



Wincanton Regeneration Finance Report

Executive Portfolio Holder:	Cllr. Henry Hobhouse, Wincanton Regeneration lead
Strategic Director:	Peter Paddon Acting Director, Place and Recovery
Service Manager:	Natalie Fortt, Regeneration Programme Manager
Lead Officers (for report):	Pam Williams, Wincanton Regeneration Project Manager Karen Watling, Chief Finance Officer
Contact Details:	Pam.williams@southsomerset.gov.uk

Purpose of the Report

1. To seek agreement to change the scope of the Wincanton Regeneration Project from that originally agreed by Council and as a consequence re-profile the budget to align with the priority projects that have been identified as both achievable and affordable within the last year of the programme.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated committee date of February 2022.

Public Interest

3. The Wincanton Regeneration programme is entering its last year and priority projects have been identified that are deliverable within this timeframe. This report sets out the revised change in the budget required to deliver these projects.

Recommendations

4. That District Executive recommends to Council to approve:
 - a) A change in project scope from that agreed by council at its meeting in October 2019: as detailed in Table 2 of this report.
 - b) The re-profiling and revision of the Wincanton Regeneration budget that will result in an overall programme budget of £2,392,236: which represents a reduction of £3,280,764 compared to the current approved budget.

Background

5. The Wincanton Regeneration programme seeks to improve the attractiveness of the town centre by creating an environment where businesses wish to trade and with spaces which people will visit and want to spend time. The project comprises a range of initiatives including physical infrastructure and property improvements as well as softer interventions with the aim of:



South Somerset District Council

- Broaden the mix of uses - by engaging with landowners of vacant/underused premises such as key long term empty properties.
 - Enhancing the attractiveness of the town centre – improvements to public realm at key locations within the town centre, complementary planting schemes and a grant programme to part fund owner led repairs to historic town centre buildings.
 - Creating a destination – softer interventions which are enabled through a grant programme to support town centre events and activities such as fairs, pop-up entertainment/events, promotion and marketing initiatives which help to draw people into the town/capitalise on the town's proximity to the racecourse
6. When the original budget was agreed by District Executive and Full Council in October 2019 an initial assessment of the budget implications was undertaken and provisional budget sums were included to inform the high level budget allocation. This report proposes a revision of the budget to ensure adequate funding for those projects which can be completed during the final year of the project.
 7. In the two years since the regeneration project went live, several pieces of work have been progressed which pave the way for a busy final year:
 - Assessment of historic building frontages
 - Public Realm Designs
 - Events and Activities Grant programme launched
 - Funding for 18 events approved (detailed in appendix 1)
 8. As well as the launch of a grant programme to support improvements to historic buildings, the programme will, subject to final sign off from Highways, proceed with the three public realm enhancements at Carrington Way, Central High Street and Market Place including a long awaited scheme to improve pavement widths in the centre of the High Street.
 9. Local Government Re-organisation means that commitments cannot be entered into which will extend beyond March 2023, unless they have LGR Board approval. As a consequence, the final year of Wincanton's project is targeted towards those projects which can be wholly delivered by March 2023.
 10. Following a review of projects some high profile and important projects are considered to be longer term. Preliminary milestones could be achieved but the project will not be wholly completed within the required timescale. These projects are not contained in the re-profiled 2022-23 project budget as they will require a commitment from the new Council. However, they remain an aspiration for the town going forward. Resources will be focused on those projects with realistic delivery timescales.
 11. The proposed updated budget was fully supported at the Wincanton Regeneration Project Board on 12th January 2022. However, the Board were clear that although the market square proposals would not be progressed, options for the vacant Town Centre property should be further explored.

Project Budget

Approved budget

Table 1: Initial Forecasts made in 2019

Programme Element	Current Approved Budget	Specific Funding	Net Spend for SSDC funding
Property register	£1,000		£1,000
Facilitate re-use of Empty Properties	£160,000		£160,000
ATM relocation & enabling works	£5,000		£5,000
Development brief for Market Square	£30,000		£30,000
Library/Museum redevelopment	£618,000	(£200,000)	£418,000
Establish register of Heritage buildings	£80,000		£80,000
Signage	£150,000		£150,000
Cultural Events	£208,000		£208,000
Public Realm masterplan	£650,000		£650,000
Seasonal planting	£52,000		£52,000
White Horse redevelopment	£3,283,000	(£2,720,000)	£563,000
Co-ordinated marketing / Image development	£40,000		£40,000
Professional fees	£396,000		£396,000
Grants & other funding opportunities		(£250,000)	(£250,000)
Asset disposal		(£500,000)	(£500,000)
Total	£5,673,000	(£3,670,000)	£2,003,000

