

Wincanton Regeneration budget - Change of Scope

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Ward Member(s)	Cllrs Colin Winder and Nick Colbert
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Purpose of the Report

1. The report suggests revisions to scope and sets out related changes to budget including a request for additional funds from the corporate capital contingency for the Wincanton Regeneration project. This follows receipt of tenders for the public realm scheme. The approach will ensure a focus on the two priorities of delivering the public realm and building repair grants (property project) during the remaining months of the project.

Forward Plan

2. This report did not appear on the District Executive Forward Plan.
3. Following a recent procurement exercise for public realm schemes, an early decision is required to enable the additional Section 24 financial approval to be requested from Somerset County Council so that contracts can be signed. A signed contract reduces cost pressure by fixing the majority of prices which would otherwise be vulnerable to materials and labour market fluctuations. If District Executive and Somerset County Council support the requested change to scope and budget, Wincanton's three public realm schemes can be advanced.

Public Interest

4. The report seeks a change of scope to the Wincanton Regeneration project. This would mean that construction works for the public realm schemes at Market Place, Carrington Way and Central High Street would get underway later this year.

Recommendations

5. That District Executive recommend that the Chief Executive agree either:

Option 1

- a. To reallocate £124,000 to the public realm work stream from other work streams within the Wincanton Regeneration budget.
- b. To allocate £136,000 to the Public Realm work stream from the corporate capital contingency.

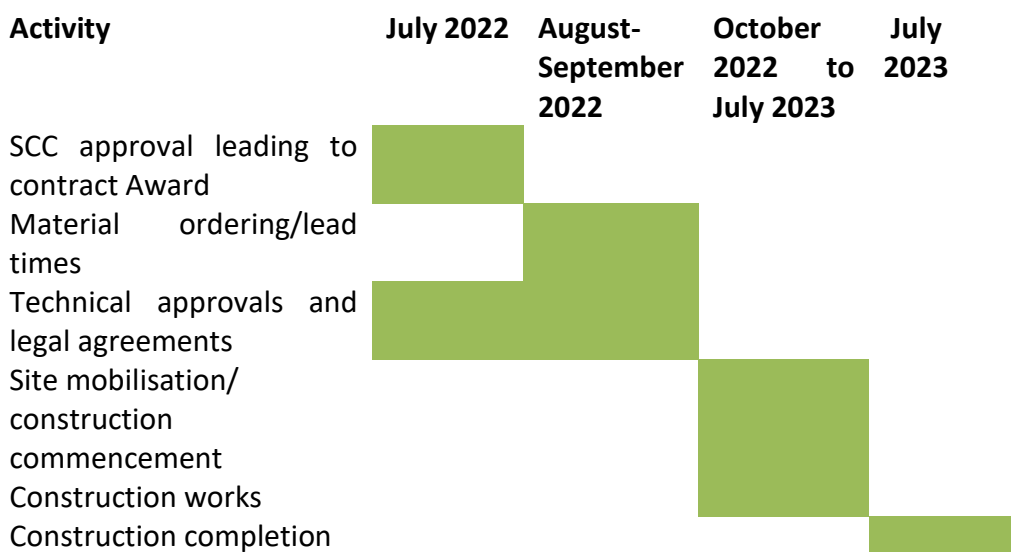
Or Option 2

To allocate the full £260,000 requested from the capital contingency budget.

Background

6. The Wincanton Regeneration programme seeks to improve the attractiveness of the town centre by creating an environment where businesses wish to trade with spaces, which people will visit and want to spend time. The project went live at the end of 2019 and comprises a range of initiatives including physical infrastructure and property improvements as well as softer interventions. The two prioritised work-streams within the programme are the public realm improvements and property grants as they are fundamental to enhancing the attractiveness of the town centre.
7. In February this year, Full Council approved a revised budget and work-streams for the final year of the Wincanton Regeneration project. However, following the recent re-tender of public realm works there is a budget shortfall, this means that if the schemes are to progress, a further change of budget and scope needs to be agreed.
8. As Local Government Re-organisation approaches, the Section 24 Directive and General Consents protocol means that there is a requirement for Somerset County Council to approve expenditure on specific projects and above certain financial thresholds. The Wincanton project falls into this category because the project is identified as requiring additional approvals and the public realm construction programme will run beyond vesting day.
9. Tenders for the public realm schemes remain open for 90 days (to mid-August 2022). Subject to the necessary sign-offs being obtained, the aim is for a construction start date of October 2022 (based on contract award in July 2022) with a finishing date of July 2023 anticipated. The headline timeline is as follows:

Table 1 Activity Timeline



Change of scope and budget

10. When the revised Wincanton Regeneration budget was approved in February, the budget was informed by pricing from the tender exercise conducted in late 2021. One of the contractors within our public realm procurement framework subsequently became insolvent, as a consequence it was necessary to re-tender the work. This exercise, combined with other factors means there is a funding shortfall in the region of £260k.
11. The cost variances are not dis-similar to other projects where pricing has significantly inflated due to large rises in material costs, broader inflationary pressures and the availability of labour. These changes have been driven by a combination of factors which include the Covid pandemic, the war in Ukraine, high levels of inflation and significant local infrastructure projects such as A303 improvements and Hinkley Point.
12. This section contains suggestions about how to partially bridge the gap from within the budget, where this can be achieved without significantly diluting the outcomes. This approach helps to minimize the request from the corporate capital contingency. The table below details the suggested line reductions which could be moved to support the delivery of the public realm schemes.

