

CECA South West Members Meeting – 17/9/25

Somerset Update and Contract Opportunities

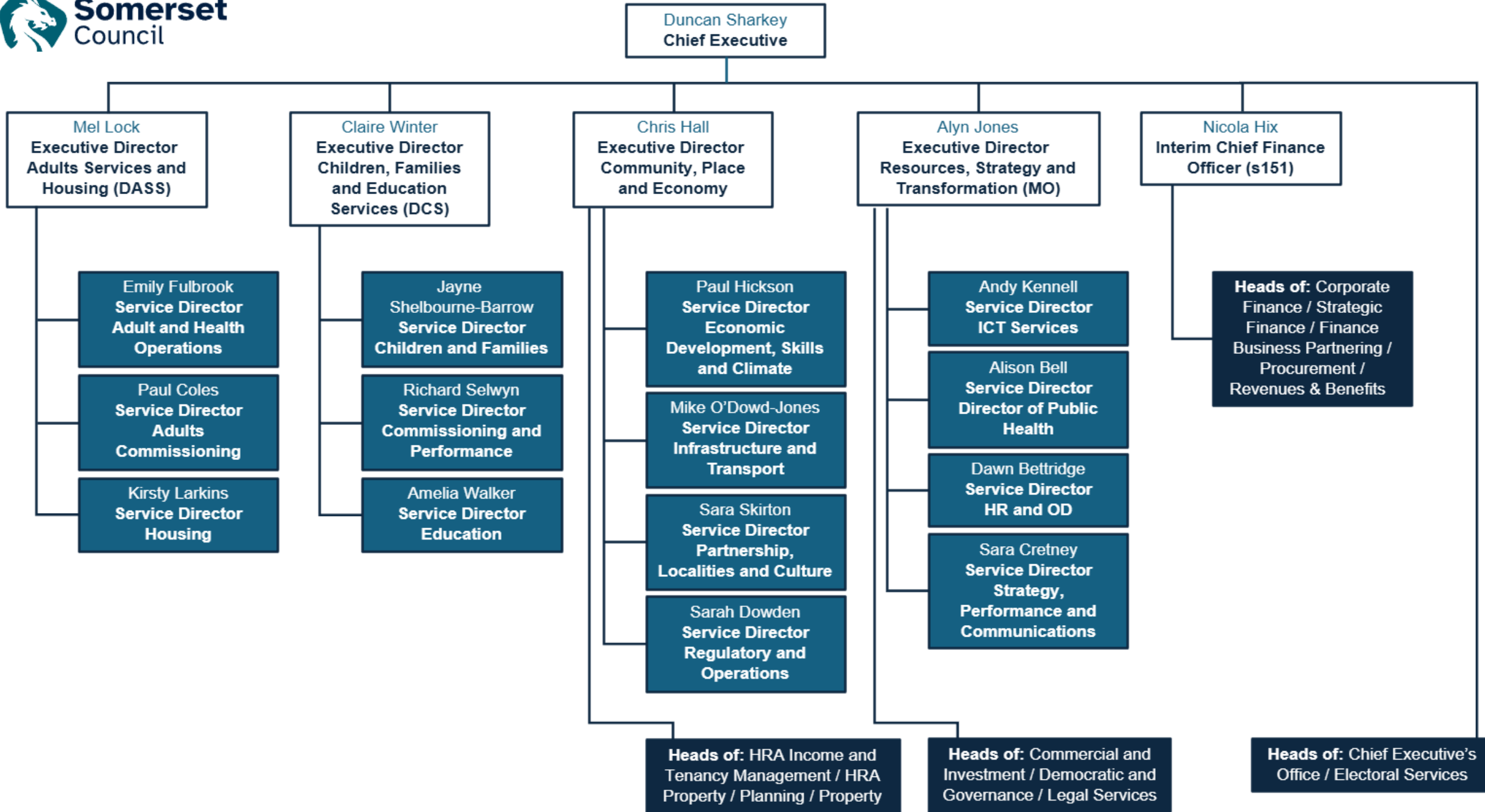
Andy Coupé – Head of Infrastructure Programmes
Lara Bell – Head of Regeneration and Major Projects



