

REPORT TITLE: CENTRAL WINCHESTER REGENERATION (CWR)
DEVELOPMENT PROPOSALS AND DELIVERY STRATEGY

10 MARCH 2021

REPORT OF CABINET MEMBER: Cllr Kelsie Learney - Cabinet Member for
Housing and Asset Management

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WARD(S): TOWN WARDS

PURPOSE

Central Winchester Regeneration (CWR) is a once in a lifetime opportunity to transform the centre of our historic county city, bringing homes for local families, providing jobs for local people, making a visit to this heritage city one which will be remembered. The council recognises the role it plays in bringing forward sensitive development, adapting to the challenges faced by a new generation and critically to be delivered through the lens of responding to climate change. There has been support for our proposed approach, useful comment, and genuine interest from the development community. This is a real opportunity for us to grasp and deliver.

This report sets out the next steps towards delivering proposals that meet the aspiration of residents captured in the CWR Supplementary Planning Document (SPD) and delivered in a way that is right for this district.

Following the recent period of consultation on the draft CWR development proposals and the emerging delivery strategy, this report sets out the feedback received and next steps for consideration by Cabinet.

RECOMMENDATIONS:

That Cabinet;

1. Notes the adoption of the Vision for Winchester by the Winchester Town Forum in January 2021 and the complementary themes within that work which are relevant to the regeneration of central Winchester.
2. Notes the feedback from the consultation undertaken between 11th November 2020 and 12th January 2021 and as a result approves the CWR Development Proposals and indicative phasing plan, namely proposals pages 6-27 inclusive as detailed in appendix A.
3. Approves revenue expenditure of up to £390,000 from the £2m CWR revenue budget to;
 - a. Progress further work to the CWR business case to inform the decision on delivery of the CWR development proposals for subsequent cabinet approval to proceed to procurement in 2021.
 - b. Carry out soft market testing, finalise the business model and the procurement route to deliver medium/long term vision for the Kings Walk creative hub
 - c. Evaluate options to bring forward delivery of the interim on street bus solution
4. Approves capital expenditure;
 - a. Of up to £200,000 from the Kings Walk improvements budget to progress short term improvement works to Kings Walk as the pre-cursor to delivery of the Kings Walk creative hub, subject to the outcome of the condition survey.
 - b. Of up to £500,000 from the Friarsgate demolition and interim open space budget to progress the planning application to enable demolition of Friarsgate Medical Centre and provision of interim public open space
5. Delegates authority to Strategic Director – Place, in consultation with the Cabinet Member for Housing and Asset Management, to finalise, tender, award and enter into contractual arrangements to deliver the short term improvement works to Kings Walk and Friarsgate Medical Centre, within approved budgets.

6. Approves further exploration of funding opportunities with EM3 Local Enterprise Partnership, Homes England, and other sources as appropriate and delegates authority to the Strategic Director – Place to prepare and submit funding bids
7. Approves submission of an application to the Local Planning Authority for Community Infrastructure Levy (CIL) funding of £2m to support delivery of the CWR project
8. Notes the proposed development of governance arrangements for the next phase of the regeneration work and delegates the finalisation of these arrangements to the Strategic Director – Place in consultation with the Cabinet Member for Housing and Asset Management

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 Regeneration of central Winchester is a key priority for the council and supports the council plan priorities by working to deliver vibrant new mixed use development that will be creative and innovative.
- 1.2 The council's climate emergency declaration will be one of the critical elements to consideration of any development approaches used so as to work to achieve the net carbon zero targets for the district.
- 1.3 The draft development proposals incorporate the objectives and guidance set out within the CWR SPD. The CWR development proposals will deliver towards the homes for all priority through the residential element of the development. It will support a vibrant local economy by working to fill the gap of affordable and flexible commercial space, enhancing the evening economy offer and creating an area aimed at attracting and retaining the young and creative talent in the City.

2 FINANCIAL IMPLICATIONS

- 2.1 The CWR project was restarted in 2016, after the failure of the Silver Hill scheme, with the commissioning of work to produce the CWR SPD. A total revenue budget from that point of £768,000 has been approved to date, all of which is either spent, committed or allocated.

