

CABINET

15 JULY 2016

THE OVERVIEW AND SCRUTINY COMMITTEE

18 JULY 2016

STATION APPROACH – ECONOMIC AND FINANCIAL APPRAISAL

REPORT OF STATION APPROACH PROJECT TEAM

Contact Officers: Kevin Warren Tel No: 01962 848528

RECENT REFERENCES:

CAB 2702 – Station Approach, Winchester – 6 July 2015

CAB 2716 – Station Approach Design Brief – 17 September 2015

CAB 2759 – Station Approach Project Update – 13 January 2016

CAB 2802 – Station Approach – Report of Design Competition - 08 June 2016

EXECUTIVE SUMMARY:

The report provides Cabinet with the economic and financial background information which was requested when Cabinet considered report CAB 2802 in relation to the proposed development of part of the Station Approach area. If Cabinet is satisfied that the information supports continuing project development, then budget provision for the next stages of work should be made. This will require approval by full Council.

RECOMMENDATIONS:

- 1 That Cabinet note the economic and financial appraisal within the Report and determine whether the Station Approach project should proceed to the next stage.
- 2 That further work on the development of the Cattlemarket site be deferred for a period of 18 months
- 3 To endorse the Leader's discussion with EM3 LEP to secure grant funding of £7.7m to support public realm improvements and a contribution to project cost.

TO THE OVERVIEW AND SCRUTINY COMMITTEE

- 4 That the Committee considers whether there are any matters of significance it wants to draw to the attention of Cabinet or a portfolio holder or Council

TO COUNCIL

- 5 That subject to Cabinet deciding to proceed with the next stage of the development of this project, in accordance with Financial Procedure Rule 7.3 authority be given to a budget provision of £1,200,000 being made for the commissioning of the necessary design work and other professional services to progress work on the development of the Carfax site and for the preparation of a Public Realm Strategy.

CABINET15 JULY 2016THE OVERVIEW AND SCRUTINY COMMITTEE18 JULY 2016STATION APPROACH – ECONOMIC AND FINANCIAL APPRAISALREPORT OF STATION APPROACH PROJECT TEAMContact Officers: Kevin Warren Tel No: 01962 848528DETAIL:1 Introduction

1.1 At its meeting of 6 July 2015, Cabinet in CAB2702 resolved:

1. That the principles of development as set out in the draft brief for a Design Contest for the whole of Station Approach (including both the sites known as “The Carfax Site” and “The Cattlemarket”) as appended to this report be agreed and following this meeting a period for comments from key groups and stakeholders on the brief be allowed.

2. That the Head of Estates be authorised to finalise the Design Brief in consultation with the Leader and the Portfolio Holder for Estates, having regard to comments received.

3. That after completion of the Carfax Site land purchase the Head of Estates, in consultation with the Leader and the Portfolio Holder for Estates, be authorised to conduct a Design Contest in accordance with The Public Contracts Regulations 2015 (“the PCR”) for the design of the proposed development and to use such procedure as he may deem appropriate in the light of legal advice to be obtained.

1.2 Following further consultation, the Design Brief was amended and approved by Cabinet at its meeting on 17 September 2015 (CAB2716), following which a design competition was undertaken to with a view to the appointment of consultants to provide architectural services.

1.3 The outcome of the design competition was reported in to Cabinet on 8 June 2016 in CAB2802 where Members resolved

1. That Cabinet confirm their intention to take forward the development of Station Approach; and

2. That Cabinet agree in principle to Bidder B being the preferred architect to take forward the development of Station Approach, subject to that appointment being confirmed in the light of further advice on the legal, financial and design parameters within which the recommended option can be varied to meet concerns expressed.

