



Meeting	Cabinet
Date and Time	Monday, 6th March, 2023 at 9.30 am.
Venue	King Charles Hall, Winchester Guildhall (& a live stream video broadcast available via youtube.com/WinchesterCC)

Agenda Item.

7. Central Winchester Regeneration (CWR) – Presentation to meeting (Pages 3 - 40)

City Offices
Colebrook Street
Winchester
SO23 9LJ

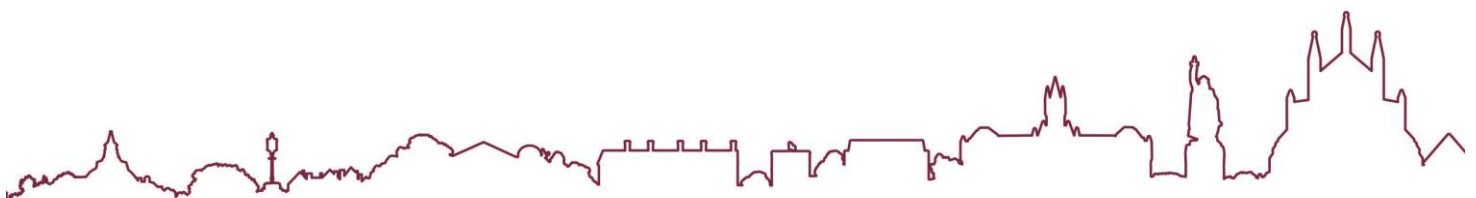
Laura Taylor
Chief Executive

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8 March 2023

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CENTRAL WINCHESTER REGENERATION

CABINET

06/03/23



AGENDA

- CENTRAL WINCHESTER REGENERATION - THE VISION
- JOURNEY SO FAR AND PROJECT MILESTONES
- PROCUREMENT PROCESS AND BIDDER SCORES
- QUALITY EVALUATION
- THE DEVELOPMENT AGREEMENT

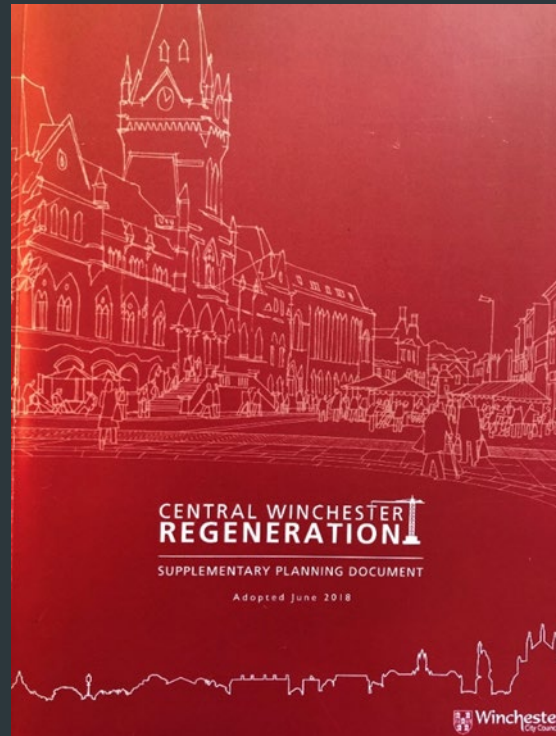


THE VISION

CWR SPD

“Mixed use, pedestrian friendly quarter that is distinctly Winchester and supports a vibrant retail and cultural/heritage offer which is set within an exceptional public realm and incorporates the imaginative reuse of existing buildings”

Page 5



THE VISION

Additional Opportunities

- Providing a place for young people to live, work and play in the heart of the city
- Boost overnight tourism

Wider social and economic benefits, not maximum financial return

Page 6



THE BENEFITS – Outline Business Case

Quantitative Benefits

- Employment opportunities
- Increased footfall to the area
- Increase in Council income from new housing and businesses
- Keeping residents local
- Increase in overnight tourism