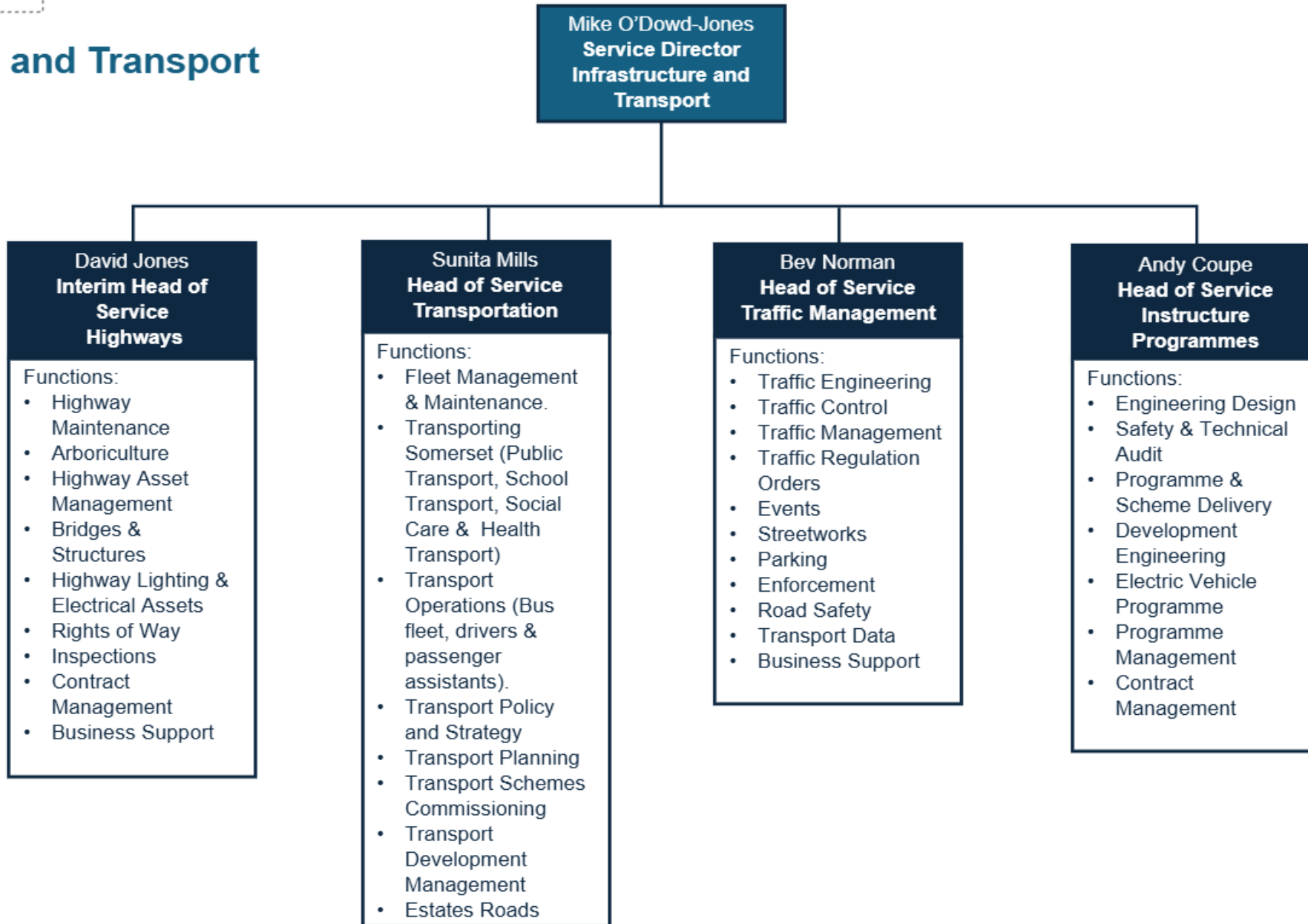
Somerset
Council

Agenda

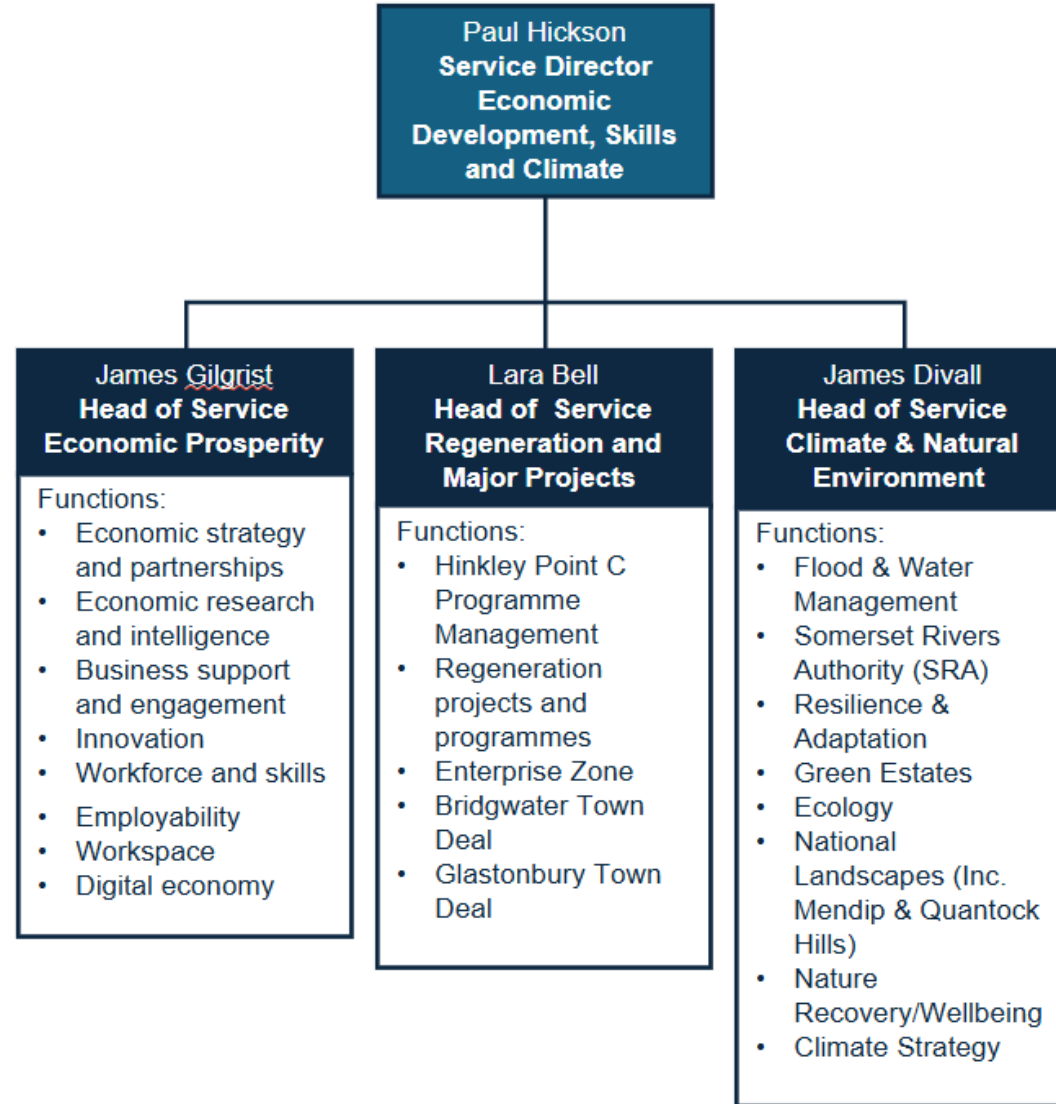
- General Somerset Update
- Finance & Procurement – Essential Context
- What does it mean for Somerset?
- Contracts for Infrastructure and Transport Services & Opportunities
- Contracts for Regeneration and Major Projects & Opportunities



