

Decisions taken by the Cabinet on Wednesday, 28 August 2019

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Part A – Items considered in public

A8	Station Approach Proposals for Delivery and Further Public Realm Development (less exempt appendices)	<p>That the following be noted:</p> <ol style="list-style-type: none"> 1. That the Scrutiny Committee considered the contents of the report and the proposed recommendations to Cabinet on 14 August 2019 and made comments as set out in the draft minutes (Appendix 9) 2. That the three specific areas for consideration raised by the Scrutiny committee along with associated comments as set out in the report and detailed in 	<p>The Council has been leading the development proposals for the Station Approach Carfax site. This is the opportunity for a market-leading, low carbon office building in the heart of the city which will underpin the city centre economy for decades to come, creating a new hub of vibrant activity and acting as a catalyst for future regeneration opportunities. The project has now reached the stage of several key decisions:</p> <ul style="list-style-type: none"> • scheme delivery through disposing of the site to a purchaser who will then develop 	<p>No assumption has been made in the Medium Term Budget Strategy for potential income from this development. The council has incurred costs in bringing the scheme to this point but considers the proposals at each milestone in order to make an active decision to progress. The strategic objectives for the project were confirmed within the Outline Business Case (OBC), which informed the consideration of OS225 and CAB3144(SA). The OBC explores a number of options for delivery of a development scheme on the Carfax site, their opportunities and risks. Key areas are further set out</p>
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		<p>Appendix 8</p> <p>3. That the amendments made to the outline planning application, including reduced height, reduced parking and additional areas of active frontage to the public route through the site.</p> <p>4. That the introduction of an Open Forum to continue stakeholder engagement in the development of this proposal.</p> <p>5. That the feedback from the soft market testing as detailed in Appendix 3.</p> <p>6. That the RIBA equivalent Stage 3 report (Appendix 10)</p>	<p>the scheme</p> <ul style="list-style-type: none"> • preparing the site and progressing the adjoining public realm improvements with the benefit of a £5m grant from the EM3 Local Enterprise Partnership • ensuring that the development links strongly to the city centre by improving accessibility, particularly focused on the connection along Upper High Street and Sussex Street <p>Following approval of the Outline Business Case in March 2019 (CAB3144(SA)) additional work has been undertaken to further investigate the three</p>	<p>within this report.</p> <p>The option of WCC undertaking the development was ruled out as an appropriate way forward after Risk Workshops in January/February 2019 on the basis of the significant development and financial risk that would be placed on WCC.</p> <p>Wider project options were also discussed through two project Review Panel meetings as part of an Administration review held on the 5th and 20th June 2019. These are also detailed throughout the report and have been incorporated in scheme updates.</p> <p>The council does not have to progress with the scheme.</p>

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		<p>and cost plan for the Public Realm project.</p> <p>7. That this report concludes the review of the Station Approach scheme led by the Cabinet Member: Local Economy.</p> <p>That the following be approved:</p> <p>8. That the allocation of a revenue budget of up to £220,000, as set out in Appendix 1 of the Report be approved, to undertake the selection process to enable the site disposal.</p> <p>9. That the progression of the Public Realm project to RIBA equivalent Stage 4</p>	<p>approaches for disposal of the Carfax site, to test the market appetite for this type of development, and to progress design development for the public realm proposals.</p> <p>This report has 3 objectives;</p> <ol style="list-style-type: none"> 1. To set out the options for disposal of the Carfax site, on suitable terms that enables the market to respond positively and deliver an office-led development which provides long-term economic benefits for the city. 2. To set out the RIBA equivalent Stage 3 (Developed Design) work for the public realm improvements linked to 	<p>The Council could cease the scheme development. This would leave the car parking where it is and the associated revenue stream but with abortive project costs of £1,673,000 (Revenue) including costs for the 2016 scheme and £232,000 (Capital) reflecting the costs for submission of the 2019 Outline Planning Application. This approach would not deliver on the economic business case and Council Strategy, nor enhance the public realm and achieve the Gateway improvement sought at the Station and is therefore not the recommended option.</p> <p>The Council has a choice for how to secure development of the site which had been shortlisted to Income Strip or</p>

