

CABINET

19 MARCH 2014

PROPERTY UPDATE

REPORT OF HEAD OF ESTATES

Contact Officer: Kevin Warren Tel No: 01962 848528

RECENT REFERENCES:

CAB 2460 (HD) – Stanmore Land Acquisition – 13 February 2012

CAB 2464 (HD) – New Homes Delivery Select List – 27 February 2012

CAB 2375 – New Depot Update – 4 July 2012

CAB 2374 – Abbey Mill – 4 July 2012

CAB 2461 (HD) – Victoria House – Future Development Options – 27 February 2013

CAB 2501 – Purchase of Carfax Site – 15 July 2013

CAB 2527 - Avalon House Land Transaction - 4 November 2013

CAB 2526 – Silver Hill Development – Update and Land Transaction – 4 November 2013

CAB 2540 - Station Approach Development Assessment–Consultants Report - 4 December 2013

CAB 2539 - Winchester District Parking Strategy - 4 December 2013

EXECUTIVE SUMMARY:

The report identifies progress being made on the delivery of property based projects within the Capital Programme.

RECOMMENDATIONS:

- 1 That the contents of the report be noted.

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DETAIL:

1 Introduction

- 1.1 Winchester is a small historic City but one which has an important role to play in the regional economy. Winchester enjoys a highly educated population and good communication links with London which makes commuting affordable for many. Winchester has historically been a seat of government and this has resulted in public services such as the County Council, NHS, Probation, HM Prison, Courts, Military and Police having significant presences in the City. Consequently with reductions in Government expenditure likely to continue, it is necessary for the City to consider how it will meet this challenge, provide employment for its young people and ensure its economic future, while enhancing and protecting the local environment.
- 1.2 Until the late 1980's, Winchester was home to a number of regionally significant private companies. Many of these companies were office based and they gradually moved to other locations as they were unable to find suitable accommodation to enable them to expand within the City. Winchester is an attractive location for office users; it has good transport links to London an attractive environment, a skilled workforce, a range of good quality housing, high quality shopping and restaurants. The cost of office space is significantly less than in London and the good communication links mean those sites in the City adjacent to the station should be an attractive location for office users. As the national economy begins to recover, the City will become an increasingly attractive location for offices offering the potential for high value employment for local people
- 1.3 Winchester has a very vibrant High Street, this is increasingly unusual and yet is one of the major factors in making Winchester an attractive place to live and a destination for significant numbers of visitors. One of the reasons that the High Street has remained successful is the business generated by the large number of workers who can access it during their lunch hour. The ability of the High Street to remain an important retail location with an attractive range of shops will be enhanced by introducing additional office based business activity in the City.
- 1.4 The City Council can have a significant impact on the local economy through its planning decisions and in its capacity as a landowner. Work is underway on the Local Plan and in connection with this a study has been undertaken into the development opportunities in the area around Winchester Station. At

the same time the Council has undertaken a study of Parking Requirements and has produced a Parking Strategy which identifies that some car parks could be redeveloped while recognising that flexibility needs to be retained by providing broadly similar levels of parking. However new development may create additional need at Park and Ride locations.

- 1.5 The Council has access to land, finance and professional skills and it is using these to help shape the economic future of the City by assembling land, bringing forward development proposals for commercial, retail, office, health, housing and affordable housing. Outlined below is the progress made with these projects.

Projects

ABBEY MILL

- 1.6 The Council entered into a building agreement and lease with River Cottage in September 2013. Since that time work on the refurbishment of Abbey Mill for use as a restaurant and deli by River Cottage has progressed well. The building works required the removal of all of the modern partitions installed by the Council when the building was used as offices. To ensure the long term future of the building it has been underpinned to provide structural stability. New services are being installed and all elements of the fabric are being refurbished. It is anticipated that the building will be handed over to River Cottage for fitting out in early May.

AVALON HOUSE

- 1.7 Terms were agreed in December 2013 with Southern Health NHS Trust for a 15 year lease of Avalon House. The Council will be refurbishing the building for the Trust who will be consolidating services that they currently operate out of a number of buildings across the City. Planning permission for D1 use was approved by the Planning Committee in February. The Council will be undertaking the fit out of the premises for the Trust and it is anticipated that the work will be completed in October 2014. The work will enable the Trust to offer better service to users.

BARFIELD CLOSE DEPOT

- 1.8 Council services such as refuse collection, grounds maintenance and street care were provided from the Bar End Depot from the 1940's. Bar End Depot had reached the end of its useful life and with revisions to the way Council services were provided, it was found to be more cost effective to build a new depot on land at Barfield Close. In August 2013 the new Depot at Barfield Close was completed and handed over the Biffa and The Landscape Group, the contractors providing refuse, grounds maintenance and street care services for the Council. The new facility provides offices, vehicle workshops stores, wash down areas and parking for the modern fleet of vehicles providing the Council services.

- 1.9 The building was built to BREEAM Very Good standard and at the commencement of their contract Biffa provided new refuse freighters. The combination of buildings and vehicles built to modern standards will result in a lower impact on the environment for the service.

KINGS WALK/FORMER POST OFFICE

- 1.10 This property has now been acquired by the Council removing the last objector to the Silver Hill development scheme CPO. The property which is let to Poundland and others will be managed directly by the Council until it is required for demolition. The acquisition of this land has enabled work on the Silver Hill development proposals to move forward at a significantly faster pace.