Infrastructure and Transport



Economic Development, Skills and Climate



Finance & Procurement – Essential Context

- Financial Pressures inc Inflation, Interest Rates, National Insurance, Demography etc
- Government funding reforms
- UK Infrastructure: A 10 Year Strategy & National Integrated Transport Strategy
- Spending Review 2025 (June)
- Local Transport Grant + specific grant (e.g. BSIP and Active Travel)
- Removal of competitive bidding and consolidation of funding pots – but will the total cumulative value of funding at least match, or preferably exceed, the totals of the previous patchwork system and enough for basic need?
- Transport Infrastructure Review – MRN and Rail
- English Devolution White Paper – Heart of Wessex Combined Authority
- Procurement Act 2023
- Levelling Up Programmes pooling into Local Regeneration Fund

Somerset - Key Pressures

- Overspending areas
- Inflation - national pay award, increments, National Living Wage, fuel, energy, contracts etc
- Demand changes - household numbers for waste collection, increase in population, etc
- Adults and Childrens Social Care – demography, complexity, contract costs
- Financing costs – increased interest rates
- Budget Gap – addressed through Transformation and BaU Budget Workstreams

Summary	2026/27 Targets £m	2027/28 Targets £m	2028/29 Targets £m	2029/30 Targets £m	Total Targets £m
Budget Gap – Incremental	101.384	34.763	22.379	31.516	190.042
Budget Gap – Cumulative	101.384	136.147	158.525	190.042	190.042

Somerset – Capital Programme

- Review of whole programme
- Intense scrutiny to reduce demands on capital programme
- Minimise borrowing
- Health and safety, invest to save or legislation/ statutory bids only
- Inherited capital projects impacting on capital programme:
 - Procurement choices
 - Cost control
 - Best value
- Opportunities to share practice and develop consistent governance and procurement/delivery methodologies
- Transport investment likely to be limited to total DfT grants

Somerset: Transport Policy & Direction

- Decide and Provide
- Walking/ cycling natural first choice
- Reduce need to travel and promote sustainable travel
- Increasing highway capacity – last resort
- Aging Asset - Repairs and Renewals (e.g. inc carriageway, lighting, signals, structures etc)
- New Assets – Active Travel, Bus Infrastructure, Safety, locally funded priorities. S278 delivered by third parties. Major road building and capacity improvements – limited only to legacy A38 MRN

Infrastructure and Transport - Broad Ambition for our future Partnerships & Contracts

- Covering the basics well: Quality, value for money, social value, decarbonisation & environmental improvement, informed and satisfied Customers and Communities
- Intelligent clienting and sound asset management
- Investment in our county of Somerset, and attracting external funding
- Commercial arrangements that drive genuine innovation and good relationships
- Working more directly with the supply chain
- Collaboration and shared ownership across a suite of contracts and delivery partners
- Supporting Local Community Networks (LCNs)

Our existing I&T contracts

Highways term maintenance contract replaced with:

- Smaller term service maintenance contract. 8-year term + option for 4-year extension. c£225m (Kier)
 - Surfacing term service contract. 4-year term + option for 4-year extension. c£50m (Heidelberg Materials)
 - Surface treatments term service contract. 4-year term + option for 4-year extension. c£50m (Keily Group)
 - New Assets framework contract. 4-year term. £20m - £40m (Octavius)
- + Highway Lighting and illuminated and electrical assets. 8-year term + options for 4-year extension. (VolkerHighways)

Collaboration Board to ensure collaboration and coordination across contracts.

Stronger client asset management and design function including TUPE staff.

