

REPORT TITLE: FUNDING FOR ST MAURICE'S COVERT

28 AUGUST 2019

REPORT OF CABINET MEMBER: Cllr Kelsie Learney

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WARD(S): TOWNWARDS

PURPOSE

There has been a longstanding commitment dating back to 2012 to improve the town centre and the Winchester Town Forum identified a number of ways to enhance the presentation of the commercial area of the city including St. Maurice's Covert. A scheme was developed by consultants following extensive consultation with the public and stakeholders (CAB2958 refers) but costs have increased which means these enhancement measures cannot be delivered within the allocated budget. It is recommended that the budget be increased to enable delivery of the scheme (civil surfacing works and ceiling and lighting works).

RECOMMENDATIONS:

That Cabinet:

1. Approve additional budget of £90,000 to deliver the St. Maurice's Covert enhancement scheme thereby increasing the overall budget to £225,000.
2. That the Corporate Head of Regulatory be authorised to procure and award and to enter into the contracts for the improvements works to St. Maurice's Covert in accordance with Public Contract Regulations 2015 (if applicable), the Council's Contract Procedure Rules and Financial Procedure Rules for contracts of the relevant type and value of the intended contract.

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IMPLICATIONS:**1 COUNCIL STRATEGY OUTCOME**

- 1.1 Improving St. Maurice's Covert is consistent with outcome 4 of the Council Strategy – Improving the quality of the district's environment - and in particular it will help to protect, enhance, and respect the district's rich heritage and landscape while allowing appropriate development to take place.

2 FINANCIAL IMPLICATIONS

- 2.1 The Council previously in Cabinet decision (CAB 2958) agreed to allocate a budget of £110,000 to secure the delivery of phase 1 of the St. Maurice's Covert improvements comprising £60,000 from the Town Account and £50,000 from the General Fund. In 2018/19 the sum increased to £135,000 following virements from other revenue budgets, as detailed in section 11.
- 2.2 Additional work on the scheme, including a number of design changes, and more broadly escalating costs associated with this type of enhancement project, has seen projected costs including contingency rise to up to £225,000. In particular, the procurement of the surface works at the start of this year saw quotes returned significantly higher than expected and considerably above the cost estimates originally produced when the original budget was set in 2017. Escalating costs therefore remain a risk to this type of project given current wider market conditions.
- 2.3 In order to complete the scheme, additional funding of £90,000 is requested bringing the total budget to £225,000 including contingency which allows for the possibility of further limited cost increases given the complex nature of some aspects of the scheme and experience to date on this project. The Business Improvement District have committed £8,000 and Steele family £5,000 towards the improvements and the £77,000 balance will be funded by the Major Investment Reserve.
- 2.4 The Council has also submitted an expression of interest in Historic England's High Street Heritage Action Zones scheme citing the Covert works with a request for a £100,000 contribution towards its costs. The Council is unlikely to know the outcome of this before December this year so the scheme cannot rely on a formal bid being successful if it is to progress to implementation in 2019. However, depending on timing of the outcome of the request for funding, and assuming a favourable result, some of the scheme costs could be met by Historic England which will release funds back to the Major Investment Reserve to be utilised on other projects, or alternatively there is scope for further enhancement works which would benefit from this funding (phase 2).
- 2.5 In respect of the Central Winchester (see report CAB3186 on this agenda) and St Maurice's Covert, should the requested recommendations be approved, then additional funding from the Major Investment Reserve totalling

£327,000 will not be available for other projects. There is no short term payback on these projects so the funding will not be replaced through reduced costs or increased income in future budgets.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Works at St Maurice's Covert will be progressed through contracts that will encompass; civil surfacing works and ceiling and lighting works. Current intentions are to undertake procurement of the civil surfacing works through an established Framework whilst the most likely means of procuring the ceiling and lighting works will be through a competitive tender.
- 3.2 The procurement processes used will be furthered in discussed with legal and procurement teams to ensure a process that is compliant with the Public Contract Regulations 2015 (if applicable), the Council's Contract Procedure Rules and Financial Procedure Rules for contracts of the relevant type and value of the intended contract.
- 3.3 The Council has the power to enter such contracts with a third party by virtue of section 111 of the Local Government Act 1972, providing the power to do anything is calculated to facilitate, or is conducive or incidental to the discharge of any of its functions. Under section 1 of the Localism Act 2011, the Council has the power to undertake any activity a normal person could undertake, for the benefit of the authority, its area or persons resident or present in its area. The Council must be satisfied it has the enabling power(s) to award and enter into the relevant agreements.
- 3.4 Additionally the Council has an obligation as a best value authority under section 3 of the Local Government Act 1999 to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness." By following due process the Council's Contract Procedure Rules and Financial Procedure Rules, the Council will have observed its other statutory duties, including in regard to the duty to obtain best consideration.
- 3.5 Whilst a Judicial Review challenge is always a possibility where the Council has fully complied with the correct procedures, as above, the risk of a successful challenge is considered minimal.