Qualitative Benefits

- Wellbeing of workers and residents
- Increased land values for surrounding areas
- Sustainable transportation benefits
- Future re-use and flexibility of the creative workplace units
- Contribution to retention of a younger generation

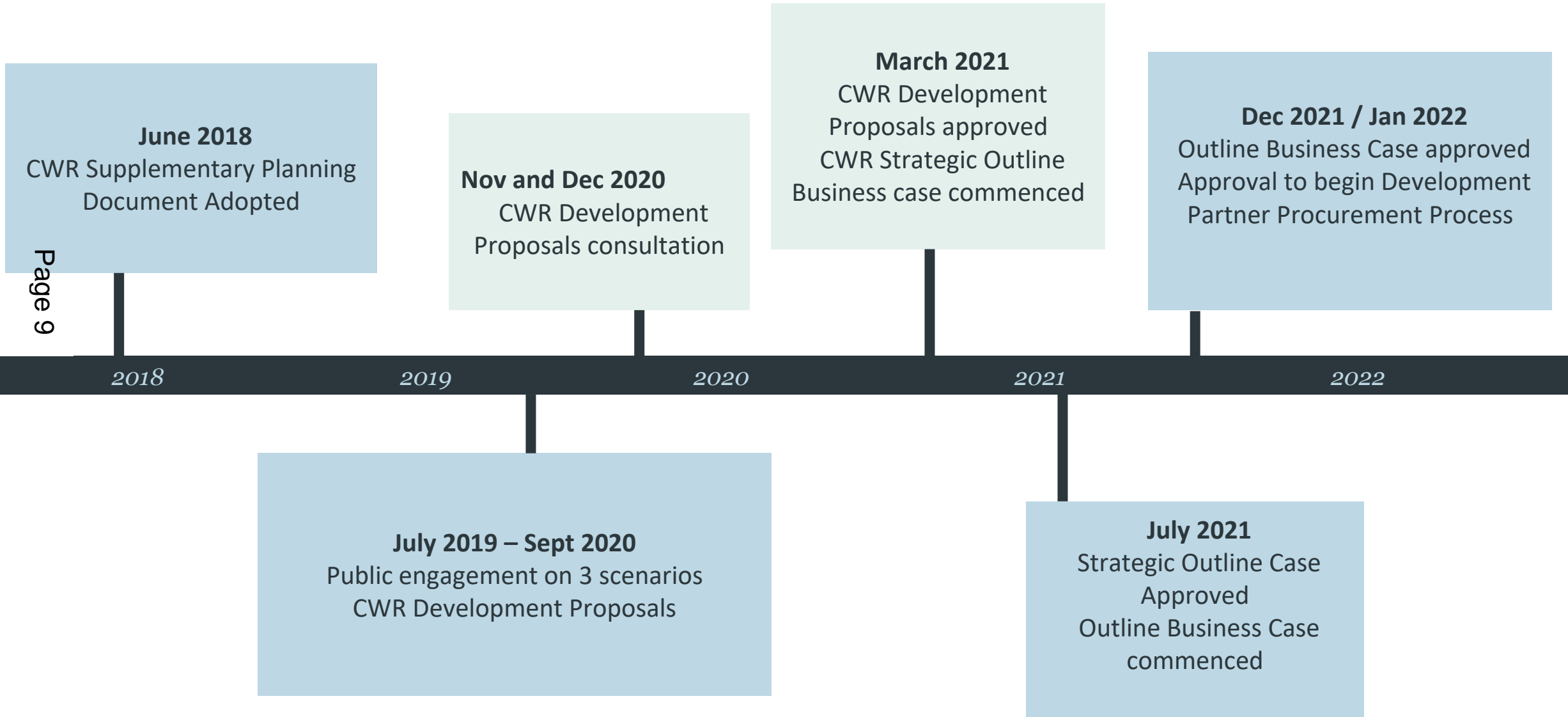




JOURNEY SO FAR
AND PROJECT MILESTONES

JOURNEY SO FAR

Page 9



2018

2019

2020

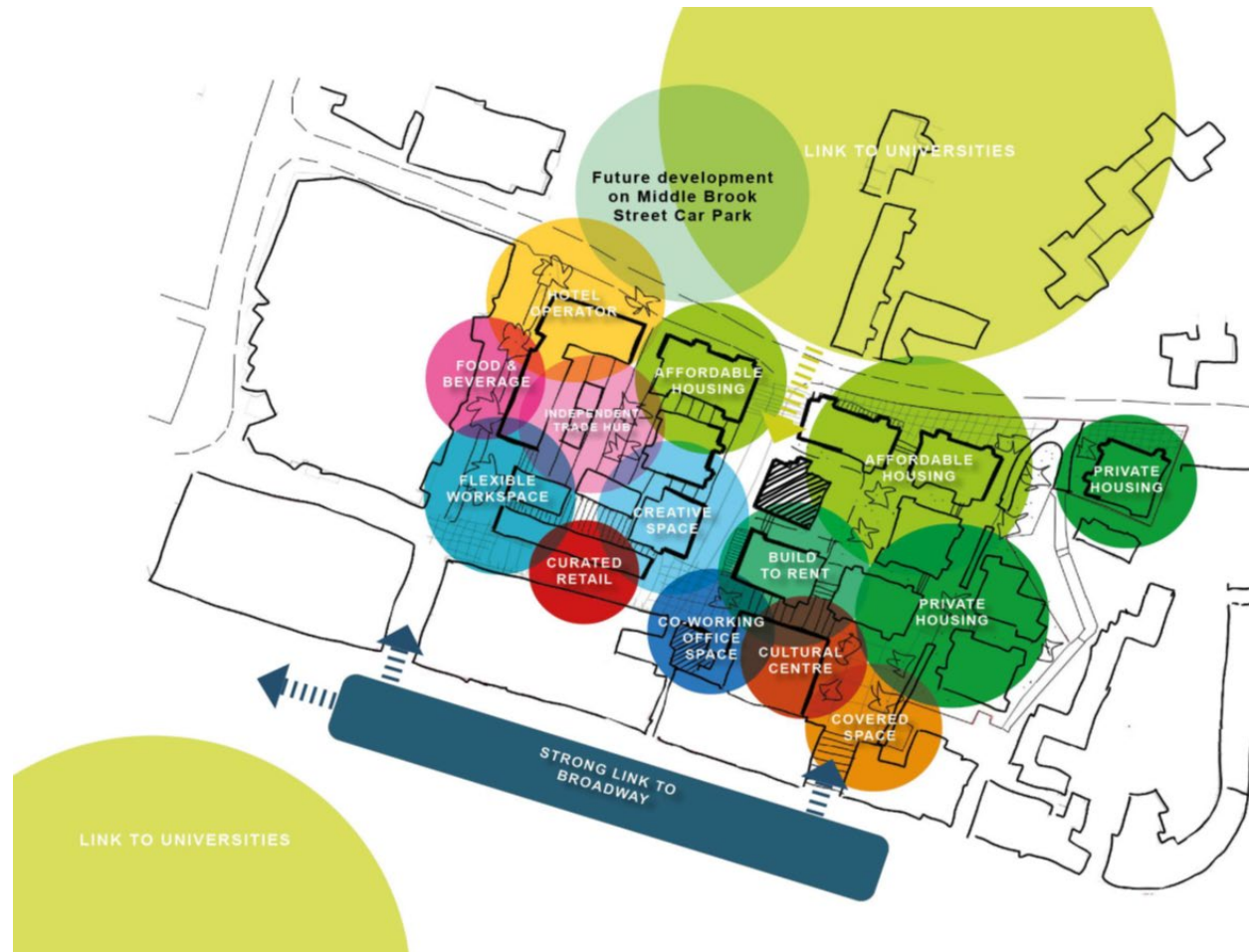
2021

2022

PREVIOUSLY AGREED

Cabinet March 2021 – CWR Development Proposals

Page 10



PREVIOUSLY AGREED

Cabinet July 2021 – Strategic Outline Case

Investment objectives

Work	Provide creative, flexible workspaces to help grow start-up businesses and allow like-minded professionals to support each other by sharing skills, ideas and resources.
Live	Provide housing suitable for a range of people, including young people and families. A mix of private and affordable housing is needed with new homes for key workers and homes for rent.
Play	Create high quality exceptional public places where people want to spend time, to enjoy outside spaces, to experience new things, celebrate heritage and culture and get involved in something that interests them.
Student and young person experience	Create a mix of uses which is attractive to students and young people. Which encourages them to visit the centre of Winchester instead of going elsewhere and gives them reason to want to stay in the city beyond their time at university.