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		<p>(Technical design) and Stage 5 (Construction Management) be approved and that this work proceeds at a financial risk to the Council (see para 2.8).</p> <p>10. That a request be progressed for the allocation of up to £500,000 CIL funding to enable development of public realm works to improve connectivity between the Station area and the High Street and Sussex Street.</p> <p>11. That the Strategic Director: Place be authorised to enter into the necessary agreement with Hampshire County</p>	<p>the £5m EM3 Local Enterprise Partnership (LEP) Grant and recommend progression of this work to RIBA equivalent Stage 4 (Technical Design) to meet the LEP timetable for spend of the awarded grant, subject to signing the Grant Agreement.</p> <p>3. To further enhance public realm in and adjacent to Station Approach by improving the links from the Carfax site to the city centre by foot and cycle.</p>	<p>Sale with outline planning permission. Income Strip and Freehold disposal have been discounted for reasons set out in this report. . The recommended approach, for reasons also set out in this report, is sale of the leasehold interest in the Carfax site.</p> <p>There are options regarding the disposal route, namely disposal via an OJEU procurement process, or Land Transaction. These matters are addressed in the JLL and legal report and an OJEU procurement route discounted for the stated reasons. This results in the recommendation to dispose of the site through a land transaction – i.e. disposal of the leasehold interest in the site. The council does not</p>

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		<p>Council (and any other necessary associated parties) to progress public realm design and construction management work.</p> <p>12. That the Strategic Director: Place be directed to develop a schedule of and process for spend and payments for the LEP grant that assists with the active management of the risk of grant repayment.</p> <p>That, contingent on the approval of the outline planning consent the following be approved:</p> <p>13. The disposal of the Carfax site to a</p>		<p>have to accept the LEP grant, though this is not recommended as it would remove funding needed to support the delivery of the Carfax development and delivery of the stated public realm improvements.</p>

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		<p>selected purchaser by way of a long leasehold, subject to agreed terms and conditions following a competitive selection process.</p> <p>14. That detailed arrangements for the purchaser selection process for disposal are subject to a further report to Cabinet, having considered the specific comments of The Scrutiny Committee in this regard.</p> <p>That it be recommended to Council:</p> <p>15. Approval to agree and to enter into the LEP Grant Agreement for a</p>		

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		<p>total sum of £5M based on the Heads of Terms (Appendix 6), with final amendments to be delegated to the Strategic Director: Place in consultation with the Cabinet Member for Local Economy.</p> <p>16. Approval to incur capital expenditure in stages totalling £5M to be funded from the LEP Grant recognising the terms and conditions attached to the grant agreement and that such expenditure will be subject to payback to the LEP should the scheme not progress and achieve the grant</p>		

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		objectives.		
A9	Funding for Central Winchester Regeneration Archaeology	<ol style="list-style-type: none"> 1. That the commission of archaeological investigation in the Central Winchester Regeneration area be approved, through a two stage model, based on the principles of the specialist report received. 2. That the Strategic Director: Place be authorised to determine the specification of archaeological investigation works to be undertaken in consultation with the Cabinet Member: Housing and Assets. 	<p>There has been a commitment by Winchester City Council to explore the options around carrying out some early archaeological investigation in the central Winchester regeneration site. This report recommends the initiation of investigation works and the appropriate authorities and budget to enable the works to progress.</p>	<p>The Council could decide not to proceed with the archaeology investigation work at this stage.</p> <p>If this approach is taken, there will be significant time delay when development plans come forward as this data will be required as part of the planning process.</p> <p>Lack of archaeology data will also potentially affect the land value as there will be more risk involved to future developers. By knowing the conditions of the deposits across the site, developers will be able to make informed decisions when negotiating, designing and preparing viability appraisals.</p>