4 WORKFORCE IMPLICATIONS

- 4.1 None other than officer time is needed to support the management of the St. Maurice's Covert scheme.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 These were previously considered in the Winchester Town Forum report WTF247. However further investigative works in the Covert mean that it is now likely that the ceiling and lighting improvements will need to comply with

the requirements of Party Wall Act as they may affect land or buildings owned by a third party. The requirements of the Act will therefore need to be met before these works can commence so present an element of risk to the project proceeding which will need to be managed. It should also be noted that the water fountain, which is part of the civils works, will rely on a water supply from the adjacent public conveniences which are leased to the Council. When this lease ends and if it is not renewed or extended, the supply to the fountain will need to be negotiated.

6 CONSULTATION AND COMMUNICATION

- 6.1 The scheme has been subject to extensive public and stakeholder consultation (CAB2958 refers) and further amendments to the detailed design of the works have been overseen by the St. Maurice's Covert Steering Group, up-dates considered by the Winchester Town Forum (presentation September 2018) and discussions have been on-going with stakeholder groups potentially affected by the design amendments.
- 6.2 It should also be noted that the Steering Group remains firmly committed to delivery of the first phase of this scheme in its entirety and the works enjoy support from all three ward members.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The scheme would enhance the visual attractiveness of the St. Maurice's Covert, giving it a better sense of place, as well as improving the visual links between the High Street and Cathedral. The works will therefore be of benefit to the locality and wider town centre.
- 7.2 The works support the Council's wider objectives regarding the environment (Climate Emergency) in that the latest version of the scheme will include a drinking fountain to enable people visiting the town centre to refill reusable drinking vessels rather than relying on single use plastic bottles.
- 7.3 It is also intended to source the main stone finish from within the UK, rather than using an imported material, and to selectively re-use some of the existing materials. The proposed surfacing materials will provide a high-quality and durable solution. The same applies to the new benches and cubes which will be made of Portland stone. Furthermore, the scheme only entails resurfacing the part of the Covert adjacent to Market Lane, which would benefit most from having new materials provided, rather than simply resurfacing the entire area.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 These were covered in the previous Cabinet report CAB2958. Some changes to the detailed design of the scheme since September 2017 are being assessed in relation wider mobility issues as well as the location of cycle parking. However, it is envisaged that the scheme will still deliver many of the

improvements outlined in the previous report and will, at worst, have a neutral effect.

9 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property The ceiling and lighting works will need to comply with the Party Wall Act requirements</i>	Discuss the proposals with the owner of the adjoining structure and ensure the requirements of the Act are complied with. Ceiling design can be changed if it is not possible to deliver the current proposal.	
<i>Water fountain will rely on a water supply from the public conveniences leased to the Council</i>	Use best endeavours to negotiate the water supply if the lease is not renewed or extended.	
<i>Community Support Given consultation undertaken on the Covert scheme failure to complete it may undermine confidence in the Council's ability to deliver improvement schemes.</i>	Allocate additional budget to enable the scheme to be implemented.	
<i>Timescales Further delays could see costs increase further.</i>	Allocate additional funding to enable the scheme to progress in 2019.	
<i>Project capacity</i>		
<i>Financial / VfM Escalating costs caused by delays may prevent implementation as costs exceed budget. Full costs unknown until works are tendered. External factors are increasing costs on civil engineering and other schemes like St. Maurice's Covert.</i>	Proceed to tendering as soon as possible but keep costs and budget under review. Look at options including value engineering to reduce and minimise costs. Revised options can be considered for the ceiling works if costs, when tendered, are unaffordable.	
<i>Legal</i>		
<i>Innovation</i>		
<i>Reputation - As Community Support</i>		