Overnight tourism	Create an attractive night-time offering to complement the existing city quarters and encourage residents and tourists to visit the area in the evening.
Sustainable development	Work towards the city carbon neutrality target through choice of building materials, measures to minimise energy use, re-use of buildings where appropriate and encouraging suitable modes of transport.



PREVIOUSLY AGREED

Cabinet July 2021 – Strategic Outline Case

Delivery Route

	Option 3.1	Option 3.2	Option 3.3	Option 3.4	Option 3.5	Option 3.6
Descriptor	Disposal- Freehold or Long Leasehold	WCC to bring forward Kings Walk Creative Quarter and deliver the on-street bus solution. Remaining land parcels disposed of on a Freehold basis and brought forward by multiple developers	WCC to bring forward Kings Walk Creative Quarter and deliver the on-street bus solution. Followed by a development agreement with one development partner to bring forward the remaining land parcels in the defined site	WCC to bring forward Kings Walk Creative Quarter. Development Agreement with one development partner for the remainder of the defined site	Development agreement across the defined site with one development partner	WCC acting as master developer
Cost	4	1	1	3	4	0
Control	0	2	3	3	3	4
Planning risk	4	0	0	3	3	0
Development risk	4	2	2	4	4	2
Resourcing / expertise	4	1	1	3	4	0
Speed	1	1	1	2	3	2
Return (profit share)	0	1	1	1	0	0
Return (land receipt)	3	2	2	2	2	2
Market appetite	4	2	1	3	4	0
Total Score (out of 40)	24	12	12	24	27	10



PREVIOUSLY AGREED