- 1.4 The further advice on legal and design matters sought by Cabinet is presented in CAB2824 elsewhere on the agenda. This report addresses the financial and economic issues. To provide an evidence base for this Grant Thornton have been instructed to undertake an appraisal of the Bidder B scheme which assesses the financial and economic aspects of the scheme and options by which it might be built out. They have used input assumptions, such as construction costs and rent levels, provided by the Council. Vail Williams have been instructed to provide an assessment of the market situation and to advise on what input numbers are reasonable in the current market, how they might evolve and other relevant factors.
- 1.5 The Council has also obtained external advice from MACE on development cost and sought the views of Hampshire County Council, the BID and Winchester Chamber of Commerce to supplement consideration of the economic significance of the scheme.
- 1.6 The arguments on which development of the Carfax site and the Cattlemarket has been proposed are very strong. Winchester should be a highly desirable location for employers who wish to access a well-educated workforce in a location convenient for London – location being a crucial factor. Creating additional employment of this type in the heart of the city can reduce long distance commuting, retain spending power to the benefit of retailers and generate locally retained business rate income. However, to attract this type of employment there must be premises which are suitable for modern commercial requirements on a reasonable scale. Winchester has very limited supply of such premises and there is very little prospect of them being provided unless the Council at very least initiates the process. The suitability of the Station Approach area for this purpose has long been recognised due to its proximity to the railway station. The aim of the redevelopment of these areas, as set out in the Council's design brief is not to create unsustainable or over extended employment opportunities but to complement and in time to replace the high employment densities in the public sector on which Winchester's economy has previously depended.
- 1.7 Winchester is losing some of the limited stock of office accommodation which does exist, as a consequence of the Government's new permitted development rights. 3,000 sq m of offices in Winchester were converted into residential use in 2015 and this trend may continue given the likely differentials in value even if an Article 4 direction were successfully introduced. The Town Forum's 'Vision for Winchester' recognised that retaining Winchester's vibrant county town status, based as has been for

decades on a blend of commerce, public administration and historic environment requires active intervention from time to time.

- 1.8 The Council's funding from Central Government is reducing over the medium term. By 2018/19 the Revenue Support Grant will effectively be zero. The Government is also consulting on the retention of Business Rates by local authorities. It is unclear how much this will offset the loss of grant. The outlook is clear however, if front line services to the public including the maintenance and investment in the fabric of the city are to be maintained the Council must find new ways of generating income. Prudent investment in capital projects which are not simply speculation but which have a specific purpose to provide economic renewal can generate income and achieve what the commercial sector might not, especially in difficult economic times.
- 1.9 The Carfax site is a good location for office, housing and car park development. It has access to public transport and provides a useful interchange between, rail, bus, taxi, cyclists and car users. The location is too far from the City Centre to be the main bus interchange for Winchester but provides a very sustainable location for offices. By locating the offices next to the railway station occupiers are very likely to use public transport to get to work and there are excellent links to central London, Southampton Airport and Southampton City Centre.
- 1.10 The preparation of a public realm strategy for the area is an important component of the proposed commission. This will ensure, amongst other things, the coherent development of better walking and cycling routes, hard and soft landscaping and signage. Implementation of the strategy will be subject to resources being available and the current £5million bid to the LEP for these works is dependent for its success on the strategy being produced on the proposed timescales.
- 1.11 The significance of the development of the Carfax and Cattlemarket sites is recognised and provided for in the Winchester District Local Plan Part 2 which is currently being examined by the Inspector.
- 1.12 The broad development principles which cover the area as a whole are set out in policy WIN 5, and then in more detail in policy WIN 6 and WIN7.
- 1.13 The policies for the Station Approach area recognise that this is an important gateway into the town, and requires development proposals to comply with the Council's adopted parking strategy, and enhance the pedestrian environment to encourage walking and cycling from the station area to the town centre. It should be noted that, as with any development proposals of this nature and scale, a full transport assessment of the detailed schemes will need to be submitted at the planning application stage. It is expected that in developing the detailed proposals for this site a full programme of community engagement will be undertaken, this will include further consideration of transport issues on and adjoining these sites.

- 1.14 The question which Cabinet needs to consider now is not whether the development of the Carfax site commences but rather whether to continue with a limited financial commitment to project development. This will enable the Council to proceed if – when it needs to do so – the project is viable.

2 Financial and Economic Analysis

- 2.1 Using Bidder B's scheme as the basis for their analysis, Vail Williams and Grant Thornton have considered the development prospects and financial returns for the development of the site, based on the normal options for such a project that would be open to the Council using the powers and finances available to it. The Vail Williams report is set out at Appendix A. Grant Thornton's report is at Appendix B. The table below sets out the options considered:

Option	Sub-option	Description
Option A		No development/improvement could take place in the area (do nothing)
Option D		The Council sells both sites with planning permission and seeks for them to be developed externally.
	Option D1	The Council sells both sites with planning permission and has no further involvement.
	Option D2	The Council sells both sites with planning permission and buys back the car parking element.
	Option D3	The Council sells both sites with planning permission and buys back the car parking and office elements and the Council grant leases for the office accommodation
Option E		The Council undertakes the development of the sites and retains ownership of the sites.
	Option E1	The Council builds all of the elements of the development and grant leases for the office accommodation.
	Option E2	The Council builds the car parking and office elements and sells the rights to build the housing element.

