

THE SCRUTINY COMMITTEE

Monday, 27 February 2023

Attendance:

Councillors
Brook (Chairperson)

Horrill
Cramoysan
Craske
Cutler

Godfrey
Laming
Westwood

Other members in attendance:

Councillor(s) Clear, Ferguson, Learney, Tod, Porter and Thompson

[Audio and video recording of this meeting](#)

1. **APOLOGIES AND DEPUTY MEMBERS**

Apologies for the meeting were noted as above.

2. **DECLARATIONS OF INTERESTS**

No declarations of interest were made.

3. **CHAIRPERSON'S ANNOUNCEMENTS**

There were no announcements.

4. **MINUTES OF THE MEETING OF THE 7 FEBRUARY 2023**

RESOLVED:

That the minutes of the previous meeting held on 7 February 2023 be approved and adopted.

5. **PUBLIC PARTICIPATION**

No members of the public present wished to address the committee.

6. **CENTRAL WINCHESTER REGENERATION (CWR) APPOINTMENT OF DEVELOPMENT PARTNER AND NEXT STEPS**

Councillor Martin Tod, Leader, and Cabinet Member for Asset Management; introduced the report, ref CAB3371 which set out proposals concerning "Central Winchester Regeneration Appointment of Development Partner and Next Steps", ([available here](#)).

Veryan Lyons, Head of Programme: Central Winchester Regeneration and Jennifer Newsham, (Jones Lang LaSalle) provided the committee with a presentation which included the following points; the journey to date, the process adopted, the evaluation criteria, the scoring process and scores achieved, the quality evaluation undertaken, the final tender submission summary, the recommended development partners approach to; engagement, sustainability and meanwhile uses, the proposed planning strategy, the development agreement, and the next steps.

The committee was supported by council officers and representatives from Jones Lang LaSalle (JLL), Browne Jacobson and 31Ten. The committee was recommended to comment on the proposals within the attached cabinet report, ref CAB3371 which was to be considered by the cabinet at its meeting on 6 March 2023.

The committee proceeded to ask questions and debate the report in detail. During the meeting, the committee agreed to move into an exempt session to consider the exempt appendices to the report before returning to the open session to debate the report further.

In summary, the following matters were raised.

1. Had the development agreement previously been reviewed by the scrutiny committee?
2. Had the 13 expressions of interest received been above or below officer expectations?
3. Further information was sought regarding the priority or focus on providing homes for young people, whilst maintaining flexibility for older persons' housing and multi-generational living.
4. Clarification was sought regarding the council's approach regarding the potential for any income loss and associated mitigations and whether it was possible to map out the details of any loss of revenue in the next six months?
5. Further information was sought on whether there was any difference in the approach being taken between the group of properties referred to in section 2 and those previously purchased properties.
6. Further information was sought regarding the mitigation and management of risk, especially concerning the statement that this project's risk appetite was higher than moderate.
7. Further information was sought regarding how the recommended development partner's "strong track record" was evidenced and examples of their prior developments and experience.

8. A question was asked regarding paragraph 7.3 and the reference to “opening up culverted waterways to provide riverside walks” and whether mitigations could be considered to help prevent future flooding incidents. Also, the opportunity for the installation of small hydro-generating stations to be installed was suggested.
9. Clarification was sought regarding the expertise of the individuals who had been involved in the bid-scoring process.
10. Clarification was sought regarding the role and makeup of the Central Winchester Regeneration reference group.
11. Further information was sought regarding how the different bidder's offers concerning income versus capital had been assessed and compared.
12. Further information was sought regarding the implementation of meanwhile uses in the first 6 months and who would oversee their implementation. This included the approach to be taken regarding consultation on the implementation of meanwhile uses and who would be involved in this.
13. Clarification was sought regarding the governance arrangements relating to any management company used to manage the public realm to ensure it was effective and representative.
14. Further information was sought regarding the context around net zero and specifically the phrase “Offset at start of site” referred to in the documentation.
15. Further information was sought regarding the bidders’ reactions to the change to the development brief concerning income replacement.
16. Clarification was sought regarding the term “profit share” as used on page 115 and more generally the “overage provisions”.
17. Further information was sought regarding the rationale for a 250-year lease and whether other examples of this within the council existed.
18. Clarification was sought regarding the risk to the council if the development partner was unable to fulfil their obligations and specifically mitigating the risk of the council being left with only a partially developed site.
19. Clarification was sought regarding the use of long stop dates and how and when they would come into use.
20. Further information was sought regarding the final reconciliation date.
21. Several questions were asked regarding the consortium including its structure, funding, and risk mitigation.
22. Further information was sought regarding whether the assessment of land value was for the whole scheme or specific phases.

