THE SCRUTINY COMMITTEE

Wednesday, 19 August 2026

Attendance:

Councillors
Wallace (Chairperson)

Horrill	Batho
Power	Clear
Laming	Gordon-Smith
Murphy	

Apologies for Absence:

Councillor Pett

Deputy Members:

Councillor V Achwal (as deputy for Councillor Pett)

Other members in attendance:

Councillors Lee, Cutler, Godfrey, Reach and Tod

Video recording of this meeting

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1. **APOLOGIES AND DEPUTY MEMBERS**

Apologies for the meeting were noted as above.

2. **DECLARATIONS OF INTERESTS**

Councillor Batho and Councillor Clear declared a disclosable pecuniary interest due to their roles as Hampshire County Councillors. However, as there was no material conflict of interest, they remained in the room and spoke under the dispensation granted by the Monitoring Officer.

3. **CHAIRPERSON'S ANNOUNCEMENTS**

The Chairperson advised that the previously proposed agenda item relating to River Park Leisure Centre disposal had been rescheduled to the 7th September 2026 meeting of the committee.

4. **MINUTES OF THE MEETING OF THE 26 MAY 2026**

RESOLVED:

That the minutes of the previous meeting held on 26 May 2026 be approved and adopted.

Note. Councillor Pett had previously asked if officers could follow up on the actions agreed at the meeting of the committee on the 4th of March 2026 regarding the Community Safety Update.

5. **PUBLIC PARTICIPATION**

Ian Tait, Lin Mellish, Councillor Stephen Godfrey, and Councillor Danny Lee addressed the committee regarding the agenda item - St. Peter's Car Park: Proposed Affordable Housing Scheme. A summary of their contributions were captured within the agenda items below.

Ian Tait, Councillor Stephen Godfrey, and Councillor Danny Lee addressed the committee regarding the agenda item - Central Winchester Regeneration (CWR) - Updated Business Case. A summary of their contributions were captured within the agenda items below.

6. **ST. PETER'S CAR PARK: PROPOSED AFFORDABLE HOUSING SCHEME**

The Chairperson invited the members of the public and visiting councillors to address the committee, and a summary of their comments were as follows.

1. Ian Tait addressed the committee. He supported the proposals but questioned the provision of limited parking, suggesting that city centre residents could live without cars. He noted local opposition and emphasised the need for community and ward councillor support, referencing past failed schemes and questioned whether the council should manage the project or seek alternative delivery routes.

2. Lin Mellish addressed the committee. She expressed a preference for council housing with social rents rather than affordable housing, noting that the original intention was for council homes. She stated that the lack of parking would make the homes difficult to let due to unreliable public transport and suggested that displaced vehicles would increase traffic, concluding that whilst she wants homes, we need car parks and this the car park should remain.

3. Councillor Stephen Godfrey addressed the committee. He highlighted three risks: the potential for cost overruns on the design budget making the homes unaffordable, the displacement of current car park users and the lack of alternative spaces, and the risk of flooding on the site, noting a previous failure to build a school there for that reason.

4. Councillor Danny Lee addressed the committee. He supported the use of the brownfield site for affordable housing but questioned the financial assumptions, asking for quantified evidence regarding displaced parking revenue. He sought clarification on the uncommitted balance of Section 106 affordable housing funds, the actual available and eligible funds, whether the expenditure would be released in stages, the value for money of the design and build contract, and the risk of abortive expenditure given Local Government Reorganisation and suggested to accelerate the project or provide an additional gateway decision point in order to minimise this risk.

Councillor Mark Reach, Cabinet Member for Good Homes introduced the report, ref CAB3565, which set out proposals regarding expenditure for professional fees to develop the scheme. The introduction included the following points:

1. The report sought a capital expenditure of £480,000 for professional fees to develop the scheme, which contributed to the target of 1,000 affordable homes by 2032.
2. The site was included in the Local Plan for housing, and the current proposal aimed to deliver approximately 44 homes, consisting of one and two-bedroom flats and three-bedroom townhouses.
3. The site was sustainable, though groundwater and flood risks required assessment during the pre-planning stage.
4. The reduction of city centre parking aligned with council strategy, and alternative parking provision was available nearby and at park and ride sites.
5. The tenure type was yet to be finalised, but he believed that there was an opportunity to deliver social housing and shared ownership units.

