



<b>Meeting</b>	The Overview and Scrutiny Committee
<b>Date and Time</b>	Wednesday, 20th March, 2019 at 6.30 pm.
<b>Venue</b>	Walton Suite, Guildhall, Winchester

## **S U P P L E M E N T A R Y   A G E N D A**

Agenda Item.

8. Station Approach - Outline Business Case and Associated Matters (less exempt appendices) (Pages 3 - 24) - Presentation

(OS225)

City Offices  
Colebrook Street  
Winchester  
SO23 9LJ  
20 March 2019

L Hall  
Head of Legal Services (Interim)

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# STATION APPROACH

OVERVIEW & SCRUTINY  
COMMITTEE

20<sup>TH</sup> MARCH 2019



# INPUTS TO THE SCHEME

Working in partnership with acclaimed architects Lifschutz Davidson Sandilands and other partners including Hampshire County Council and Network Rail/South Western Railway.

## Design Team

Led by Lifschutz Davidson Sandilands (LDS) Architecture

- Publica (public realm)
- Bradley-Hole Schoenaich (landscape)
- Heritage Architecture (heritage)
- i-Transport (transport)
- Barton Wilmore (planning)
- Hilson Moran (sustainability)
- Icen Projects (public engagement)

## Other Design Team Members and advisors

- Mace (cost consultants)
- Vail Williams (valuers)
- Grant Thornton (financial and economic Case)
- Sarah Williams (RIBA Client Advisor)
- Citicentric (development & delivery Advisors)
- Simon Ward (Economic Advisor)

## Advisory Panel

- City of Winchester Trust
- Hampshire County Council
- Business Improvement District
- WCC Cllrs

## WCC Project Team

In-house expertise from Finance, Legal, Historic Environment, Landscape, Archaeology, Transport, Asset Management, Development Management, Communications

# INTRODUCTIONS


 **Lifschutz Davidson Sandilands** - Alex Lifschutz

 **Winchester City Council** - Ian Charie (Head of Programme)

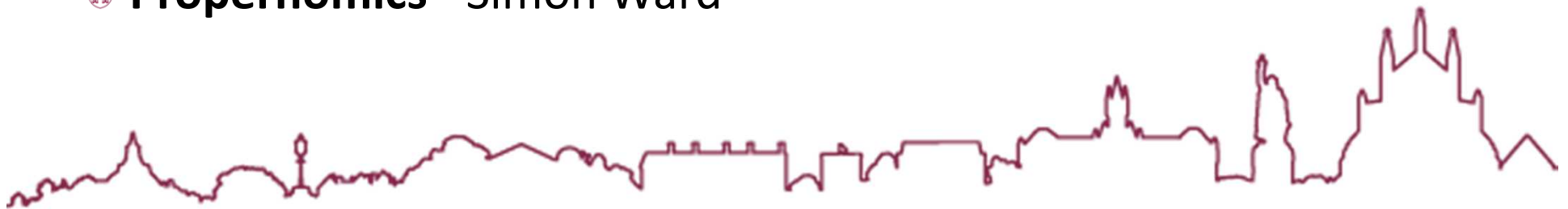
 **Grant Thornton** – William McWilliams