23. Further information was sought regarding the reference to private residential dwellings and bulk sales in paragraph 17.5.
24. Clarification was sought regarding the payment of council procurement costs relating to the demolition of the Friarsgate site.
25. Further information was sought regarding how decisions made by the development partner would be in keeping with what Winchester City Council and its residents want for the site in the future.
26. Further information concerning the new street layout and the use of the public realm was sought.
27. Further information regarding funding and improvements to the King's Walk area was sought.
28. Further information was sought regarding the role of the Open Forums within the governance plan.
29. Further information was sought regarding the approach to be taken concerning any future planning application and its relationship to the development brief.
30. Further information was sought regarding how the development agreement deals with archaeological issues and future archaeological findings.
31. Further information was sought regarding the bidders' reactions to the change to the development brief concerning income replacement.
32. Clarification was sought regarding how the council would mitigate risks around affordability and viability in future stages which may lead to changes being requested.
33. Further information was sought regarding the levels of indemnity and insurance and whether these were sufficient.
34. Clarification was sought regarding what was meant by the term "Satisfactory planning permission" and "Enhanced planning permission" and the process to be adopted to achieve planning permission.

These points were responded to by Councillor Martin Tod, Leader and Cabinet Member for Asset Management, Councillor Kelsie Learney, Cabinet Member for Climate Emergency, John East, Strategic Director, Sharon Evans, Strategic Director and Monitoring Officer, Liz Keys, Corporate Head of Finance and Section 151 Officer, Veryan Lyons, Head of Programme: Central Winchester Regeneration, Jennifer Newsham, (JLL), Stephen Matthew, (Browne Jacobson), and Nick Walford (31Ten) accordingly and were noted by Councillor Tod, Leader and Cabinet Member for Asset Management.

RESOLVED:

1. That the report be noted.
2. That the committee agreed to the following points:
 - That if a key focus of the project was housing for young people, then this should be clearly stated.
 - That cabinet should consider if a further discussion was needed to clarify the councils' requirements as concern was raised that the preferred developer may want to take a different approach.
 - That officers to advise whether other examples of a similar, 250-year lease approach had been taken within the council.
 - That the next stages of governance and engagement be mapped out to ensure ongoing understanding and agreement, and that differences to the delivery plan and development agreement were reviewed.
3. That cabinet considers all the committee's comments raised during the discussion of the agenda item.

7. **Q3 FINANCE & PERFORMANCE MONITORING REPORT**

The Chair referred to the previous meeting of the performance panel where a large number of questions had been submitted from councillors who were not appointed to the panel. This had caused some issues in answering all the questions ahead of the meeting, although it was acknowledged that there remained the opportunity for further questions to be asked on the papers at the scrutiny committee.

The Chair suggested that it was necessary to discuss with officers how to prevent such issues in the future and to take a wider review of the panel's processes.

Councillor Caroline Horrill, Chairperson of the Performance Panel introduced the report, reference CAB3380 which set out the Quarter 3 Finance & Performance Monitoring report, ([available here](#)) and the notes of the performance panel meeting of 15 February 2023.

Councillor Horrill gave an overview of the following matters:

1. The questions that had been pre-submitted by panel members.
2. The outstanding issues as detailed within the notes of the performance panel meeting of the 15 February 2023.
3. That the leader of the council had attended the meeting to discuss the new performance measures and metrics related to the council plan and had agreed to review suggestions made by the panel with officers.

RESOLVED:

The committee:

1. Noted that the performance panel had met on 15 February 2023 to scrutinise the report, CAB3380, and its associated appendices.
2. Noted the draft minutes of the panel's meeting and the verbal update provided by the Chairperson.
3. Requested that the leader of the council review the points raised by the panel regarding the revised performance measures and respond back to the scrutiny committee following his review with officers (questions 38 to 44 of the notes of the performance panel refer).
4. That Councillors Horrill, Cutler and Brook meet with Sharon Evans, Strategic Director and Dawn Adey, Strategic Director to review the processes of the performance panel, particularly regarding the pre-submission of questions.

The meeting commenced at 6.30 pm and concluded at 11.20 pm

Chairperson