Traffic Signals Installation Framework Agreement 4 years from July 2025 – Centregreat, Octavius & Cambrensis

- NEC4 Framework Contract
- Individual contracts based on the NEC4 Engineering and Construction Contract (June 2017) Option A (Priced contract with activity schedule) with bespoke amendments to suit our specific requirements, including risk apportionment.
- Each commission through the framework therefore requires a mini competition which will enable ongoing benchmarking of costs and value for money.

Pipeline Procurement Opportunities

Structures

1. Urgent and Minors
2. Majors

- 2,500 structures in Somerset (inc bridges and retaining walls). Inc PRow
- Service need outstrips budget – total annual investment c£4m
- Inspections – generally in-house, topped up through PSC on more challenging/ complex sites
- Design – less complex and smaller scale in-house. Complex/ larger schemes designed via PSC

Structures – Urgent & Minors

- Limited, if any, planned minor maintenance works
- Reactive, arising from real time issues – e.g. unforeseen events such as RTCs or asset failures
- Vegetation removal for inspections
- c£0.5 - £1m capital per annum + c£400 revenue
- Procurement Strategy under development. Likely single supplier and long term
- Potential element of D&B
- Aim to have new contract in place for 26/27

Structures - Majors

- Planned and prioritised programme
- Refurbishment and replacement + new structures
- £3-£3.5m pa + £2m c/f from DfT for structural recovery + at least 1 new Active Travel structure over railway line
- Procurement Strategy under development. Likely multi-supplier Framework, to follow similar format to Signals Installation Framework Agreement
- Small number of schemes already designed awaiting delivery
- Price evaluation likely to be based on initial call-off contract and awarded to the Most Economically Advantageous Tender.
- ECI - Challenge recognised in Framework

Regeneration Pipeline

Portfolio covers six government grant programmes:

- Taunton Future High Streets Fund
- Vision for Tonedale Levelling Up Fund
- Bridgwater Town Deal Programme
- Bridgwater Academy Levelling Up Fund
- Glastonbury Town Deal Programme
- Yeovil Future High Streets Fund