The Chairperson suggested that the Committee consider the following points during discussion on the item:

1. That the principle of residential development on the site was established through the adopted Local Plan.
2. That the committee was not being asked to approve construction, but rather to scrutinise the next stage of work, including surveys, design, and planning application preparation.
3. That the committee should consider the overall financial position, the impact of displaced parking on council finances, and key delivery risks such as flooding, archaeology, and ground conditions.
4. That the final business case would be considered in the context of local government reorganisation, requiring the proposed work to provide sufficient information for a future authority to make an informed decision.

The committee was recommended to comment on the proposals within the attached report, ref CAB3565, which was to be considered by cabinet at its meeting on 25 August 2026. The committee proceeded to ask questions and debate the report. In summary, the following matters were raised:

1. A question was asked regarding the £480,000 expenditure and how members could be satisfied it was proportionate when no overall financial business case was provided. A further question was asked whether the £480,000 would be released through defined project gateways and if members would have an opportunity to review progress before the full amount was committed.
2. A question was asked regarding the strategy and criteria used to bring sites forward, and the decision process, as it was understood that this project was not on the list at the July Cabinet Housing Committee. A further question was asked if the decision criteria could be provided to members.

3. Further clarification was sought regarding viability costs, in relation to biodiversity net gain (BNG), public realm maintenance, security risks, and ventilation in the flats.
4. A question was asked about how the transfer of the site from the General Fund was assessed and whether the potential increase in site value upon receiving planning consent was included in the viability assessment.
5. Further clarification was sought on what controls, milestones, and reporting arrangements would be in place to ensure value for money and limit abortive expenditure.
6. A question was asked regarding flooding in the area, specifically water coming up through the drains, and whether the budget for initial investigations was sufficient to cover this issue.
7. Clarification was sought regarding the justification for increasing the proposed units from 30 in the Local Plan to 44, and whether there would be further consultation with residents. Further to this, it was asked if this point could be taken back to the planning cabinet member.
8. A question was asked regarding what assurance could be provided that the £480,000 would not be wasted if a successor council decided not to take the scheme forward following local government reorganisation.
9. It was asked whether it would be acceptable to implement stage payments for the fees to manage risks.
10. Clarification was sought as to why the land was not part of the Housing Revenue Account (HRA) at the time it was originally identified for social housing.
11. Further information was requested regarding how the financial figures in the exempt appendix were constructed and whether there was input from professionals.
12. A question was asked regarding parking and deliveries, and how delivery drivers and carers would be accommodated given the lack of parking on site.
13. Further information was asked about housing need, and whether the model of provision matched the need for central Winchester accommodation, including for one-bedroom households.

The committee agreed to move into an exempt session to consider the exempt appendix, during which further questions were raised which included the following: public rights of way and flooding considerations, professional survey fees, HRA borrowing limits and assurance regarding budget estimates, the inclusion of archaeology costs, and a request for a project plan that would highlight key points and expenditure.

These points were responded to by Councillor Mark Reach, Cabinet Member for Good Homes, Councillor Martin Tod, Leader and Cabinet Member for Asset Management, Simon Hendey, Strategic Director, Liz Keys, Director (Finance) and Caroline Egan, Service Lead New Homes Delivery accordingly.

RESOLVED:

That the committee supported further investigation of the site for affordable and social housing and agreed to request that the following points be considered by cabinet:

a) That the final business case sets out the total estimated development costs, the valuation and transfer arrangements relating to the site, all funding sources, subsidy requirements, expected rental income, borrowing requirements, the impact on HRA borrowing capacity and long-term HRA business plan sustainability, and sensitivity analysis for key risks.
b) That the final business case provides an assessment of the impact on parking provision, parking income, and any consequential effects on the general fund.
c) That the final business case includes an assessment of site-specific risks identified through the investigation phase, including archaeology, groundwater, flood risk, contamination, and any associated mitigation measures, together with an explanation of the impact of those risks on scheme viability, affordability, and delivery timescales.
d) That cabinet receives a decision point before the planning application is submitted, setting out estimated development costs, funding sources, and subsidy requirements, together with decision gateways at which the continuing viability and affordability of the scheme can be reviewed before further expenditure is committed.

7. CENTRAL WINCHESTER REGENERATION (CWR) - UPDATED BUSINESS CASE

The Chairperson invited the members of the public and visiting councillors to address the committee, a summary of their comments were as follows.