REPLACEMENT SURGERY

- 1.11 The site of the Upper Brook Street Car Park is the proposed location for a replacement Surgery for the St Clement practice. The Council are working with the Practice and the NHS to develop a surgery with attached pharmacy. Following the acquisition of the Kings Walk/Former Post Office property, compensation negotiations now need to be concluded with the practice to allow for their relocation to new premises. Terms are being negotiated with the practice for the occupation of a new surgery and subject to Cabinet approval, when these have been agreed a building agreement and lease will be entered into with both the practice and the pharmacy, for the construction of the new property. It is estimated that the new surgery will take approximately 13 months to build.

CARFAX SITE

- 1.12 Negotiations with the County Council are entering their final phase for the purchase of land and premises adjacent to the Gladstone Street Car Park. The County Council propose to relocate the Registrar of Births and Deaths allowing the land to be conveyed to the City Council early in 2015. The Station Approach development assessment has identified that the site will be suitable for a mixed scheme including offices, a multi storey car park, a convenience store or café and housing.
- 1.13 The objective will be to construct the car park to concentrate public parking spaces where they are required adjacent to the station. The combination of spaces in the new multi storey car park and at the newly enlarged station car park, will allow consideration to be given to bringing the Cattle Market site forward for development as well.
- 1.14 Consideration is being given to the business case for building a new BREEAM Excellent office on the site and for it to be let to help provide high quality jobs for local residents. Before the development is progressed it will be necessary to enter into a building agreement and lease with a prospective occupier. A number of enquiries have already been received from potential office

occupiers and detailed consideration will be given to the development of the site in the coming months.

- 1.15 The Council will wish to see a high quality development on the site and the development potential will be tested through Part 2 of the Local Plan process.

CATTLE MARKET

- 1.16 The development of a new Multi Storey Car Park on the Carfax site will enable consideration to be given to releasing the Cattle Market site for development. The Planning Consultants have identified that the site has the potential to be developed with offices, housing and a small retail element. Again interest from occupiers has been registered in the site and it is becoming clear that it should be possible to regenerate this area with a scheme that enhances the appearance of the area while providing an economic boost for the City.

VICTORIA HOUSE

- 1.17 This former elderly persons scheme was vacated last year and Cabinet confirmed that redevelopment of the site was the preferred option. Since that time the New Homes Development Team have appointed a local architects practise to work up a scheme for the development of 27 flats on the site, 18 for social rented housing and nine to be provided through a housing association for sale on shared ownership terms.
- 1.18 An employers agent has been appointed to manage the development of the scheme on the Council and Associations behalf. The planning application is to be submitted this month. The development will be the first large housing development undertaken by the City Council since the Makins Court, Scheme at New Alresford in 2000.

EXTRA CARE SCHEME

- 1.19 The City has a population which is living increasingly longer. There is a preference for people to live independent lives as long as they are able to and the New Homes Development Team have identified that there is a need to provide dwellings for elderly people which have access to a range of services to help them maintain this lifestyle as long as possible. A site is required close to the City Centre for a scheme of 50 apartments and consultation is underway on the proposed development of a scheme on the Chesil surface car park off Bar End Road.

SITE OF THE FORMER NEW QUEENS HEAD, STANMORE LANE

- 1.20 The Council purchased this site and a local Architects practice has been appointed to bring forward a design for the development of Council housing on the site. A scheme for 20 units is being developed comprising six one bed flats, nine two bed houses and five three bed houses. This went to public consultation recently and was very well received locally. A planning

application will be submitted by the end of April. The scheme provides for an improved pedestrian link to the recreation ground.

COUNCIL OFFICES

- 1.21 The Council offices in Colebrook Street were built in two phases in the late 1960's and early 1970's with short term occupation in mind. The buildings have reached the end of their economic life and it would not be economic to refurbish them. The Council has changed much since the buildings were erected and working methods today would not be recognisable to staff who moved in when the premises were new.
- 1.22 With modern working practices enabling much more efficient use to be made of office accommodation, it will not be necessary to replace the offices on a like for like basis. It has been concluded that the Council should be at the heart of the local community it serves and officers are developing proposals to provide an energy efficient extension to the West Wing offices to meet the long term office requirements for the authority. This will enable the "temporary" offices to be demolished.

LEISURE CENTRE

- 1.23 River Park Leisure Centre was built in the 1970's and rebuilt in the 1980's following a major fire. The existing centre is now in need of a significant refurbishment and as part of the Olympic legacy it has been considered appropriate to investigate the most appropriate form of replacement. There is much debate as to the right location for a new centre, but a decision will have to be made soon, as the existing building will require considerable expenditure on the roof, plant and changing facilities in the short term, if it is to be maintained in an appropriate condition.

OTHER CONSIDERATIONS:

2 COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

- 2.1 The work outlined above relates to Active Communities, Prosperous Economy and High Quality Environment themes as well as to the delivery of an Efficient & Effective Council.

3 RESOURCE IMPLICATIONS:

- 3.1 Each of the schemes referred to has had resources identified through individual project reports that are appropriate to the stage of the proposal. sites as the projects and the business case for them develop.
- 3.2 Hence, not all of the potential capital expenditure, and revenue consequences are yet included in the capital programme, budget projections, or treasury management strategy.

BACKGROUND DOCUMENTS:

Non exempt sections of reports identified above

APPENDICES:

None