Cabinet December 2021 – Outline Business Case

- Approval of the Outline Business Case
- Approval of Procurement strategy
- Approval of Commercial Principles

Page 13

Full Council January 2022

- Review of Cabinet Report and associated documents
- Approval to Initiate and conduct the procurement process as set out





PROCUREMENT PROCESS
AND
BIDDER SCORES

PROCESS

- March 2022 Selection Questionnaires – 13 Expressions of Interest
- May 2022 Invitation to Participate in Dialogue – 3 shortlisted bidders
- May – November Dialogue sessions
Site visits
Presentations
- December Final Tender Submissions
- January Evaluation and Moderation of Final Tenders



PROCESS

Who was involved

- Dialogue and Evaluation of SQs and Final Tender Submissions;
 - Key officers;
 - Director, Head of Programme, Corporate Heads, Project Manager, Procurement Service Lead
 - Council advisors;
 - JLL (Property, Market, Sustainability), Browne Jacobson (Legal), 31Ten (Financial), Claire Bennie (Design and Quality), Patrick Ottaway (Archaeology).
- Site Visits and Presentations
 - Cabinet Members and the CWR Reference group



SCORES

- Evaluation criteria approved at Cabinet
- Commencement of procurement approved at Full Council
- Procurement Process conducted March 2022 through to December 2022
- Evaluation carried out by officers in December and January was a technical exercise in accordance with the approved criteria
- Scores are the outcome of the evaluation process and final moderation meeting