Spent = £441,020. This includes the CWR SPD and supporting reports, specialist consultant advice, legal fees, Friarsgate hoardings, communications and consultation support, lower high street and Broadway designs and feasibility studies for meanwhile uses, Kings Walk and a hotel.

Currently committed = £90,946. This includes archaeology investigation works, legal fees and communications and consultation support.

Currently allocated = £236,034. This includes further archaeology investigation works, communications and consultation, legal fees and improvements / repairs for Kings Walk.

- 2.2 The council appointed strategic advisors in 2019, JLL, through a competitive selection process outlined in CAB3105 with payments made of £503,428 for specific work packages paid on a draw down basis. Work carried out includes, but is not exclusive to, the CWR Roadmap Review, Competitive Positioning study, testing proposals for the site, assessing delivery models, advice and planning with regard to bus provision and ongoing work on viability, financial analysis, planning and soft market testing to support the CWR development proposals.

- 2.3 A CWR Business Case (BC) is being prepared guided by the Treasury's Five Model methodology. This will consider the financial affordability of the CWR development proposals to the council alongside the economic value for money (including the social and community benefits of the scheme) and the commercial viability. Approval of this business case will support the use of the £2m revenue budget to progress the CWR development proposals to the point of procurement(s) and subsequent planning submission. It is critical that any development is both commercially viable and affordable to the council in a time where public sector finances are under significant pressure.
- 2.4 Work has been carried out to ascertain what budget, both revenue and capital, will be required to progress the project to continue and complete work on the BC and carry out short term works in order to bring forward CWR in line with the development proposals;
- a) Revenue – £390,000 from the CWR revenue reserve is required to;
 - i. Progress further work to the CWR strategic outline business case to inform the decision on delivery of the CWR development proposals for subsequent cabinet approval in 2021 to proceed to procurement.
 - ii. Carry out soft market testing and finalise the business model and procurement route to deliver medium/long term vision for the Kings Walk creative hub
 - iii. Evaluate options to bring forward delivery of the interim on street bus solution
 - b) Capital expenditure;
 - i. of up to £200,000 from the Kings Walk improvements budget to carry out short term improvement works to Kings Walk as set out in section 4
 - ii. of up to £500,000 from the Friarsgate demolition and interim open space budget for submission of planning application with a view to demolition of Friarsgate Medical centre and provision of interim public open space as set out in section 5
- 2.5 In addition to the improvement works at Kings Walk, a condition report, together with an intrusive structural survey, is being carried out on the building following recent incidents of flooding to the ground floor retail units. It is likely that further expenditure will be required to resolve immediate issues identified by the survey to enable the existing ground floor tenants to remain in situ but at this stage, the cost is not known.
- 2.6 It is important to note that the expenditure to carry out the short term improvements will be incurred only when the full extent of the remedial works is known.

The condition report and intrusive survey will also highlight work that will need to be done to ensure the building will be fit for purpose for the next 10 to 15 years. The full cost of refurbishing the building will be included in the financial appraisal of the medium/long term plans.

3 LEGAL AND PROCUREMENT IMPLICATIONS

3.1 This Cabinet report describes the consultation undertaken by officers and summaries the responses for consideration by Cabinet which adheres to the following guiding principles:

- Done at a time when the proposals are at a formative stage;
- Includes sufficient reasons to enable those consulted to give consideration and respond;
- Demonstrates awareness of the factors which are of decisive relevance to the decision;
- Gives adequate time for consideration and response;
- And the result of the consultation being conscientiously taken into account by the decision makers when the decision is made.

3.2 Under section 1 of the Localism Act 2011, the Council has the power to undertake any activity a normal person could undertake, so long as not otherwise prohibited by an express statutory restriction. There are no such prohibitions that apply, and therefore the council may pursue the CWR scheme under this power and take steps to deliver it. In doing so, it will be subject to other statutory and common law obligations, including in relation to consultation. In reaching decisions, the council must observe general public law principles framed by the Wednesbury test, i.e. to take account of all relevant considerations, to disregard irrelevant ones, and to act in rational manner. Moreover, the council should have regard to its fiduciary duty, having regard to council tax-payers in particular.