 **Vail Williams** - Chris Cave








 **Citicentric** - Mark Rymell

 **S. Williams Architects** - Sarah Williams (RIBA Client Advisor)

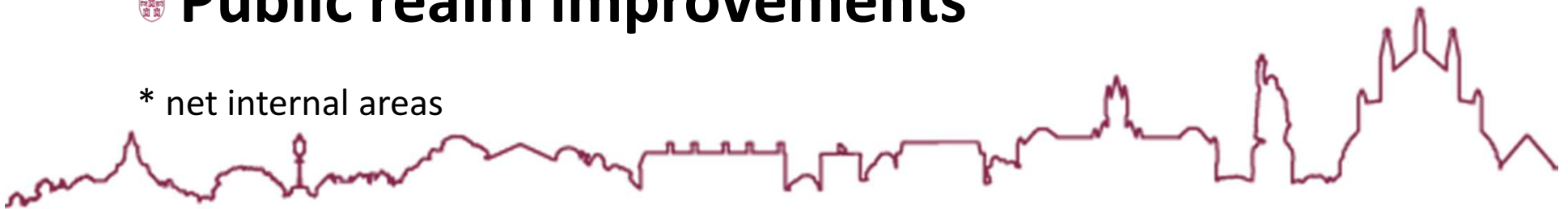
 **Propernomics** - Simon Ward



# THE SCHEME

 <b>Office</b> .....	13,000 m <sup>2</sup> (~140,000 ft <sup>2</sup> )*
 <b>Bar/restaurant</b> ..	835 m <sup>2</sup> (9,000 ft <sup>2</sup> )
 <b>Retail</b> .....	465 m <sup>2</sup> (5,000 ft <sup>2</sup> )
 <b>Café</b> .....	370 m <sup>2</sup> (4,000 ft <sup>2</sup> )
 <b>Car parking</b> .....	up to 135 spaces
 <b>Cycle Parking</b> .....	min of 156 spaces
 <b>Public realm improvements</b>	

\* net internal areas



# CARFAX SCHEME – PLAN VIEW





# CARFAX SCHEME – FROM STATION

ILLUSTRATIVE COMPUTER GENERATED IMAGE (CGI)



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# CARFAX SCHEME –CORNER SUSSEX/GLADSTONE ST

ILLUSTRATIVE CGI



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# CARFAX SCHEME – VIEW FROM ABOVE STATION

CONCEPT SCHEME MODEL



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# CARFAX SCHEME – EVENING VIEW

REGISTRY OFFICE AS PROPOSED BAR / RESTAURANT, FROM THE STATION - ILLUSTRATION



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# PUBLIC ENGAGEMENT

## 3 phases of engagement

-  Initiation - Stakeholder Engagement  
Oct – Nov 2017
-  Masterplan - Public information drop-in events & stakeholder workshops -  
Mar 2018
-  Concept Designs - Public Exhibition -  
Feb 2019  
Archaeology Stakeholder event  
Mar 2019

## On-going engagement

## Over 400 attendees at events

## 190 written responses from events



# ENGAGEMENT – YOU SAID; WE DID

**Building design:** height,  
scale & massing

Heights have been reduced from previous scheme. In-line with Local Plan policy requirements .

**Public Realm Design:** Cycle  
access & parking, pick-up/  
drop-off and taxis , station  
forecourt, open space,  
pedestrian access

Public Realm matters will be considered through Stage 3 developed design, continuing to engage with 3<sup>rd</sup> parties

**Traffic:** congestion,  
parking, wider impacts,  
pollution, public transport;  
sustainability

Parking on site for office scheme reduced significantly to max 135 spaces (from current 223); will help reduce congestion. Wider impacts addressed through Movement Strategy actions/other funding.

**Landscaping; delivery  
route**

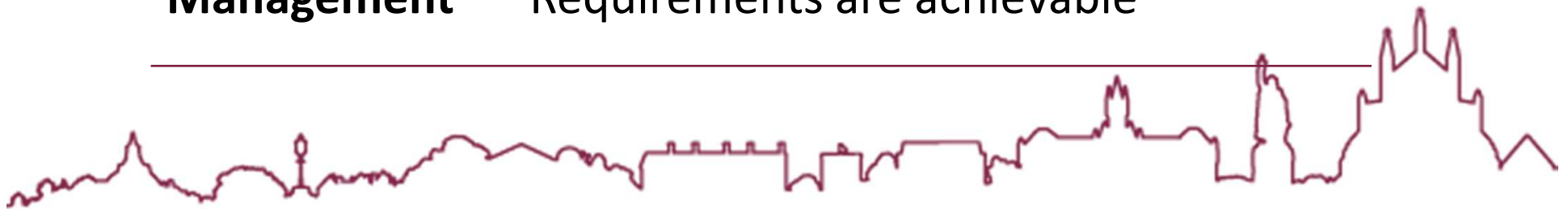
Landscape and sustainability considerations will be included in the Design and Access Statement. Delivery to be considered in next steps



# OUTLINE BUSINESS CASE (OBC)




 OBC follows HM Treasury's Five Case Model

Case	Summary
<b>Strategic</b>	Strategic fit and case for change
<b>Economic</b>	Ensures value for money and wider economic benefits
<b>Commercial</b>	Case for commercial viability
<b>Financial</b>	Spend is affordable
<b>Management</b>	Requirements are achievable