Overall, c. £100m in government grant funding

Many of the programmes are in latter stages of deployment / commitments

Regeneration Pipeline

New activity coming on-stream in next few years includes

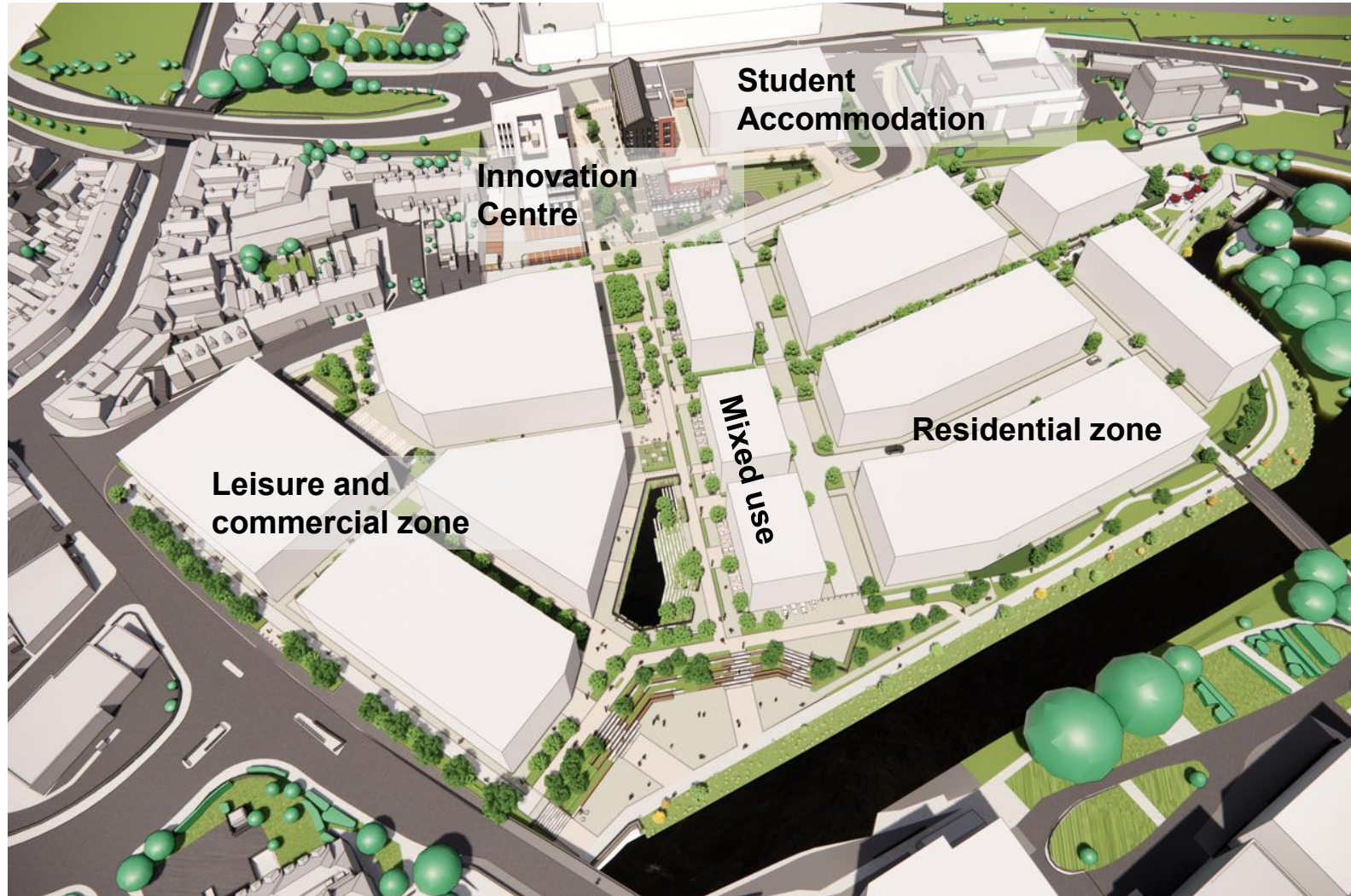
- Firepool site redevelopment, Taunton
- Glovers Walk Shopping Centre redevelopment, Yeovil

Taunton

Firepool

- Future High Street Fund monies fully committed
- Masterplan in place
- Next phases of activity will be developer-led
- Process commencing to seek a development partner

Firepool, Taunton



Masterplan outputs

Residential Development:

- c. 350 apartments & 70 houses
- Student accommodation: plot being marketed

Commercial / Other uses:

- Firepool Centre for Digital Innovation (completed)
- Ambitions for cinema / leisure, hotel and venue

Future High Street Fund includes:

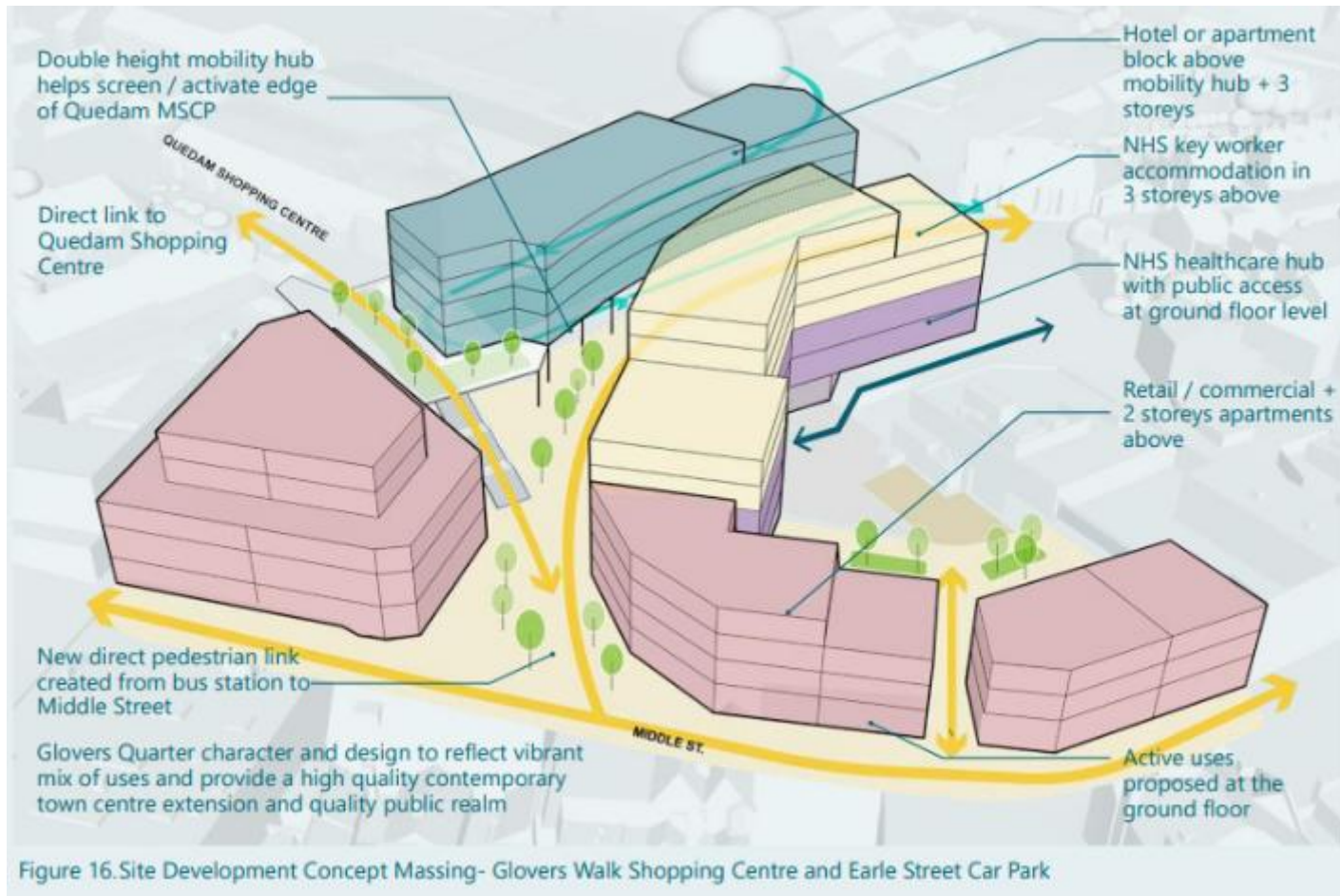
- Drainage and Levels work, and Trenchard Way junction complete.
- Northern Boulevard public realm works nearing completion.
- Wessex Water sewage upgrade completed
- Southern Boulevard public realm works ongoing, creating start of new Town Centre cycle link.

Yeovil

Glovers Walk, Bus Station & Former Wilko's

- Town Centre Masterplan soon to commence consultation
- To be adopted as material consideration for planning applications
- Homes England providing feasibility funding for development viability testing
- Development likely to be principally via development partner(s) – private housing, hotel, NHS
- Bus station redevelopment by Somerset Council