3.3 Any procurement(s) for goods, works and services necessary for delivery of the CWR scheme will be in compliance with the Council's Contract Procedure Rules and the Public Contract Regulations 2015(PCR2015). The subsequent contracts will be managed in-line with the Council's Contract Management Framework.

3.4 In undertaking the relevant procedure to pursue a proposed scheme the Council will observe its statutory duties, including in regard to the duty to obtain best consideration on any disposal of land, and duties to consult. It should be noted that by carrying out a competitive process to select a purchaser or development partner(s) or contractor(s), the Council will be in a stronger position to demonstrate compliance with the duty to obtain best consideration.

3.5 The central Winchester regeneration supplementary planning document, as a supplementary planning document, builds upon and provides more detail or guidance on policies in an adopted local plan. It is important that the matters

set out in the central Winchester supplementary planning document are considered in the formulation of design and delivery of any scheme(s).

4 WORKFORCE IMPLICATIONS

4.1 The council has sufficient capacity with current staffing levels, together with consultant support, at this stage but following any approval to progress with development work a range of further resource will be required. Therefore a review of the staffing implications and costing of the full work programme is being undertaken.

4.2 Work streams, and hence required resource, will include;

- a) finalisation of the business case for the project including details around purpose, options, delivery, viability and marketability.
- b) finalisation of the delivery route for the medium/long term vision for Kings Walk including the need for expert input around market testing, developing the brief, legal advice and input around the agreement, procurement input, finance and funding, comms and engagement and planning advice.
- c) exploration of options to deliver the interim and long term bus solutions will include, but not be exclusively, input around highways solutions and approvals, technical expertise for infrastructure and associated public realm, finance and funding, planning requirements and programming of works.
- d) short term works to the council estate within the site such as Kings Walk and Friarsgate Medical centre requiring input around design, procurement and planning.
- e) Expert planning advice and input to agree the planning strategy.
- f) Communications and engagement strategy and resourcing.
- g) Develop project governance as work progresses to the next phase

5 PROPERTY AND ASSET IMPLICATIONS

5.1 The emerging proposal for the council to bring refurbishment of Kings Walk forward as a priority, and as a first phase of the wider development proposals, is intended to create a sense of purpose and to kick start transformation and activity in the City centre.

5.2 The impact of this proposal will have to be carefully considered in the business case as construction and regeneration opportunities may be

perceived as limited which may in turn affect overall viability. The CWR area is not large in commercial terms therefore the interest by developers for the larger site may be reduced. Although bringing forward Kings Walk is a clear statement of intent, consideration will have to be given to site value and the prospect of creating a fully integrated and viable final scheme

- 5.3 The CWR SPD vision includes social, employment and urban design as important factors, and hence sets out a less commercial focus on proposed uses than could have been considered if optimising financial value was the over-riding priority. Consequently, in terms of making best financial use of assets, the council in adopting the CWR SPD, have already decided that the typologies of mixed uses proposed will afford a greater community benefit than a purely commercially led scheme.
- 5.4 The existing Kings Walk retail units at ground floor level currently produce a rent of £96,000 pa to the council and this income may be lost if the buildings are refurbished, remodelled or demolished. The upper floors are currently vacant, decommissioned due to uncertainty around the future of the buildings. A further £240,000 pa is currently received from other tenants in the Kings Walk/Middle Brook Street block and potential loss of this income needs to be considered as the business case is finalised and development comes forward.
- 5.5 Kings Walk sits within the area of development in the CWR SPD and the long term plans for the area were unknown until development proposals came forward, therefore maintenance and expenditure has been kept to a minimum to date. Unconnected to these proposals are the issues around flood damage to the building, most recently in December 2020 and again in January 2021. A condition survey is currently being undertaken but it is inevitable that some works will be needed and these will need revenue expenditure. As with all maintenance and improvement works to council owned property this will be funded from the asset management reserve.
- 5.6 The business case will identify proposed rental and capital receipts and relevant viability issues.