# OBC- STRATEGIC OBJECTIVES

## Strategic Objectives – Business Justification Case

-  **Objective 1:** Achieve greater economic performance from land uses
-  **Objective 2:** Maintain or improve the City Council assets
-  **Objective 3:** Improve the aesthetic and environmental impact of the area






# OBC OPTIONS

 Delivery options considered against a base case

Option	Summary
<b>A</b>	Do nothing - No change (Base Case)
<b>B</b>	Sell with planning
<b>C</b>	Joint Venture and potential to buy back all
<b>D</b>	WCC develops scheme
<b>E</b>	Income strip





# STRATEGIC CASE

-  Project objectives - strategic fit and case for change
-  Key benefits identified
-  Risks, dependencies and constraints identified

## Conclusions

Clear demonstration that:

-  Project is in line with the Council's own, and wider strategies
-  There is a compelling case for change



## ECONOMIC CASE

- Ensures value for money and wider economic benefits
- Critical success factors identified
- Delivery options long list and short list
- SWOT analysis and benefits appraisal

### Conclusions

Clear demonstration:

- Of beneficial economic impact and optimised value for money
- That WCC has selected the choice for investment which best meets existing and future service needs





# FINANCIAL CASE

- Assesses impact on Council's finances
- Sensitivity analysis on key inputs such as rental income, funding rates and lease indexation

## Conclusions

- Affordability
- Funding arrangements
- Impact on the balance sheet of WCC



# COMMERCIAL CASE

- Case for commercial viability and structure of the future financial and commercial arrangement

## Conclusions

Clear demonstration that:

- the preferred way forward is deliverable
- will result in a viable procurement and development



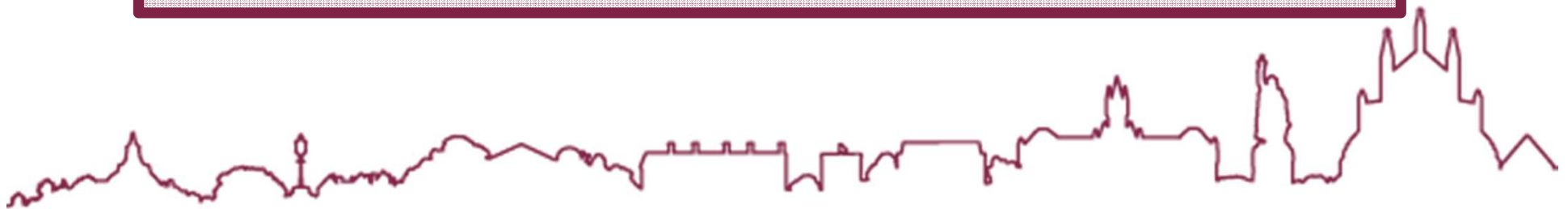
# MANAGEMENT CASE

- ❑ Considers delivery of the scheme
- ❑ Approach to the project management of the project
- ❑ A structure and responsibilities for programme management of major projects is in place

## Conclusions





Clear demonstration that:

- ❑ Scheme is achievable and can be delivered successfully to cost, time and quality.





# CONCLUSIONS AND RECOMMENDATIONS

## Options appraisal of costs and benefits concluded:

-  JV - less commercial interest; lengthy delivery time
-  WCC Build - WCC retains all risk
-  Sale - Site would be developed by 3<sup>rd</sup> party
-  Income Strip - provides a balance of benefits

## Risk moderation

-  JV, Build and Income Strip - high risk to Council(3<sup>rd</sup> party, programme and/or financial risk)
-  Sale - lowest overall risk to the Council



## Recommendations – Preferred Approach

The following options be explored through further soft market testing and review of procurement, legal and financial implications as part of the next stage.



**Sell with the benefit of planning permission**



**Income strip**





## NEXT STEPS

- SA Cabinet Committee on 25 March
- Emphasis on exploring delivery options
- Soft market testing
- Taking legal/procurement advice
- Programme linked to LEP spend
- July 2019 Cabinet (SA) Committee - recommendation on delivery route to keep to programme for LEP spend.