EVALUATION CRITERIA

ITPD Evaluation Criteria					
Evaluation Criteria		Section	Weighting	Evaluation Sub-criteria	Weighting
Quality	70%	1. Approach	45%	Approach to delivering a mixed-use quarter	10%
				Approach to high quality public realm and placemaking	10%
				Approach to engagement	10%
				Approach to sustainability	10%
				Approach to meanwhile uses	5%
		2. Planning	10%	Planning Strategy	10%
		3. Team	15%	Deployment of Core Team	10%
Partnering and Procurement	5%				
Commercial	30%	4. Market	7.5%	Market understanding	7.5%
		5. Finance	12.5%	Financial	12.5%
		6. Legal	10%	Legal	10%

SCORES

Page 19

Shortlisted Bidders	Quality (70%)	Commercial (30%)	Total
Recommended Development Partner	62%	20.29%	82.29%
Bidder I	44%	13.62%	57.62%
Bidder L	53%	21.20%	74.20%





QUALITY EVALUATION

RECOMMENDED DEVELOPMENT PARTNERS FINAL TENDER SUBMISSION SUMMARY

- Procurement process is a legal, regulated process
- Development Partner's Final Tender Submission is confidential
- Information shared is a summary of the Submission
- Ahead of Cabinet Decision, we are unable to share who the Recommended Development Partner is
- Announcement will be made following the Statutory Standstill Period after the Cabinet Decision.



RECOMMENDED DEVELOPMENT PARTNER CORE TEAM

- Comprehensive core team incorporates a best in class design team with intention to include local talent
- Experience in delivery of comparable and relevant regeneration projects
- Commitment to deliver a consistently high quality service and continuity of resource
- Ongoing management throughout the life of the project to lead;
 - Delivery Plan
 - Decision making
 - Communications and engagement



APPROACH TO DELIVERING THE MIXED USE QUARTER

In no more than 10 A4 Pages please describe how you would approach the delivery of the Central Winchester Regeneration vision and investment objectives in practical terms.

Four Core Capabilities:

Page 23

- Fund: ability to flex how the scheme is funded – mix of equity and finance
- Design: reimagined street pattern based on Roman and Saxon street patterns, but generating a distinct new identity
- Deliver: build flexibility into all aspects
- Manage: long-term investors, committed to holding and managing as much of the scheme as the council would like us to



APPROACH TO DELIVERING THE MIXED USE QUARTER

Three key things which could be done to optimise the existing development proposal:

Page 24

1. A street pattern that creates a new piece of 'Winchesterness'
2. A granular building approach that naturally creates variety
3. A generous urban green street that can accommodate buses



APPROACH TO HIGH QUALITY PUBLIC REALM AND PLACEMAKING

In no more than 8 A4 Pages, please describe your approach to developing scheme proposals for the development site as a whole.

- A design team picked to ensure exemplary quality across the site's uses, phases and public realm
- Curate and manage the Creative Quarter from meanwhile to mainstream uses with diverse retail, creative and maker spaces
- Focus on delivering the main objectives set out in the CWR SPD and designing in Winchesterness to reconnect the site to the city and vice versa
- New buildings and public realm achieve and project Winchesterness in richness of form, material and detailing
- Special qualities at the heart of Winchester are preserved and enhanced



APPROACH TO HIGH QUALITY PUBLIC REALM AND PLACEMAKING

- In situ preservation of archaeology will provide rich themes to generate the Creative Quarter's new identity rooted in its vibrant history
 - Specialist archaeology consultant appointed to guide the process
 - Commitment to engage with the public on archaeology
 - All proposed works to be agreed by the council in consultation with the CWR Archaeology Panel
 - The approach to archaeology will form part of the planning application



APPROACH TO HIGH QUALITY PUBLIC REALM AND PLACEMAKING

- The recommended Development Partner is a long term investor
- Commitment to delivering high quality public realm which is accessible to all, throughout the lifetime of the development
- A dedicated Estate Management organisation;
 - Everyone connected will have a say – the council, residents, commercial occupiers, neighbours
 - A sense of ownership and voice



APPROACH TO ENGAGEMENT

In no more than 8 A4 Pages, please describe your approach to meaningful engagement.