6 CONSULTATION AND COMMUNICATION

- 6.1 An eight week consultation on CWR development proposals shared at Cabinet on November 10th, CAB3271, opened on 11 November 2020 and closed on 12 January 2021 and focused on creating opportunities for as many people as possible to get involved given to the impact of Covid-19 and restrictions on bringing people together. All activities were designed to allow for virtual, remote access for all and are outlined in the supporting information below. Details of the activities and feedback from the consultation can be seen at section 1.
- 6.2 Since the restarting of the CWR project in 2016, there has been ongoing engagement and consultation beginning with an 18 month period of

engagement across the district. This culminated with the formal consultation on the draft CWR SPD which started on 11 December 2017 and ran until Monday 5 February 2018. The CWR SPD was adopted in June 2018.

- 6.3 Work was then undertaken on proposals for the site, based on the adopted CWR SPD, and options for the site were developed and presented to stakeholders and the public at an Open Forum Events hosted on 24th September 2019 and 17th February 2020.
- 6.4 Feedback from these events was shared with the Open Forum Panel and the Cabinet Member Decision Day on 10th March 2020.
- 6.5 During the period March 2020 to October 2020, a number of stakeholder engagement sessions on elements of the project have also taken place. These sessions included work to develop public realm guidance, relocation of the bus station and options for Kings Walk. These discussions have fed into the draft CWR development proposals.
- 6.6 The Chair of the Scrutiny Committee has been consulted in relation to taking this report for consideration to the committee. It was agreed that once the BC has been completed, the Scrutiny Committee will consider the report and then subsequently, as required as the process continues.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The regeneration in the central Winchester area has opportunity to showcase sustainable development and help meet the council's priority of a carbon neutral district. The concept of city centre living and the 15 minute city help shape a sustainable community. Consideration of the carbon emission impact of development, transport implications, nitrate mitigation and the sustainability of the scheme is a critical part of the development process. The scheme is being devised within the policy framework set by the CWR SPD, the Council Plan and the Council's Carbon Neutrality Action Plan.
- 7.2 JLL provide advice on matters of sustainability and more locally WinACC are engaged through the Open Forum Panel, and the council's sustainability officers are also involved.
- 7.3 The council has considered the carbon impact of wider re-use of existing structures on the development site, rather than wholesale demolition. For example, retaining Kings Walk will have a lower carbon footprint compared with new-build construction as a result of reduced demolition works, reprocessing of waste materials and waste sent to landfill. It also avoids manufacture, transport and new construction.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 As progress on delivery of the CWR development moves forward, the needs of all groups including those who fall within the protected groups defined in the Equalities Act 2010 will be considered. Winchester Access for All is one of the key stakeholder organisations identified to support the council with this.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 Any data collected as a result of the consultation and engagement with the project will be kept confidential and will not be used for any other purpose unless further permission is sought and agreed from the participant.

10 RISK MANAGEMENT

- 10.1 The CWR risk register can be seen at appendix F.

11 SUPPORTING INFORMATION:

- 11.1 Without doubt, the engagement undertaken over many years has demonstrated that there is widespread support for the central Winchester area of the city to be repurposed for future generations. The council is critically aware of the role it plays in shaping the development and is committed to reflect development proposals back to the aspirations set out in the CWR SPD. The CWR development proposals will provide a city space that attracts more people, supports the economy, welcomes overnight visitors and enables more of our young people to stay – to build a career in their home district, to live, work and play.
- 11.2 To take this forward the council has acquired land and buildings at Kings Walk, the bus station, Friarsgate Medical centre and some High Street properties along Broadway. The rationale behind this approach was to enable the council to take the lead in bringing forward these areas regeneration of the area to support the High Street and local businesses and work to build a strong and resilient economy in the city and for the district.
- 11.3 The competitive positioning study commissioned by the council in 2019 as part of the CWR project work, which can be seen on the CWR website pages, shows the challenges we face as a city. These include the lack of affordable living opportunities, workspace and employment opportunities which are a barrier to younger generations staying or settling in Winchester. A limited night time economy provides little reason for younger age groups to visit the city centre and has led to a lack of over-night tourism. This must change to support a sustainable community in the future.
- 11.4 This trend combined with the emerging impact of COVID-19 on the national economy shows that this opportunity in central Winchester can place the city

on the front foot to enhance a unique heritage city. It is therefore vital we invest now to ensure our city will continue to attract people to live, shop, visit and work. This approach will bring positive changes to the city centre by delivering a dynamic mix of uses which will reinforce the cultural/heritage and retail heart of the city, alongside additional residential space.