12. The current approved budget of £5.673m includes anticipated involvement in developing the White Horse (a long time vacant Grade II* Listed coaching inn on the 'at risk' register). However, since the current owners acquired the site, they have been actively engaging with planning to bring forward a solution for the building (and land to rear); it is therefore anticipated that District Council intervention will not be necessary and the budget will therefore not be needed.

Proposed revised budget

Table 2: Revised Budget

Programme Element	Budget Cost	Specific Funding
Property Project Incl. Grants	£190,000	
Facilitate re-use of empty property	£8,000	
Project Management costs and fees	£273,436	
Signage	£180,000	
Cultural Events	£153,000	

Programme Element	Budget Cost	Specific Funding
Public Realm designs	£150,000	
Public Realm Construction	£1,100,000	
Seasonal planting	£52,000	
Anchor Business Review	£5,000	
Levelling Up Fund bid	£65,000	
Co-ordinated marketing / Image development	£40,000	
Professional fees	£32,000	
Contingency	143,800	
Asset disposal		(£478,000)
Total	£2,392,236	478,000

13. Across the three regeneration projects recent tender prices have ranged from 17% to 42% above the pre tender estimates. There are a number of reasons that the estimated costs may change, in fact, the current issues facing the construction industry is a good example of external factors affecting the viability of projects. The industry is currently experiencing an increase in construction projects, which is pushing up demand for construction resources and thereby increasing prices; global prices of materials such as iron and copper are increasing, with iron ore prices 97% higher than last year and imported timber products rising by 74%; supply chain disruptions are also affecting the availability and therefore price of materials.
14. The Office of National Statistics states that construction costs have been rising each month since December 2019 and the latest figures suggest that the average material costs are at least 23% higher than last year. A level of contingency is usually factored in to all projects at 10%, it is not proposed to increase this contingency due to the recent approval for a central contingency fund for all capital projects.
15. The revised project budget is informed by the timescale for delivering, and fully completing projects by March 2023. Public Realm costs are based on estimates and make allowances for a number of contract variations including provision to meet requirements of the Highway Safety Audit, lighting and signalised crossing. A 20% increase is included in the original A303 signage /wayfinding budget in line with the increase in cost since the initial estimate in 2019.
16. In the absence of external funding grant aid to support the property grant programme, an additional sum of £100k is included to facilitate owner led property improvements against identified repairs which were costed at £972k in 2020. Proposed intervention rates are 50-70%. Most owners contacted about undertaking property repairs have welcomed the prospect of grant support. The initial call for grants would be to owners of properties requiring urgent and high level works. Whilst the budget line is modest in comparison to the cost of works, the aim is to incentivise owner investment to undertake repairs. Where owners of significantly deteriorating properties are reluctant to undertake maintenance, we will work with planning to use powers within Section 215 of the Town and Country Planning Act



South Somerset District Council

1990 which allow SSDC to issue notice to require repair and if in default, funds within the budget could be used to undertake the works with the costs legally 'charged' against the property.