1. Ian Tait addressed the committee. He raised concerns regarding the lack of affordable housing on the site and the deteriorating commercial viability of the scheme. He questioned the definition of "Winchesterness" and expressed doubts about meeting the planning longstop dates and suggested that the council should consider aborting the development agreement and selling the site outright.

2. Councillor Stephen Godfrey addressed the committee. He challenged the assertion that there were no other options worth considering and highlighted that the business case ignored £25 million in sunk costs and a £650,000 annual loss in rental income. He raised concerns about the scheme's marginal viability, its vulnerability to construction cost increases, and the lack of affordable housing, use of CIL, a hotel, and community space, passages that lead nowhere, no new jobs. He urged the committee to ensure the whole district benefited from the investment.

3. Councillor Danny Lee addressed the committee. He asked what sensitivity tests had been undertaken to recover some affordable housing and questioned the council's total financial exposure, including St Clements Surgery and proposed car park acquisitions. He also sought clarification on the benefit to cost ratio, including the assumption of a 5% footfall increase despite the loss of the hotel, and asked when energy and climate resilience commitments would become measurable specifications. He raised implications around the very recent National Planning Policy Framework (17.08.26).

Councillor Martin Tod, Leader and Cabinet Member for Asset Management, introduced the report, ref CAB3570, which included the following points:

1. Cabinet would be asked to approve the submission of the planning application as outlined in Appendix D. A separate decision, outside of the business case, concerned the lease and access of the Marks & Spencer car park to enable necessary bus infrastructure.
2. The project had experienced a lengthy progression dating back to the 1990s, including a previous scheme between 2005 and 2016 that had focused on financial returns and was discontinued due to lack of public and member support.
3. The Supplementary Planning Document (SPD) made deliberate policy choices prioritising community and resident needs over profit maximization; and that internal viability assessments in 2018 had established that recovering land assembly costs alongside delivering affordable housing was not feasible under those constraints.
4. The council had set ambitious environmental standards exceeding national requirements and had made commitments, such as opening up waterways which carried financial implications.
5. Unforeseen global and national economic pressures, including conflicts affecting fuel and energy prices, had caused construction inflation to outpace development values fivefold since 2021.
6. Winchester faced greater difficulty accessing central government funding compared to past assumptions but whilst development projects across the country were being delayed or halted, Winchester was notable in continuing to progress its scheme.
7. The financial position was not final, and the council continued to explore avenues to improve viability, including potential government grants for regeneration and social housing.
8. The council remained committed to affordable housing and would continue working to deliver affordable homes where funding and viability permitted.
9. The proposed scheme delivered on core civic ambitions, creating a well-connected, pedestrian-friendly space integrating homes,

workplaces, cultural facilities, open public realm, restored waterways, and high environmental standards.
10. That inaction or halting the project was not viable, and it was appropriate to proceed to the next stage by submitting the planning application.

Matt Woolger (Jigsaw) provided a further introduction and presentation which included the following points:

1. That the core team at Jigsaw was supported by approximately 60 people across 25 consultancies working on the project weekly, with around 50 reports under preparation, approximately 100 drawings in draft development, and over 100 suppliers supporting the project.
2. The scheme proposed the delivery of 234 new homes featuring a varied mix of sizes and types, to provide accessible entry points for city centre living.
3. The development incorporated 3,631 square metres of commercial floor space to generate new employment, mixed-age children's play areas, and 6,600 square metres of new public realm, including a new space named Woolstaplers Square.
4. The river running through the bus station site would be de-culverted to establish "New Abbey Mill Lane" as an attractive pedestrian route, alongside the planting of 64 new trees, representing a 700% increase on site.
5. Key heritage assets, including Kings Walk, the former Antiques Market, and Coitbury House, would be retained.
6. The scheme was designed to be car-free, except for necessary blue badge parking, and would provide 587 cycle spaces alongside improved bus infrastructure.
7. The climate resilience and energy strategy proposed air-to-air heat pumps offering "temperature lopping" to assist with cooling.
8. Phase 1 covered the area bounded by Middle Brook Street, Friarsgate, Tanner Street, and Silver Hill, introducing new alleyways to make the block permeable and reopening access to all sides of the former Antiques Market, including the removal of an existing toilet block extension.
9. Phase 2 covered the bus station area, featuring pedestrianised spaces alongside an emergency and deliveries-only route along the de-culverted river, controlled via bollards and booking slots.

