

CABINET

29 MARCH 2016

CENTRAL WINCHESTER REGENERATION

REPORT OF SILVERHILL PROJECT TEAM

Contact Officer: Steve Tilbury and Andy Hickman. Tel No: 01962 848235 Ext  
2235

RECENT REFERENCES:

CAB2665 – Silver Hill – Judicial Review Decision, 3 March 2015 (part exempt).

CL110 – Silver Hill – Development Agreement with Silverhill Winchester No.1  
Limited, 18 June 2015.

CAB2700 - Silver Hill - Submissions By Silverhill Winchester No 1 Ltd and Council's  
Response, 13 July 2015 (part exempt).

CAB2752 – Silver Hill Winchester – Situation Report and Assessment, 2 December  
2015.

CAB2755 – Silver Hill Regeneration – Status Report, 13 January 2016 (part exempt).

CL121 - Silver Hill Regeneration – Further Update, 28 January 2016 (part exempt).

CL122 – Extract of Minutes of Cabinet held 13 January 2016, 28 January 2016 (part  
exempt).

CL123 - Extract of Minutes of The Overview and Scrutiny Committee held 18  
January 2016, 28 January 2016 (part exempt).

CAB 2796 Silver Hill Regeneration – Decision on Termination, 10 February 2016

### EXECUTIVE SUMMARY:

This report considers what steps might be taken to provide a basis for the regeneration of the Silver Hill area and engaging with other issues in central Winchester following the termination of the Silver Hill Development Agreement. It suggests that the production of a Supplementary Planning Brief would be the most appropriate route for engaging with the public and stakeholders in the area. It notes that this may not be a quick process and that there are significant risks attached.

### RECOMMENDATIONS:

- 1 That Cabinet considers the process that might be adopted toward developing a new basis for the regeneration of parts of central Winchester.
- 2 That Cabinet approves a supplementary revenue budget of £100,000 in 2016/17, funded by the Major Investment Reserve, in order to fund the requirements detailed in this report.

## CABINET

29 March 2016

## CENTRAL WINCHESTER REGENERATION

### REPORT OF SILVERHILL PROJECT TEAM

#### DETAIL:

#### 1 Introduction

- 1.1 At its meeting on 10 March 2016, Cabinet confirmed its decision of 10 February 2016 to serve notice of termination of the Silver Hill Development Agreement dated 22 December 2004 and not to implement the Compulsory Purchase Order which the Council had previously obtained to assemble land in the area. Cabinet has been informed of the Judicial Review threatened by Silverhill Winchester No. 1 Limited (SW1), the Silver Hill developer, and of the possibility of further litigation for damages by SW1. These are serious matters which may incur significant time and money in defending the Council's position, but they do not prevent the Council from also considering how the regeneration of the area should now be taken forward.
- 1.2 Elsewhere on the agenda for this meeting, Cabinet will consider reports on the St Clements surgery and the 'put option' on the properties purchased from London and Henley/Beaufort Estates in 2014. This report considers what steps might be taken towards establishing a new basis for regenerating the Silver Hill area and any other land in the immediate vicinity which it is determined should also be incorporated, and for ensuring that the proposals which emerge from public debate and technical studies contribute to achieving the wider improvements to Winchester's economic and environmental infrastructure which will be needed over the next decade or so. In this report this broader area will be referred to simply as 'central Winchester'.

#### 2 Discussion

- 2.1 The collection of buildings around Tanner Street and Silver Hill are mainly of poor quality and unsuitable for their original purpose. Several are now completely or partly empty, including the main multi-storey car park, former Friarsgate surgery and large parts of the Kings Walk building. Even those which are functional, such as the bus station, do not create a good impression for those visiting the city or depending upon its services. Public space in the Silver Hill area is confused and has unrealised potential. There are on-going traffic management and air quality issues which must be given attention. The termination of the Silver Hill development agreement has not changed the basic requirement to achieve a better presentation and use of the area or to resolve some of the town centre's outstanding problems. It would be a

mistake to consider that the town centre is in wholly 'good shape' or that its economic prospects are inexorably favourable when so much else is changing in the economic environment. Environmental and legislative pressures will also impact on the health and vitality of the town centre unless they are managed effectively and appropriate interventions take place.

- 2.2 It is clear that the form of the regeneration that should take place is contested – by some of those owning property in the area, by members of the public with different visions of how the area would best serve Winchester, and by different views on architecture and design. Whatever is determined, any future development must be shaped by the economics of developing land commercially. This requires, in the simplest terms, that the value of the finished product exceeds by a margin the cost of the inputs required to achieve it – unless of course the scheme is to receive significant public subsidy. Finding a way forward will depend on trying to reconcile not simply the different outcomes which people wish to see, but also the finding a way through the different mechanisms which might be required for it to be achieved.
- 2.3 The Council has set out its overarching policy objective for the Silver Hill area in emerging Local Plan Part 2 Policy WIN4 (which is reproduced for ease of reference as Appendix 1) and Members have supported that as being both robust and sound. It sets out a requirement for a number of town centre uses in the area which are consistent with the National Planning Policy Framework and are obvious features of an active and successful town centre. It is not prescriptive of the quantum of any particular element or of any architectural or design requirements. WIN4 requires a comprehensive approach to redevelopment because it is only by this means that the Council, as Local Planning Authority, can positively influence how the public realm and potentially non-commercial elements required in the area are achieved. It should be clearly understood that a comprehensive approach does not mean that only a single developer, architect or landowner must bring forward or implement proposals. It means that proposals when they are brought forward are not isolated or unrelated. The alternative, a piecemeal approach of allowing individual landowners to bring forward proposals for their individual ownership without any plan or brief against which to test or understand them will not secure the range of use (some of which are not commercially attractive) that are likely to be needed or aspired to in the area as a whole.
- 2.4 The intensity of debate over Silver Hill has shown that trying to move directly to a consensus view about a new planning brief or other 'vision' document is unlikely to succeed. In order for there to be an informed debate, it is important that there is a better understanding and analysis of the key issues which should underpin decisions. As well as the general public, this must engage landowners, service providers, local businesses and public authorities, all of which are key decision makers, and without whose cooperation progress will be slow or non-existent. The challenge is to engage with the wider community in a constructive and realistic manner which enables different views to be heard and debated whilst also recognising that it

is highly unlikely that there is a single answer to be found which will both satisfy everyone and be deliverable.