Page 28

- Commitment to starting engagement from day one
- Tried and tested process of co-creation that brings communities and stakeholders together to build on the vision and shape its outcomes
- Core elements around climate, place, wellbeing, community, circularity and nature
- The recommended Development Partner does not contract out engagement
- Their ethos is built around helping communities thrive



APPROACH TO SUSTAINABILITY

In no more than 8 A4 Pages, please describe your approach to delivering a best-in-class sustainable development.

Page 29

- Demonstrated clear understanding of the council's sustainability policies and commitments – will seek to evolve these further
- Net zero carbon – delivery and once in use
- Circular economy
- Biodiversity net gain
- BREEAM Excellent/Outstanding and HQM accreditations as well as WELL standards, LETI and Passivehaus standards



APPROACH TO MEANWHILE USES

In no more than 4 A4 Pages, please describe your approach to incorporating meanwhile uses into the development of the site in accordance and coordination with the development phasing.

- As well as bringing early activity, meanwhile uses are considered a vital tool in the engagement approach
- Building on activation of Kings Walk
- Re-purposing existing buildings
- Public realm enhancements
- Programme of events to promote activation
- Studio spaces and events yard



PLANNING STRATEGY

- Hybrid planning application - detailed phase 1 application with an enhanced outline consent on the remainder
- CWR Supplementary Planning Document remains at the heart of the approach
- Step by step co-creation preparation and engagement process focuses on a 'You've said, we've done' outcome
- Develop and agree an archaeology strategy
- The approach includes;
 - Urban design principles
 - Steering group
 - Design Review Panel
 - Planning Performance Agreement





THE DEVELOPMENT AGREEMENT

THE DEVELOPMENT AGREEMENT

- Key Commercial Principles approved at Cabinet in December 2021
- Draft Development Agreement reflected the Principles approved
- Discussion and negotiation carried out during dialogue sessions
- Vast majority of the Commercial Principles remain unchanged, with the following amend clarifications;
 - Governance arrangements agreed
 - Approach to Exit and Termination agreed
 - Income Generation agreed as a priority and added to Development Objectives
 - Long Stop dates agreed - Target Dates will be agreed in the Development Delivery Plan



DEVELOPMENT DELIVERY PLAN

The Delivery Plan, agreed between the council and the Development Partner, will cover elements such as:

Page 34

Objectives and intended outcomes
Public realm and placemaking strategy
Meanwhile use strategy
Phasing and viability
Planning strategy
Long term management strategy

Design approach
Engagement strategy
Sustainability strategy
Infrastructure strategy
Funding strategy



GOVERNANCE

Framework for decision making in the Development Agreement including Development Delivery Plan, Financial Modelling, Land Transfers

- Governance Structure;
 - Project Team
 - Project Board
 - Working Group meetings
 - Cabinet Committee; Regeneration
 - Wider Engagement
 - CWR Archaeology Advisory Panel
 - CWR Reference Group
 - CWR Open Forum



WHAT'S NEXT

- 6 March 2023
 - Cabinet Decision on appointment of the Recommended Development Partner
 - Cabinet approval to enter in to the Development Agreement
- Statutory 10 day standstill period
- Development Partner announcement



FIRST SIX MONTHS

- Within weeks, finalise and enter into the Development Agreement
- Set up and implement Governance arrangements
- Agree and implement comms and engagement strategy
- Update the Development Delivery Plan
- Open dialogue with transport and other key stakeholders



PROJECT MILESTONES

- Agreement of the Development Delivery Plan
- Scheme Financial modelling and approval
- Full Business Case and Planning Application Submission
- Planning Permission Determination –
 - *Hybrid outline application with detailed Phase 1

* As subsequent phases come forward, planning permission will be sought and required conditions must be met before further Building and Long Leases are granted.



PROJECT MILESTONES

- Phase 1
 - Satisfaction of Phase 1 Primary Conditions as set out in the Development Agreement, including Financial model and Land Value thresholds, funding, consultation, public realm and infrastructure.
 - Phase 1 Grant of Building Lease and start on site
 - Phase 1 Practical Completion and Grant of Long Lease



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