

CABINET (STATION APPROACH) COMMITTEE**Tuesday, 18 December 2018**Attendance:

Councillors

Miller (Chairman)

Godfrey

Warwick

Other Invited Councillors:

Bell

Cunningham

Apologies for Absence:

Councillors Burns and Hutchison

1. DISCLOSURE OF INTERESTS

Councillor Warwick declared a disclosable pecuniary interest as a County Councillor. However, as there was no material conflict of interest, she participated in the meeting and voted on items as below, under the dispensation granted by the Standards Committee.

2. MINUTES OF THE PREVIOUS MEETING HELD ON 4 OCTOBER 2018

RESOLVED:

That the minutes of the previous meeting held 4 October 2018 be approved and adopted.

3. PUBLIC PARTICIPATION

Mark Baulch (Hampshire Chamber of Commerce and Director of Winchester BID) addressed the meeting as summarised below:

- He emphasised both the direct and indirect benefits that he believed would be generated by the proposed new development at Station Approach, both for businesses and individuals (for example, more employees in the city centre resulting in more money spent in Winchester).
- Car parking was required in order for the offices to compete with similar office developments, for example at Basingstoke and Southampton (both of which were also located close to train stations). In addition, potential employees might not live close to a train station reducing the benefits of commuting by rail.

He gave examples of businesses currently located in Winchester seeking new premises to expand with no suitable premises currently being available.

4. **STATION APPROACH - ECONOMIC APPRAISAL AND BUSINESS CASE PREPARATION**

CAB3101(SA)

The Chairman introduced to the meeting three consultants who were in attendance to provide further advice:

- Grant Thornton – Ian Tasker and Rob Turner
- Propernomics – Simon Ward

The Head of Programme introduced the report and outlined key points for the attention of the Committee.

Simon Ward (Propernomics) provided Members with a summary of the macro economic situation, outlining nine broad economic indicators (with data drawn from a variety of Government sources). Key elements of his presentation included:

- GDP – sustained growth since 2009;
- Uncertainty regarding Brexit was the largest influence currently;
- There was a downward step in business investment, but growth was still about 2%;
- Period of relatively full employment with consequential upward pressure on wages;
- Sales growth predictions were relatively positive, with the South East region fairing better than the national picture;
- Approximately 80% of the Winchester district's office stock was located within the Solent Business Park. This raised the question of whether Winchester itself was underprovided;
- Approximately 42k people commuted in to Winchester to work and 23k commuted out. So there was an opportunity for more people to remain in the city to work.

The Committee received a presentation from the Head of Programme and Rob Turner (Grant Thornton) on the economic appraisal for the business case for the Station Approach proposed Carfax development, as outlined in the report. Members of The Overview and Scrutiny Committee had also received the presentation at the meeting on 13 December 2018.

Mr Turner explained that Grant Thornton had prepared the economic appraisal by examining the wider economy of Hampshire and Winchester first, before considering the proposed scheme itself. Various assumptions had been made based on a combination of industry standard metrics and methodologies. The conclusion from the evidence available was that there was a strong economic case for development.

The Head of Programme and consultants present responded to Members' questions as summarised below:

- With regard to the sensitivity of the economic assessment and assumptions made, Mr Turner stated that it was assumed that office provision would be of a high standard and that take up would be approximately 75% initially. With regard to sensitivity to the national economic picture, there remained some

uncertainty but the South East region was predicted to fair better than others nationally. Mr Ward also emphasised that there was a good deal of business interest in the scheme and strong perception that Winchester was currently under-providing in terms of high quality office accommodation.

- The Head of Programme confirmed that there would be a significant reduction in interest in the proposed Grade A office accommodation if no parking was provided and the proposed rent levels would also be lower. However, he emphasised that parking provision had been reduced from the County Council standard due to the location next to the train station.
- Mr Turner believed that the new development could also have a positive regeneration impact on existing office accommodation in Winchester.
- The Head of Programme advised that the Local Enterprise Partnership (LEP) had identified Winchester as an area with opportunity for growth and that the application for the grant was being considered through a competitive bidding process. A decision on the LEP grant award was expected by the end of January 2019.

The Committee agreed to the following for the reasons set out above and outlined in the report.

RESOLVED:

1. That the economic assessment that positions Winchester as a viable location for office development and the significant positive impact an office development on this site would have on the city economy be noted.
2. That continuation of work for the finalisation of the RIBA Stage 2 concept design work undertaken to date be noted.
3. That both the continuing work on the preparation of the Outline Business Case to be presented at a future Cabinet (Station Approach) Committee and work on the preparation of a planning application, with submission to be agreed at a future Station Approach Cabinet be noted.

The meeting commenced at 5.00 pm and concluded at 6.00 pm

Chairman