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		<p>3. That a revenue budget of £250,000 be approved to be funded from the Major Investment Reserve to undertake the archaeological investigation work.</p> <p>4. That the Strategic Director: Place be authorised to establish the appropriate procurement process in accordance with the council's contract procedure rules for the archaeological investigation works.</p> <p>5. That the Strategic Director: Place be authorised to award and enter into the contract for archaeological</p>		<p>The option not to proceed is therefore not recommended. </p>

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		<p>investigation works, including all necessary legal agreements.</p> <p>6. That an increase to the Central Winchester Regeneration project budget of £18,000 funded by the Major Investment Reserve be approved.</p>		
A10	Funding for St Maurice's Covert	<p>1. That the additional budget of £90,000 to deliver the St. Maurice's Covert enhancement scheme be approved, thereby increasing the overall budget to £225,000.</p>	<p>There has been a longstanding commitment dating back to 2012 to improve the town centre and the Winchester Town Forum identified a number of ways to enhance the presentation of the commercial area of the city including St. Maurice's Covert. A scheme was developed by consultants following extensive</p>	<p>The Council could decide not to allocate additional funding to the St Maurice's Covert Project meaning the package of works would not proceed but this could undermine confidence in the Council's ability to deliver schemes of this nature which include external funding. The Council has already incurred significant costs in relation to</p>

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		<p>2. That the Corporate Head of Regulatory be authorised to procure and award and to enter into the contracts for the improvements works to St. Maurice's Covert in accordance with Public Contract Regulations 2015 (if applicable), the Council's Contract Procedure Rules and Financial Procedure Rules for contracts of the relevant type and value of the intended contract.</p>	<p>consultation with the public and stakeholders (CAB2958 refers) but costs have increased which means these enhancement measures cannot be delivered within the allocated budget. It is recommended that the budget be increased to enable delivery of the scheme (civil surfacing works and ceiling and lighting works).</p>	<p>professional fees. The scheme could be phased over more than one financial year in order to manage costs over a longer time period or certain measures could be omitted from the scheme altogether. The Steering Group is committed to delivering all the measures designed by SWS to deliver the original vision and realise the full benefits of the project. Furthermore, spreading the costs over more than one year could mean a higher cost overall particularly given the current uncertainties in the market.</p>
A11	Response to Consultation - M3 Junction 9	<p>1. That the PEIR consultation response be agreed in general (attached as appendix</p>	<p>Highways England have sought comments on their Preliminary Environmental Information Report (PEIR)</p>	<p>Do Nothing: To not respond to the Highways England consultation would not be fulfilling the City Council's</p>

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		<p>D to this report) and the approach to seek positive environmental benefits from the scheme having regard to the Climate Emergency declaration adopted 5 June 2019 be endorsed, with any final amendments to the response being delegated to the Corporate Head of Regulatory, in consultation with the Cabinet Member: Built Environment and Wellbeing.</p> <p>2. That the Strategic</p>	<p>which outlines the proposals that would result in improvements to Junction 9 of the M3. The Scheme is classed as a Nationally Significant Infrastructure project. Winchester City Council is the host authority and as such a formal consultee in the determination process.</p> <p>This cabinet report sets out the background and current status of the M3 junction 9 improvement scheme. It considers a response to the PEIR. A consultation response must be submitted by 30 August 2019. Further information is required in relation to traffic flows and environmental considerations.</p> <p>This item was not included in</p>	<p>obligations to participate in the process as a statutory consultee. The City Council would miss its opportunity to influence the development of the Scheme and secure the best outcome for the community. Additionally a PPA, if secured, is based on the participation of the Council fully as a host authority which assists both the Council and Highways England to discharge their statutory duties.</p> <p>To respond to the consultation as set out in Appendix D therefore ensures that the City Council fulfils its responsibility as a statutory consultee.</p>