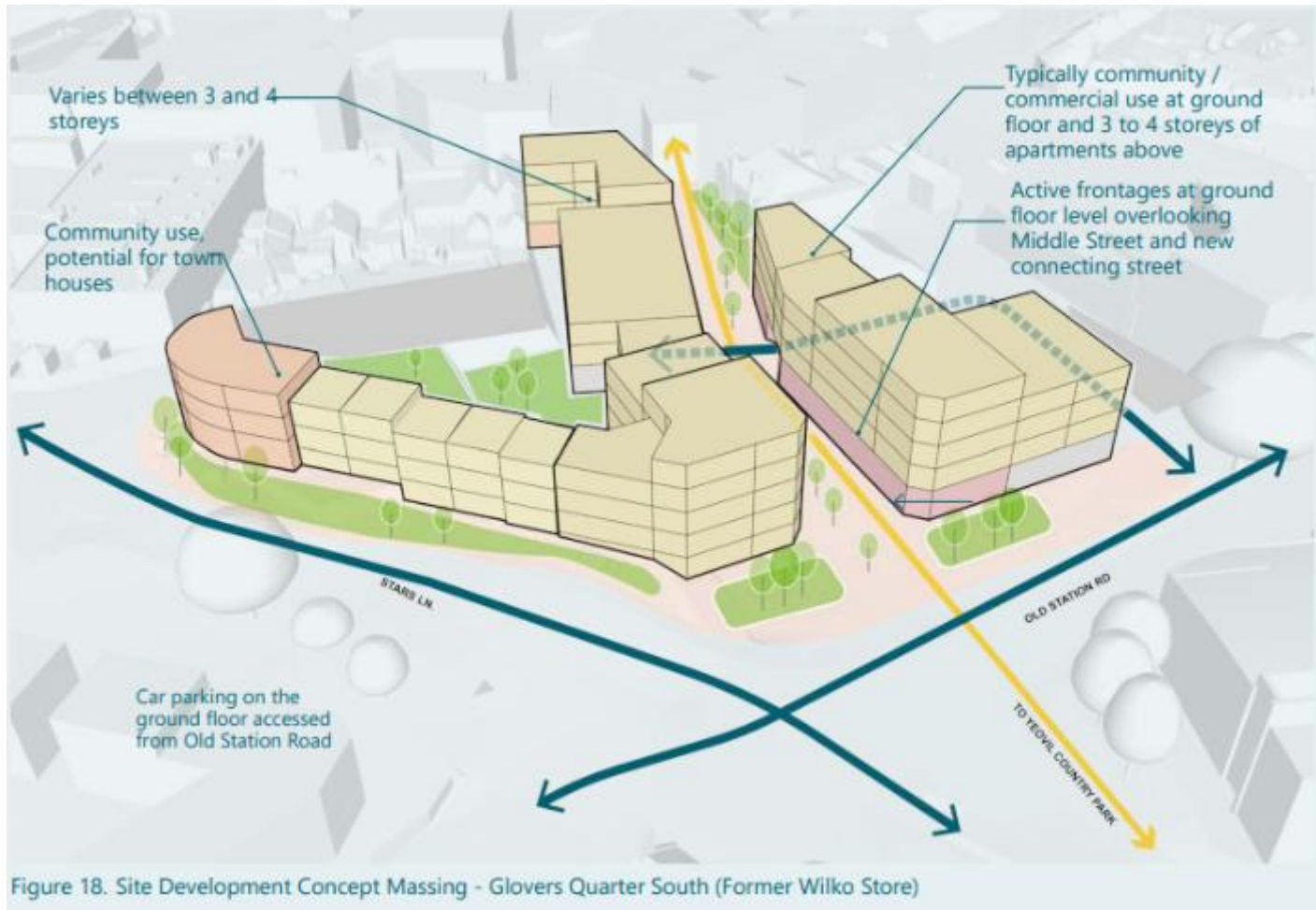
Glovers Walk & bus station, Yeovil



Glovers Walk

- Shopping centre demolition underway
- Key worker housing c. 100 units
- NHS hub, hotel & retail space
- Bus station to be retained and redeveloped for new transport hub

Former Wilko's, Yeovil



Former Wilko's

- Community uses, café, early years provision
- Housing c. 60 units

Tone Works, Wellington



Levelling Up Fund

c. £19m programme runs to March 2028

Historic buildings in state of disrepair / dereliction

Funding targeted at:

- Stabilising structures
- Conversions of historic buildings
- Utilities installations
- Flooding solutions

Thank You