- 2.2 Grant Thornton have reviewed the proposals using public sector financing (Treasury Green Book) modelling based on inputs supplied by the Council. Vail Williams have provided advice and assessment on the development

opportunity from a commercial market viewpoint to inform those inputs. MACE have provided development cost advice.

- 2.3 Vail Williams have produced an appraisal of the proposed development of the Carfax Site which is included in Appendix 1 of their report. The assessment is based on Bidder B's current proposals. Vail Williams make normal commercial assumptions – including that the development is pre-let, office and retail tenants are offered market norm rent free periods, that the car park is naturally ventilated and that the office parking spaces are available for public use at evenings and weekends.
- 2.4 The appraisal demonstrates that the development can achieve a 20% return on construction. This is no surprise since this assessment formed part of the competitive dialogue process and formed a 'pass/fail' requirement for the schemes to be considered. However, the land value produced by the scheme (and it would be the similar for any variant of the same scheme content) is low. Vail Williams' assessment of market requirements suggests that a private developer would only consider the scheme if they could reduce costs and increase values – i.e. spend less on design and construction and increase the scale of the development. They would wish to secure a greater margin of profitability to guard against the risk of changes in market circumstances, unexpected underground discoveries such as greater levels of contamination than anticipated, underground geological features or poor ground conditions, changes in legislation and other contingencies.
- 2.5 However, the key questions raised by the Vail Williams report, as expected, are what assumptions should be made today regarding certain key parameters, such as rent levels which might be obtained from pre-lets. The significance of this advice is considered later in the report.
- 2.6 Grant Thornton has produced a Financial and Economic Appraisal of the impacts of different mechanisms for delivering the Bidder B scheme and their potential benefits to the Council as landowner and on the local economy. This is attached as Appendix B. Their model covers a 50 year period.
- 2.7 For each of the ways in which development could be undertaken they have provided an analysis, firstly without any weighting for risk or optimism bias, and secondly with their assessment of what a fair weighting for those factors would be. The table below summarises the outputs from those two 'runs' of the model.

Option	A	D1	D2	D3	E1	E2
	£000	£000	£000	£000	£000	£000
Unadjusted NPV	£4,516	£209	£9	£21,389	£31,963	£26,237
Unadjusted NPV Ranking	4	5	6	3	1	2
Combined risk and optimism bias adjusted NPV Ranking	3	5	6	4	2	1

- 2.8 The unadjusted NPV ranking shows that the option to build out the development creates the highest income return to the Council. The risk and optimism bias adjusted NPV ranking suggests that disposing of the residential element to a specialist developer would reflect risk/reward best.
- 2.9 The specific numbers in the table are informative since they indicate the position were development to proceed today on the input values which underlie them. They are a guide to the strategy which the Council should adopt, nothing more at this stage.
- 2.10 It is crucial for Cabinet to understand that it is not being asked whether the scheme could or should proceed today nor to 'take a bet' on future events. The fallibility of prediction and volatility of the market is fully recognised. What the analysis shows is that if certain input values can be achieved when a decision to proceed is required, the scheme is one the Council could promote and generate significant rewards from. It suggests that it is necessary for the Council to take the initiative because it is unlikely that a commercial developer would be willing to deliver on a scale and scheme design that meets the Council's requirements.
- 2.11 The economic benefits of the scheme have been assessed by Grant Thornton using labour coefficients recommended by the Homes and Community Agency that around 516 FTE construction jobs would be generated during the period of construction and this would support a further 129 FTE jobs during construction through the local supply chain and as a result of local expenditure. Having taken into account substitution effects a total of 21 retail and 576 office FTE jobs will be created in the office and retail accommodation developed on the site which would contribute £23 million a year to the economy.