Section 1: CWR development proposals

- 11.5 Following public and stakeholder engagement in 2017 and 2018, the CWR SPD was adopted in June 2018. Full details can be seen in Cabinet report CAB3034 and link to the CWR SPD ([HERE](#))
- 11.6 The vision set out in the CWR SPD is for “delivery of a mixed use, pedestrian friendly quarter that is distinctly Winchester and supports a vibrant retail and cultural/heritage offer which is set within an exceptional public realm and incorporates the imaginative re-use of existing buildings”.
- 11.7 The CWR SPD sets out nine key objectives that development on the CWR site should to meet:
- a) Vibrant mixed use quarter; a new quarter for the Winchester offering a wide range of uses that will complement and enhance the existing city offer.
 - b) Winchesterness; local distinctiveness in keeping with the historic context whilst providing for the needs of the 21st century, drawing on the rich heritage and culture that makes Winchester unique.
 - c) Exceptional public realm; a network of streets and spaces, incorporating water feature where possible, that reflect the spirit of the city and reinforce the existing local street pattern.
 - d) City experience; an area that further enriches the distinctive brand of the city creating a place of experience, including retail, cultural/heritage, food, leisure and markets.
 - e) Sustainable Transport; a pedestrian and cycle friendly environment that encourages and promotes active travel and reduces dependence on other modes of transport.
 - f) Incremental delivery; a flexible framework of streets and spaces that enables and supports phased delivery, reducing risk and capturing variety.
 - g) Housing for all; increasing the city centre’s residential capacity by providing a diverse range of housing typologies and affordability.
 - h) Community; the development process should build on the sense of community engagement undertaken to date, harnessing the enthusiasm and creativity of the local community.

- i) Climate Change and sustainability; new development should be designed to be resilient to and minimise its impacts on climate change
- 11.8 Following adoption of the CWR SPD, the council undertook a competitive commissioning study supported by JLL which highlighted the strengths and opportunities that development in Winchester. JLL also supported the council in a review of the proposed CWR delivery roadmap that was drafted following adoption of the CWR SPD (CAB 3034). These documents can be seen on the council's CWR webpages.
- 11.9 One of the key aims for the development of the CWR site, identified through work carried out for the competitive positioning study and roadmap review, is to address the gap in younger people choosing to live and work in the city by providing spaces to live, work and play thus working to support a strong, sustainable and resilient local economy for the future.
- 11.10 Work undertaken on the CWR development proposals has also;
- a) considered feedback from CWR open forum meetings.
 - b) been carried out in conjunction with work on the Winchester Movement Strategy (WMS).
 - c) considered outputs of the Vision for Winchester which was adopted at the Winchester Town Forum meeting on Thursday 28th January 2021.
 - d) been grounded in the need to propose a commercially viable and deliverable scheme.
- 11.11 The council commitment to the Climate Emergency Declaration and subsequent action plan will be key influencers as the development comes forward, an approach consistent with guidance in CWR SPD.
- 11.12 The draft CWR development proposals (appendix A) were reported at Cabinet on the 10th November 2020, report CAB3271 which included the approach in relation to the following areas;
- a) Policy and competitive positioning – the report outlined the importance of the guidance in the CWR SPD and how the draft proposals achieved the CWR SPD vision and objectives
 - b) Land uses and CWR SPD comparison – the report showed how the land uses mix sits within the ranges set out in the CWR SPD
 - c) Proposed phasing – the report indicated how the development could come forward in phases, hence meeting the incremental delivery objective based on a viable development
 - d) Live, work, play, movement and buses, public realm and water, sustainability – the report illustrated how the area can meet the needs

of the younger generation whilst meeting the vision and objectives of the CWR SPD

- e) Delivery methods – the report outlined options available and the emerging thinking on how to deliver the draft CWR development proposals to ensure delivery of the whole scheme over time in a commercially viable way.

11.13 As outlined in the consultation and engagement section (6) of this report, the draft CWR development proposals were the subject of an eight week period of consultation from 11th November 2020 to 12th January 2021.