- 2.5 There will be particular difficulties with the engagement process in ensuring that due weight is given to all input and that pressure from developers, property owners or particular pressure groups does not unduly influence either the process or the outcome. At present, there is every likelihood that any form of engagement process, however organised, will be challenged, as is currently the case on both Station Approach and the Leisure Centre relocation. The timing of any work will have to take account of other matters, in particular the Local Plan Part 2 Examination which is expected to take place in the next two or three months but which may not report until early Autumn. It is suggested that the ultimate aim of the process should be to produce a Supplementary Planning Document (SPD) for Silver Hill and its environs (which it is suggested is called simply 'the Central Winchester SPD') which will act as a new planning brief for the area and will have the benefit of established status in the local planning system.
- 2.6 An important feature of an SPD is that it cannot make new policy – it will add detail and refinement to the main Local Plan Policies, in particular WIN4, but the SPD can address other policies as well (e.g. town centre economy, affordable housing, transport) and is not limited in scope to addressing WIN4 only. There is considerable work which must be done before an SPD can be drafted and it is suggested that Cabinet considers a process along the following lines. It is recognised that this will take some time to achieve but it is necessary to frontload the work involved to ensure that it is robust and less likely to be challenged successfully by those who may be dissatisfied by the results:
- a) Establish a task and finish group led by Cabinet to oversee the production of the SPD. This group will commission and oversee the engagement and consultation process. Members will need to consider, in the light of Clear Lloyd-Jones' comments on challenge and scrutiny, whether this should be on an all-party basis.
  - b) Commission a series of external professional studies into the key issues which should underpin any new proposals for Silver Hill:
    - Traffic and transport – including parking, public transport and air quality management
    - Winchester's cultural offer and potential new assets (including archaeology)
    - Winchester's retail requirements
    - Housing and affordable housing on the Silver Hill site
    - The requirements and aspirations of existing land owners and occupiers.

These studies will have to be commissioned from appropriately qualified external consultants either directly or via Hampshire County

Council. These will provide an evidence base which can then be introduced into a public engagement process to test reaction and seek to establish principles.

- c) Prepare a clear and comprehensive engagement strategy as a basis for a public dialogue, including incorporating the commissioned studies in public discussions. This will guide a full debate on the issues raised by these various studies, alongside public expectations, and is an essential first step in preparing a proposal which meets the requirements for an SPD document. The engagement process will need to meet all reasonable expectations for its comprehensiveness, including those set down in Government guidance for the preparation of an SPD. In the current operating environment, it is unlikely that the Council can organise such an engagement strategy with its own resources. It is therefore suggested that the Council seek proposals and fee bids from professional organisations which could undertake an engagement process with the public, so that these can be considered both by Cabinet and all other Councillors
- d) Prepare a draft SPD for consultation in accordance with requirements for an SPD and, after any modifications, adopt the SPD.

- 2.6 A draft timetable for this process is set out in Appendix 2. This is extremely provisional since there are many uncertainties over decision making processes over the next two years and it is highly likely that the programme will slip. It is also possible that in the course of this work decisions or actions by third parties, such as property owners on the site, will require a quick reaction outside of the planned programme. Nevertheless, it is important that the Council begins the work purposefully, since this will create the greatest likelihood of a managed and coordinated outcome.

#### OTHER CONSIDERATIONS:

#### 3 COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

- 3.1 The central Winchester area has the potential to contribute to all of the Council's Community Strategy objectives by enhancing the environment of the area, improving the local economy and by providing important community benefits.

#### 4 RESOURCE IMPLICATIONS:

- 4.1 The cost of developing the suggested Supplementary Planning Document, facilitating the public and stakeholder engagement and other related technical work is estimated at £150-200,000.

- 4.2 The general fund original revenue budget for 2016/17 includes a budget of £100,000 towards the costs identified in this report. A one-off supplementary budget estimate of £100,000 is therefore requested, taking the total budget to £200,000, to be funded from the Major Investment Reserve.
- 4.3 This is the first step in moving forward after the decision to serve notice to terminate of the Development Agreement with SW1. Ultimately, all options to be considered by the council in the future will need to be fully costed and the long term financial implications fully taken into account before decisions are taken.

## 5 RISK MANAGEMENT ISSUES

- 5.1 All the main risks in developing a Central Winchester SPD revolve around the difficulty of achieving a consensus which the Council, the County Council, local businesses, and those commercially involved in can deliver. This will require a thorough and effective engagement strategy to be drawn up and agreed in advance of starting the process, but engagement alone cannot guarantee to deliver agreement or a technically deliverable solution. Any future development will be at risk if there is unresolved opposition to the content of the SPD which creates the risk of delay to improvements in the area. Consider time and effort will be committed without there being any certainty that a successful outcome can be achieved.
- 5.2 An initial risk table is attached as Appendix 3 which will require further detail to be added after the decisions made at this meeting.

## BACKGROUND DOCUMENTS:

None

## APPENDICES:

Appendix 1 Text of Local Plan Policy WIN4

Appendix 2 Provisional Timetable for Central Winchester SPD (to follow)

Appendix 3 Initial Risk Table