<i>above.</i>		
<i>Other</i>		

10 SUPPORTING INFORMATION:

- 10.1 A scheme designed to enhance St. Maurice's Covert as part of a wider raft of proposals to improve the presentation of the commercial centre of Winchester was promoted by the Winchester Town Forum in 2012 (WTF176 refers). The Council appointed architects, ScottWhitbyStudio (SWS), to develop a scheme aimed at enhancing the visual attractiveness of the space, creating stronger links between the High Street and Cathedral and providing a stronger sense of place for the Covert itself.
- 10.2 A range of measures to improve the surface, walls and ceiling/lighting of the Covert were produced by SWS and agreed by Cabinet in September 2017 (CAB2958 refers) with a budget of £110,000 (phase 1). Further improvements were identified which could form a second phase of works.
- 10.3 However, following further post Cabinet consultation on the scheme in 2017, a number of changes to the detailed design of the project were required to respond to concerns raised by the police and others regarding anti-social behaviour and rough sleeping, which saw the plinth removed, and the new bin/bike store was omitted (refuse storage was relocated to a new structure in Colebrook Street car park). In 2018/19 £15,000 was vired from the Major Project Support budget and £10,000 from the Built Environment Commissioning budget bringing the total approved budget to £135,000 in order to address increasing costs as the design of the scheme evolved.
- 10.4 Consideration was also given to the choice of materials to be used, such as the finish of the new ceiling, street furniture design and location of covered cycle storage (proposed to be moved off-site following the removal of the new bin/bike store). It has now been resolved to retain cycle parking in the current location inside the Covert as part of the amended scheme following concerns highlighted by the cycling community.
- 10.5 All of these matters resulted in design alterations and delayed the procurement of the works.
- 10.6 When the civil engineering (surfacing) aspects of the scheme were agreed and put out to tender earlier this year the prices coming back were more than envisaged, even allowing for the time lag between the design being finalised and tendering exercise, and were considerably more than originally budgeted for in the cost estimates. This is apparently typical of projects of this nature at the present time where external factors, such as Brexit, create uncertainty and therefore risks for contractors, and are likely increasing costs significantly. Costs of materials are also increasing. Consequently, there is insufficient budget to proceed with all aspects of the project. The Steering Group did consider the outcome of the tendering exercise and were not in favour of only

implementing elements of the scheme and remain committed to undertaking all measures designed by SWS in phase 1.

- 10.7 The revised cost estimate is set out in the following table:

	£000	£000
<i>Non-civils construction cost</i>		
Lighting and ceiling works	63	
Street furniture (bollards, benches, and cycle rack)	9	
<i>Civils construction cost</i>	80	
Construction contingency at 10%	15	
Total construction cost	167	
Prelims and overheads	15	
Professional fees	38	
Project contingency	5	
Total budget required	225	

- 10.8 In order to deliver the package of works designed by SWS it is recommended that the City Council's contribution to the scheme be increased by £90,000 bringing the total to £225,000 which would cover the revised total estimated cost of c£220,000 to include a small contingency (£5,000) given the complexity of the works and experience of costs to date including the results of the civils tendering exercise. The approval will enable the scheme to continue to progress this year albeit the construction phase is now likely to be in early 2020 in order to minimise disruption to the town centre with completion envisaged by the end of March.

11 OTHER OPTIONS CONSIDERED AND REJECTED

- 11.1 The Council could decide not to allocate additional funding to the St Maurice's Covert Project meaning the package of works would not proceed but this could undermine confidence in the Council's ability to deliver schemes of this nature which include external funding. The Council has already incurred significant costs in relation to professional fees.
- 11.2 The scheme could be phased over more than one financial year in order to manage costs over a longer time period or certain measures could be omitted from the scheme altogether. The Steering Group is committed to delivering all the measures designed by SWS to deliver the original vision and realise the full benefits of the project. Furthermore, spreading the costs over more than one year could mean a higher cost overall particularly given the current uncertainties in the market.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB2958 Enhancing St. Maurice's Covert.

WTF193 – St Maurice's Covert and other Town Centre Enhancements.

WTF247 – Enhancing St. Maurice's Covert.

WTF219 - St. Maurice's Covert Environmental Enhancement up-date.

WTF200 – St. Maurice's Covert Up-date.

APPENDICES:

None.