Financial Implications

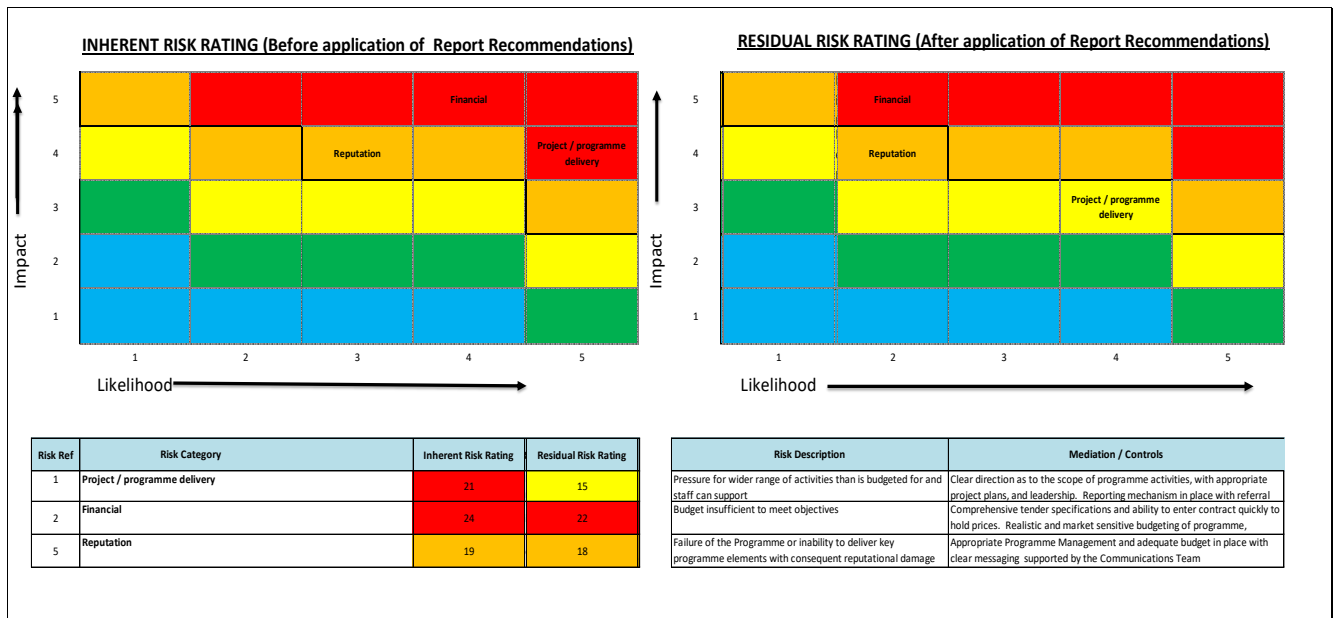
- 17. The current total approved budget of £5.673m is now forecast to be £2.392m.
- 18. Contingencies are included in this forecast to allow for inflation risks at 10% of cost, this is in addition to the corporate-contingency being proposed for the whole capital programme in the Budget Report on this committee's agenda.
- 19. The budget is planned to be funded in part from the disposal of assets, the net receipt for which is estimated to be £478k dependent on market conditions and the final level of selling costs It has taken time for the sale to conclude but the purchaser is committed to completing, with or without the resolution of access issues which have extended the conveyance period. This is forecast to leave £1,914k to be financed from SSDC reserves and borrowing, as previously agreed.

Legal implications (if any) and details of Statutory Powers

- 20. None arising from this report.

Risk Matrix

- 21. The risk matrix shows risk relating to the Council Plan headings.



Council Plan Implications

- 22. The delivery of the Wincanton Town Centre Regeneration Programme is part of Priority Project 2 within the Council Plan. This report therefore directly links to and supports this priority.



Carbon Emissions and Climate Change Implications

23. None directly arising from this report.

Equality and Diversity Implications

24. This report itself has no direct implications as it relates to the programme budget only.

Privacy Impact Assessment

25. There are no identified issues relating to this matter.

Background Papers

26. None

Appendix 1
**Events and Activities
 Funding Awards October 2020 - December 2021**

Applicant	Project	Award Date	Award approved	Award Period 1-3 Years	Paid	Event now anticipated
Wincanton Town Festival	Wincanton in Lights	7.10.20	£5,000	1		December 2021
Bunker Bushcrafts	Winky Wacky Races	7.10.20	£8,032	1		June/July 2022
Wassail Theatre	Doorstep Panto	4.12.20	£4,000	2		December 21 + July 22
Carnival Club	Wincanton Carnival	16.12.20	£10,000	3		October 2022
SEED	Seeding the future	16.12.20	£10,000	3		Spring 2022
Bath Opera	Bath Opera at the Memorial Hall	01.05.21	£2,719	3		Year 1 Complete
Town Council	Christmas	27.11.21	£4,900*	3		December 2021 (*funding beyond year one tbc)

Completed Events						
Bootmakers	Town Tree	15.9.21	£800	1	No	Complete
Wincanton Town Festival	Wincanton Town Festival	21.06.21	£2,325	1	Yes	Complete
Secret Storyteller	Wincanton Storyteller	16.12.20	£5,000	1	Yes	Complete