3 Discussion and Conclusion

- 3.1 The analysis by Grant Thornton confirms the significant economic benefits which would be derived from the Carfax development. It also demonstrates that the Council could benefit significantly from taking the lead in the development process and this compares with other options. It is precisely this form of enterprise, benefitting the local economy and generating income to support local services which will be required of all local authorities in the future, and many have been doing successfully for years.
- 3.2 Vail Williams' advice is that in current volatile market conditions, it is highly unlikely that a private developer would be prepared to proceed with the development of the site or would even be interested in acquiring it (at a price the Council would accept) even if it had a planning consent for something close to the Bidder B scheme. Their advice is also that because of immediate post BREXIT volatility and a possible longer downturn in the value of the property market, it would be unwise for the Council to give any form of unequivocal commitment to proceed with the development, until the political and economic environment had become clearer. Those who support BREXIT argue of course that it will be beneficial to the country's economy and therefore that the medium term prospects are brighter – in other words that this is just the right time to be considering investment.
- 3.3 Fortunately it is not necessary for the Council to predict the future. The decision for the Cabinet is not whether to proceed with a multi-million pound investment decision in uncertain times but whether to continue with the steps along the development process, up to and possibly including seeking planning consent. This does have a significant cost, which is risk, but the downside risk, of abortive costs, is manageable. The alternative is not to proceed at all, thereby ensuring that even if market conditions would have been favourable no development is possible and Winchester does not benefit from this investment in its economy.
- 3.4 Members are therefore requested to consider making budget provision to allow progress to be made towards development of the Carfax site, and the preparation of a Public Realm Strategy, but with suitable decision points to allow the Council to further consider if/how to proceed. At a suitable point the Council would expect to refresh advice from Grant Thornton and Vail Williams to support decisions on the optimum approach.
- 3.5 If Cabinet is not minded to keep its options open from the current position, a new procurement exercise would be costly for the Council and given the high cost of participation there would be a question mark over whether the industry would have the appetite to engage in a new competition process. It should be noted that since the termination of the Silver Hill scheme there have been no approaches to the Council from any other developers expressing an interest in the area. Silver Hill remains blighted and subject to the prospect of piecemeal improvements or planning applications until the Council generates

some momentum. There is no reason to think that Station Approach would fair any better.

- 3.6 The Council has applied to the Enterprise M3 LEP for grant funding totalling £7.7m to invest in the Carfax and public realm improvements in the area, and has some prospects of success, but any opportunity for funding will be lost if project development does not continue.
- 3.7 If Members do decide to proceed further with the Carfax site, having regard to the current market uncertainty it is recommended that for the immediate future, attention should be focussed on bringing that site forward for development and that further work on the Cattlemarket site be deferred for a period of 18 months. The timing of the further development should however be reassessed in the light of market conditions, to give the Council as much flexibility as possible.

OTHER CONSIDERATIONS:

4 COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

- 4.1 The Station Approach Regeneration Scheme is a key action in the Leader's Portfolio Plan 2016/17, and will directly contribute to the Council's aim to support the local economy.

5 RESOURCE IMPLICATIONS:

- 5.1 The direct resource implication of this report is the potential commitment of £1.2 million towards fees and technical investigation to take the Carfax and public realm design works forward. This will need to be funded from reserves and therefore reduces the amount available for funding future projects. The amount is at risk because there is no guarantee that it will lead to the successful development of the site.
- 5.2 Council is in a position to make this provision, recognising that there is always an opportunity cost to the use of resources. Some of the site investigations and analysis which will be undertaken will have value, regardless of whether a particular scheme proceeds, as they will add to the Council's understanding and knowledge of the site and its surrounding area which can be used in other contexts and for other projects.
- 5.3 The estimated cost of developing the Carfax Site is up to £62 million. If the Council agrees to proceed to the next stage of the project, a further report would be brought to Cabinet to consider the final option and agree funding at that stage. It is only at that stage that any requirement for borrowing would become necessary.
- 5.4 The Carfax element of Station Approach was included in the 5 year capital programme as part of the budget setting report earlier this year (CAB2763) along with an estimated net income stream of £0.6 million with effect from

2019/20. If Station Approach does not proceed, then the deficit over the Medium Term Financial Strategy will increase by £0.6 million.