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		<p>Director: Services be authorised to negotiate and enter into a planning performance agreement with Highways England to enable the City Council to fully participate in the DCO process.</p> <p>3. That delegation to officers be agreed, in consultation with the Cabinet Member for Built Environment and Wellbeing the role of responding to the planning inspectorate with regard to the Council's responsibilities as the</p>	<p>the August 2019 Forward Plan and the Monitoring Officer has therefore obtained the agreement of the Chair of Scrutiny Committee to this matter being considered at this meeting to enable the Council to submit its comments to Highways England by the deadline of 30 August 2019.</p>	<p>To amend the draft response in Appendix D in advance of its submission for the deadline of 30th August 2019, still ensures that the City Council fulfils its role as statutory consultee.</p>

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		<p>host authority for the M3 Junction 9 improvement scheme Nationally Significant Infrastructure Project.</p> <p>4. That a draft Local Impact Report be prepared and brought back to Cabinet that sets out the basis for an initial formal response to the Scheme to be submitted to the Planning Inspectorate as part of the DCO application process.</p>		
A12	Council Housing Scheme, Rowlings Road, Weeke Final Business Case Approval	1. That the Corporate Head of Housing be authorised to award a design and build	Seeks final approval to enter into a build contract with FE Chase to construct 7 new Council properties at	The Council could sell the site for private development however one of the main priorities is to provide

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		<p>contract with FE Chase to construct 7 new properties at Rowlings Road, Weeke, Winchester for the sum of £1,109,048.21.</p> <p>2. That in accordance with Financial Procedure Rule 7.4, capital expenditure of £1,430,205 as set out in Appendix 1 of the Report be approved.</p> <p>3. That the Strategic Director – Services Interim be authorised to accept an increased Contract retention sum (as set out in paragraph 11.5) in lieu of a Performance Bond</p>	<p>Rowlings Road, Weeke, Winchester for the sum of £1,109,048.21 (excluding VAT). Approval is sought in accordance with Financial Procedure Rule 7.4 for the capital expenditure of £1,430,205 for the project, as set out Appendix 1 and easements, wayleaves and related agreements with utility suppliers, telecom/media providers and neighbours in order to facilitate the development.</p>	<p>affordable rented properties for the Districts residents. At the consultation exercise community support was received for an affordable rented scheme rather than a development for sale.</p>

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		<p>4. That the Corporate Head of Asset Management be authorised to negotiate and agree terms to enter into easements, wayleaves and related agreements with utility suppliers, telecom/media providers and neighbours in order to facilitate the development.</p> <p>5. That the Service Lead – Legal be authorised to enter into the design and build contract with FE</p>		

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		<p>Chase and easements, wayleaves and related agreements with utility suppliers, telecom/media providers and neighbours in order to facilitate the development.</p>		
A13	Housing Cleaning Contract	<p>1. That the procurement and award of a cleaning contract to YBC Cleaning Services Ltd for an initial term of 3 years with an option to renew for up to 5 years be approved.</p>	<p>An update on the tendering process for the contract for cleaning of communal areas in the Council's Housing stock. It is recommended that a new contract for 3 years (with the option of a 2 year extension) be awarded to YBC Cleaning Services Limited. The annual sum of £181,000 is approximately £25,000 below the previous contract and represents a</p>	<p>The primary alternative would be to access another cleaning contract via an existing national framework or deliver the service in-house. Research available demonstrated that frameworks do not offer the relevant benefits, control and flexibility and the council does not have the capability to resource tendering each</p>

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		<p>2. That the Strategic Director: Services be authorised to enter into all necessary agreements with YBC cleaning services to provide a building cleaning service within the common and communal areas of the councils housing stock.</p> <p>3. That the Service Lead – Legal execute and enter into all necessary agreements.</p>	<p>significant saving to tenants, who fund the cost of the cleaning through their service charges</p>	<p>requirement.</p>