1. Extend development corporation-style delivery vehicles

Mayoral development corporations take regeneration delivery outside the day-to-day political cycle, giving schemes the continuity they need

2. Press ahead with fiscal devolution

Allowing mayors to borrow against future tax receipts would let them raise capital for large infrastructure schemes

MONEY

3. Create a £5bn, 10-year place-based regeneration fund for strategic authorities

Government should also front-load allocations from the £39bn Social and Affordable Homes Programme

4. Relax the 10% cap on using affordable homes grant for regeneration

Estate regeneration schemes that deliver genuinely additional homes should not be held back by a blanket limit

5. Expand the role of the National Housing Bank and the National Wealth Fund

Both should invest in regeneration alongside Homes England and the Greater London Authority, directed by mayors' priorities

DELIVERY

6. Make infrastructure capacity a precondition for growth allocations

Water, grid, transport and sewerage capacity must be planned from the outset, not treated as a technical problem to solve after sites have been allocated

7. Launch an intensive programme to build delivery capacity

This should cover construction, programme management, regeneration and local government skills, including national roll-out based on the Manchester Baccalaureate's construction and green economy gateway

What happens next

Regeneration and devolution sit at the centre of the government's growth agenda and Andy Burnham's ambition to deliver "growth in every postcode". They also drive a significant share of work for companies across the built environment. We will track progress against these seven recommendations and expand its coverage of regional regeneration and devolution through the rest of this year and into 2027.

If you are leading a scheme, a strategic authority or a delivery partnership, we want to hear from you. Go to building.co.uk/regenconnect or find us on LinkedIn

ACKNOWLEDGMENTS

With thanks to...

This report draws on eight months of reporting, interviews and expert contributions from across the built environment sector. Our thanks go to every individual who gave their time to be interviewed, contributed an opinion piece, sat on a roundtable, or shared data and case study material with our journalists – and in particular to the 12 members of the Regen Connect advisory panel, whose expertise has shaped this campaign from its launch. The organisations below have all featured in our coverage this year, either through people we have quoted or interviewed, or through projects and case studies we have reported on:

Arcadis	Clarion Housing Group	Leeds City Council	Pegasus Group
Arlington Real Estate	Class of Your Own	Legal & General	Phoenix Community Housing
Arup	dMFK	Lovell Partnerships	Plymouth City Council
Association of School & College Leaders	East	Maccreanor Lavington	Populate
AstraZeneca	English Cities Fund	Mae	RLB
AtkinsRéalis	Far East Consortium	Make Architects	Socius
Avison Young	Feilden Clegg Bradley Studios	Manchester City Council	Southwark Council
BAM UK & Ireland	Fereday Pollard & Partners	McLaren Construction	Square Bay
Ballymore	Greater London Authority	McLaren Property	Tees Valley Housing Partnership
Barratt London	Greater Manchester Combined Authority	MCW Architects	Thirteen Group
Birmingham City Council	Hastings Commons	Metropolitan Thames Valley Housing	Town & Country Planning Association
Bradford Council	Homes England	MOBIE	Tonkin Liu
Bristol City Council	Horizon Youth Zone, Grimsby	Murphy	University of Birmingham
Bristol Temple Quarter LLP	Housing Forum	Muse	University of Bristol
British Property Federation	Howells	National Wealth Fund	Urban Task Force
Build UK	Hugh Broughton Architects	Network Rail	Wates
Capital & Centric	IFDO	New Towns Task Force	West of England Combined Authority
Cardiff Council	Joseph Rowntree Foundation	Newcastle-under-Lyme Borough Council	West Yorkshire Combined Authority
Chartered Institute of Building	Kier Property	Northern Housing Consortium	Willmott Dixon
City of York Council	Landsec	Northern Powerhouse Partnership	WSP