6 RISK MANAGEMENT ISSUES

- 6.1 Appendix C sets out the significant risks associated with this stage of the Station Approach Regeneration Scheme.
- 6.2 The principal risk arising from the project itself is that the Council contracts with the highest scoring design team and pays for the necessary design work but then does not proceed with development. This would mean that fees incurred could not be recovered from the financial return on the development. This is a standard commercial risk for projects of this nature and the Council should not incur those costs unless it is clear that it intends to make all reasonable efforts proceed with the development.
- 6.3 The next most serious risk is considered to be the impact of not proceeding with a project at all and the delay (and associated cost of delay) that will be incurred.
- 6.4 The City Council assembled the Carfax site by purchasing the County Council's land interest at market value. While the site is currently let for temporary uses a failure to redevelop the land in a timely way will result in the loss of economic opportunity for residents, increased costs, loss of income as a result of the failure to utilise the site to its economic capacity, loss of rates income, and the potential loss of spending in the local economy if local firms leave the city as a result of the lack of suitable accommodation.
- 6.5 If the Council did not proceed to appoint the Architects, the bids totalling £7.7 million for funding from M3 LEP would fail

BACKGROUND DOCUMENTS:

<http://www.winchester.gov.uk/planning/major-sites/station-approach/>

Winchester Railway Station Travel Plan February 2014

Winchester Workspace Demand Study July 2013

Enterprise M3 Commercial Property Market Study

APPENDICES:

Due to their size, Exempt Appendices A & B are attached for Cabinet and The Overview and Scrutiny Committee Members only at this stage. Full copies of this Report, including all appendices, will be issued to all Members as part of the Council Minute Book for the 20 July 2016 meeting.

Appendix A Vail Williams Report Station Approach (Exempt)

Appendix B Grant Thornton Report Carfax Site project Financial & Economic Appraisal Report (Exempt)

Appendix C – Station Approach Key Risks Assessment

Station Approach – key risk assessment

Station Approach – key risk assessment										
What might go wrong?	What will happen?	Existing Controls and Measures	Current Risk Score		Risk Proximity	Financial Impact	Further Actions Planned	Target Date	Residual Risk Score	
			Likelihood	Impact					Likelihood	Impact
Cabinet do not appoint design team to commence design work on Carfax and prepare public realm strategy at July meeting	Development of the site is significantly delayed leading to impact on businesses wishing to expand within Winchester or relocate here – with a corresponding impact on the local economy. Impact on the Medium Term Financial Strategy due to delay in receiving income streams to support Council services in the absence of Government grant.	Use of the Design Competition procurement route. Cabinet sign off of Design Brief which will be the principle guide for design teams.	Unlikely	Significant	1	£££	Seek further advice on the legal, financial and design parameters within which the highest scoring scheme can be varied to meet concerns expressed. RIBA Client Advisor to supply a report to Cabinet based on Design Jury's findings and further Legal advice to be obtained from Queen's Counsel.	07/16	Unlikely	Significant
Design team is appointed and fees incurred but development process is halted by the Council.	Design team's fees become unrecoverable expenditure.	Ensure that non-recovery of fees is affordable without serious consequential impacts. Members should not proceed with scheme unless fully committed to development process.	Unlikely	Moderate	2	£££	Seek further advice on the legal, financial and design parameters within which the highest scoring scheme can be varied to meet concerns expressed. Carefully considered Public Engagement Strategy is put in place as part of planning process. Financial context for undertaking the development is carefully monitored.	02/17	Highly Unlikely	Significant
Local residents and members of the public feel dissatisfied with the project.	Potential campaigns against the development which may cause delay and additional costs	Following appointment of design team, undertake full public consultation as part of design development to explain and seek support to planning stage.Continue	Likely	Moderate	1	££	Carefully considered Public Engagement Strategy is put in place as part of planning process. Continue engaging with the	Ongoing throughout lifespan of project	Unlikely	Moderate