To guide the discussion, the Chairperson suggested questioning be directed toward helping the committee decide between three potential conclusions for Cabinet:

1. Determining if the revised scheme still delivered sufficient public value to proceed as planned.
2. Identifying the specific risks, trade-offs, and operational changes Cabinet had to be mindful of before taking a decision.
3. Assessing whether the lost elements were so fundamental that Cabinet should reconsider the entire underlying proposition.

The Chairperson also emphasised that the committee's role was not to make the final decision on the scheme, but to scrutinise the evidence and provide Cabinet with clear issues and considerations to inform their discussion of the report at its meeting on 25 August 2026.

The committee proceeded to ask questions and debate the report. In summary, the following matters were raised:

1. A question was asked regarding the receipt of council tax and business rates income, and whether this was modelled within the business case.
2. Further clarification was sought on the costs and time impacts associated with the compulsory purchase option.
3. A question was asked whether there was tracking of both the capital and revenue financial impacts, including lost income throughout the development process.
4. Clarification was requested on what element(s) of the original proposition would need to be removed before officers concluded that the scheme did not represent value for money.
5. Further clarification was sought on the viability of the hotel and whether the issue was a lack of demand or the cost of the build.
6. Additional clarification was requested on why affordable housing could not be provided on a council-owned project.
7. A question was asked about what specific factors in Winchester were keeping this scheme viable and maintaining confidence when similar schemes elsewhere were not proceeding.
8. Further clarification was sought on what was considered to be the single greatest risk to the successful delivery of the scheme.
9. Further information was requested regarding the proposed bus stop on Tanner Street and the requirement to take car parking space from the Marks & Spencer area.
10. Clarification was requested on why the potential use of Compulsory Purchase Orders (CPOs) was being considered on this occasion.

11. A question was asked about the future likelihood of affordable housing being included in the scheme if the financial position improved.

The Committee agreed that it did not need to move into private session to review the exempt appendix.

These points were responded to by Councillor Martin Tod, Leader and Cabinet Member for Asset Management, Councillor Neil Cutler, Deputy Leader and Cabinet Member for Finance and Performance, Simon Hendey, Strategic Director, Liz Keys, Director (Finance), Nick Walford (31ten), Ken Baikie, Director of Regeneration and Matt Woolger (Jigsaw) accordingly.

RESOLVED:

The committee agreed the following comments and recommended:

1. That Cabinet consider and record whether the regeneration benefits of the revised scheme continue to justify the level of public investment, acknowledging the significant changes to the business case including the loss of affordable housing, hotel accommodation, capital receipt, and replacement income.
2. That Cabinet consider the financial implications of the project, including the loss of existing income streams, the additional CIL contributions, and the absence of a capital receipt.
3. That Cabinet continues to look for opportunities to improve the business case and maximise public benefit, including the potential reintroduction of affordable housing.

8. **TO NOTE THE COMMITTEES CURRENT WORK PROGRAMME.**

The Chairperson reported on several issues regarding the work programme as summarised below.

The September meeting would include:

a) River Park Leisure Centre disposal
b) Housing Revenue Account and General Fund outturn
c) Q1 Finance and Performance monitoring. This item is expected to focus on the Greener Faster programme, excluding recycling, waste and nutrient mitigation due to separate or previous scrutiny activity.

Other Items.

a) Abbey House and Guildhall. This was planned for discussion at the Economy and Housing Policy Committee in September 2026.
b) Planning enforcement follow-up. A separate update would be provided to clarify arrangements.
c) Emerging Local Plan. Officers had advised of limited scrutiny scope this municipal year due to the prescribed process. An all-member briefing is being considered initially.

d) Proposed Leisure Contract Review. A working group was proposed to review contract performance, including performance against the business case, and accessibility/ease of use amongst other matters. The Chairperson agreed to discuss the best review mechanism with officers.

RESOLVED:

That the latest version of the work programme (which can be found here https://democracy.winchester.gov.uk/mgPlansHome.aspx?bcr=1) be noted.

9. TO NOTE THE LATEST FORWARD PLAN OF KEY DECISIONS

RESOLVED

That the latest Forward Plan of Key Decisions be noted.

The meeting commenced at 6.30 pm and concluded at 9.55 pm

Chairperson