Table 2 Proposed Budget Amendments

Programme Element	Budget Line £000s	Spend to date (up to 30.4.22)	Pipeline/ Commitment	Balance	Reduction £000s	Note
Property Project – grants*	190	0	96**	94	34	1
Re-use empty units	8	3		5	5	2
Signage and wayfinding	180	0		180	60	3
Anchor business review	5	0		5	5	4
Marketing/image dev	40	0		40	20	
					124	

Notes

1 – Property Project

* three application submitted and 13 expressions of interest for prioritised properties.

A reduction of £34k would allow scheme to be opened up beyond prioritised properties but on a ‘first come, first served basis’ to allow awards up to remaining budget ie £60k

2- Re-use of key vacant premises, no further work proposed in relation to developing case for CPO

3- Signage and Wayfinding – Some funds retained in case they are necessary to meet Highways Safety Audit requirements on signage

4- Anchor business review - suspend in line with national indicators, trend away from town centre retail

13. Reductions of £124k as identified above would result in modest scope alteration but as presented these should not significantly impact the outcomes sought. This would mean that £136k is required from the corporate capital contingency to progress the delivery the Public Realm schemes at Carrington Way, Market Place and Central High Street.

14. Approval of these changes in scope and budget would allow a formal request to continue the project to be made to Somerset County Council which, if secured, would allow the signing of contracts, locking in the principal prices and ensuring the schemes can be delivered.
15. The change in scope is due to be discussed at the Strategic Development Board on 1st July 2022. Any concerns raised there will be reported verbally to District Executive as part of the presentation of this report.

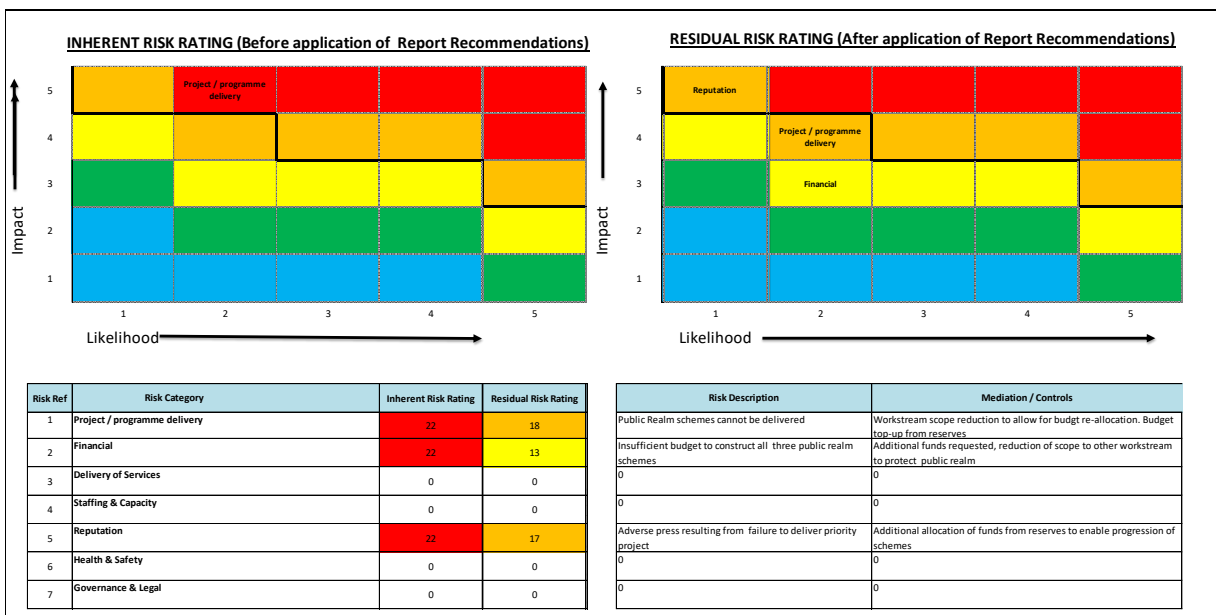
Financial Implications

16. The detail of the tenders remains commercially sensitive at this stage of the procurement process. However, in order to deliver the programme as shown above, the overall budget allocation would need to be increased up to either £2,527,000 or £2,651,000, depending on whether option 1 or 2 is chosen. This would comprise:
 - a. Existing budget - £2,391,000
 - b. Corporate capital reserve - either £136,000 or £260,000, depending on whether option 1 or 2 is chosen.
 - c. This approach preserves a contingency sum of £143,000 to deal with unforeseen costs during construction.

Legal implications and details of Statutory Powers

17. As described above the Wincanton Regeneration Project is identified as requiring sign-off by Somerset County Council within the Section 24 Directive and General Consents protocol, otherwise, this report is a change of scope and budget which forms part of the standard budget management processes of the council.

Risk Matrix



Council Plan Implications

18. Delivery of the public realm schemes and submission of a Levelling Up fund bid are Council Plan priorities for 2022/23.

Carbon Emissions and Climate Change Implications

19. This report seeks a change in the way funding is allocated so does not directly impact this theme. Carbon Emissions and climate change has been taken into account in design of the public realm including the promotion of active travel and an increase in street trees and areas of planting.

Equality and Diversity Implications

20. This report is purely a financial change of scope. Equality and diversity has been considered in all of the projects at design and construction phases. This will continue to be applied but is not directly applicable to this report content.

<i>An Equality Impact Relevance Check Form has been completed in respect of the Proposal?</i>	Yes
<i>The Impact Relevance Check indicated that a full EIA was required?</i>	No
<i>If an EIA was not required please attach the Impact Relevance Check Form as an Appendix to this report and provide a brief summary of its findings in the comments box below. – Attached</i>	
Additional Comments	
None	

Privacy Impact Assessment

21. There are no identified impacts in this area of assessment related to this report.

Background Papers

- None