Station Approach – key risk assessment										
What might go wrong?	What will happen?	Existing Controls and Measures	Current Risk Score		Risk Proximity	Financial Impact	Further Actions Planned	Target Date	Residual Risk Score	
			Likelihood	Impact					Likelihood	Impact
		engaging with the Station Approach Panel					Station Approach Panel.			
Availability of specialist skills and advice for decision	If these resources are not available there could be a delay in the development.	Ensure the appropriate expertise is brought together at the appropriate time to support the project.	Unlikely	Major	1	££	If Cabinet agree to appoint Bidder B and proceed with the development, external resource will be appointed to manage the project, supplemented by additional specialist resource where required. If Cabinet agree to appoint the Architect recruit to the vacant posts in Estates to support the management of the project.	Ongoing throughout the lifespan of the project	Highly Unlikely	Major
Bid for Local Enterprise Partnership (LEP) funding is unsuccessful	Failure to obtain funding for public realm improvements from LEP would not prevent other funding being sought although timescales may be stretched.	Engage with EM3 LEP and ensure Members are heavily engaged to support the bid; identify other resources which could be considered to assist in delivering the Public Realm Strategy. Both bids have been developed and strongly supported by HCC.	Unlikely	Moderate	2	££££	Engage with EM3 LEP and ensure Members are heavily engaged to support the bid; identify other resources which could be considered to assist in delivering the Public Realm Strategy.	11/16	Unlikely	Moderate
Project business case does not achieve financial viability	Project cannot proceed	Undertake Financial Due Diligence and develop financial model to assess and identify mitigation of financial risks. External financial expertise has been commissioned.	Unlikely	Significant	1	£££	Undertake further Financial Due Diligence and continue to develop the financial model as more detail becomes available throughout the process.. Retain external consultants to advise on the viability of the development	07/16	Unlikely	Significant
Demand for office uses does not translate into pre-	Construction will not start without agreed level of pre-let	Difficult decision only materialises if Council has	Unlikely	Moderate	2	£££	Market the potential availability of the offices, consider expressions of			

Station Approach – key risk assessment										
What might go wrong?	What will happen?	Existing Controls and Measures	Current Risk Score		Risk Proximity	Financial Impact	Further Actions Planned	Target Date	Residual Risk Score	
			Likelihood	Impact					Likelihood	Impact
let		choice to proceed or not based on pre-lets marginally short of target. If insufficient market exists at a point in time, project could be reactivated at later date.					interest, seek to agree heads of terms with prospective tenants.			
Current buoyant housing market declines	Project viability is affected	Continue to review costs and values before deciding to proceed. Instruct a full financial and cost report prior to submitting any planning application.	Unlikely	Moderate	3	£££	Continue to review costs and values before deciding to proceed. Instruct a full financial and cost report prior to submitting any planning application. Consider the potential to share the risk of constructing the housing with a housebuilder.	02/17	Unlikely	Moderate
Costs of construction rises	Development does not achieve the financial return required	Continue to review costs and values before deciding to proceed. Instruct a full financial and cost report prior to submitting any planning application. Ensure an element of contingency is built into the construction budget.	Unlikely	Moderate	3	£££	Continue to review costs and values before deciding to proceed. Instruct a full financial and cost report prior to submitting any planning application. Ensure an element of contingency is built into the construction budget. Undertake value engineering as the design develops to ensure that a viable project can be delivered.	15/2 and ongoing		
Legal challenges raised	Delay in the development and subsequently an additional cost to the project	Ensure any legal challenges can be defended by obtaining expert advice to guide and inform processes.	Highly unlikely	Significant	2	£££	Ensure any legal challenges can be defended by obtaining expert advice to guide and inform processes.	On going		
Planning permission is refused	Delay in the development and subsequently an additional cost to the project	Ensure that the design principles are in accordance with the themes of the Local Plan. Seek pre application	Unlikely	Significant	3	£££	Ensure that the design principles are in accordance with the themes of the Local Plan. Seek pre application	02/17	Highly Unlikely	Significant

Station Approach – key risk assessment										
What might go wrong?	What will happen?	Existing Controls and Measures	Current Risk Score		Risk Proximity	Financial Impact	Further Actions Planned	Target Date	Residual Risk Score	
			Likelihood	Impact					Likelihood	Impact
		advice prior to submission of the Planning Application.					advice prior to submission of the Planning Application.			

Key to symbols

Likelihood

Highly Unlikely = 1% to 25% chance in 5 years

Unlikely = 26% to 50% chance in 5 years

Likely – 51% to 75% in 5 years

Highly Likely – 76% to 100% chance on 5 years

Risk Proximity

1 = occurring within 3 months

2 = occurring within 6 months

3 = occurring within 1 year

4 = unlikely to occur within 1 year

Financial Impact

£ = £1 to £20,000

££ = £20,001 to £200,000

£££ = £200,001 - £2,000,000

££££ = £2,000,001 plus