11.14 All those attending one of the online sessions or visiting the virtual exhibition were asked to feedback their comments on our feedback form on CitizenSpace and this report sets out the feedback received and indicates the council's response

12 **Section 2: Consultation November 2020 to January 2021 - commentary**

Consultation process

12.1 Cabinet approved the consultation content and approach at the meeting on November 10th. (CAB3271 refers) The consultation subsequently ran from November 11th through to January 12th.

12.2 A virtual exhibition room was hosted online that included exhibition panels, images, videos and plans as well as recordings of relevant meetings and online sessions. The virtual exhibition room was visited by 2759 people over the eight week period.

12.3 Other activities included one to one stakeholder consultation sessions (hosted on MS Teams) and dedicated consultation sessions for stakeholder groups including landowners, businesses, community groups, public bodies, voluntary organisations and other key stakeholders (hosted on MS Teams). Four online public consultation sessions were held over a different times of day and week to accommodate working and family commitments of those wishing to take part (Monday 16th November 12:30- 14:00, Tuesday 24th November 18:00 – 19:30, Monday 30th November 18:00 – 19:30 and Thursday 3rd December 10:00 – 11:30) hosted on Webex. A total of 129 stakeholders and residents took part in an online consultation session.

12.4 Information on how to get involved in the consultation was shared to encourage participation with the following;

- a) Email notifications sent to CWR database
- b) Website home page and dedicated pages
- c) Letters of invitation to local residents

- d) Press releases issued to media
 - e) Articles in Your Council News and City Voice
 - f) Flyer and/or links to consultation events and exhibition sent to local businesses, all schools in district, School of Art and University of Winchester, Hampshire County Council (HCC) and hospital staff
 - g) Posters displayed on The Broadway and sent to all parishes
 - h) Advertisement placed in Mid Hants Observer, a telephone number for people to request further information and feedback form to be posted to them was included for people with no access to the internet.
- 12.5 Facebook and Instagram posts encouraging people to take part in the consultation reached 488,189 people, We achieved 3,371 post engagements including reactions, comments and link clicks
- 12.6 There were 2,329 unique engagements on Facebook/Instagram (subtracting link clicks (leading to the virtual exhibition room) from post engagements).
- 12.7 Feedback using an online comment form hosted on Citizen Space was encouraged at all online consultation sessions and at the virtual exhibition and a printed form was also available through Winchester City Council customer services.
- 12.8 In total 336 responses were received. The process for collating, analysing and reporting back was the same as was undertaken for the CWR SPD, ensuring that every comment is logged, collated and considered. A summary of all feedback is included in paragraphs 12.9 to 12.18 in this report.

Consultation comments

- 12.9 Feedback was received from 336 respondents on Citizen Space, all comments have been collated in to themes and council responses have been provided including those outlined below.
- 12.10 Housing
- a) 252 respondents to this section
 - b) Key themes;

Many of the comments received were in support of affordable housing. A number of respondents highlighted that the affordable housing provision should remain affordable and accessible to young people and key workers.

The importance of mix and design was flagged up, with particular reference to outdoor space, parking, access and maintenance.

There were some questions raised regarding the suitability of the site for housing, with some respondents suggesting that there could be other areas of Winchester more suited to this use.

Some concerns were raised about the space available and whether units would be too small.

c) Council response;

Proposals for housing, in line with the aspirations in the CWR SPD include a mix of housing and will need to meet WCC's adopted planning policies on dwelling mix, quality, maintenance, private amenity/open space accessibility and the provision and management of affordable housing.

Development which reduces the provision of car parking as far as practically possible is a priority for the council to promote a sustainable city centre. This is in line with the Council's Car Parking Standards SPD (2009).

Research shows a demand for housing in Winchester and particularly the city centre. A priority for the council is to provide a mixed use regeneration of this central area that both our residents and visitors can enjoy as set out in the CWR SPD.

d) **SPD Objectives achieved:** Vibrant Mixed Use Quarter, Housing for all, Community

12.11 Workspace;

a) 220 respondents to this section

b) Key themes;

Many comments were in support of providing mixed workspace for independents and creative businesses. Respondents flagged that there is a need to ensure the criteria for renting space and the associated costs are carefully considered to attract right type of businesses.

Some highlighted the importance of integrating workspace with new housing.

Type of use, access and facilities were also highlighted as important considerations.

Some questions were raised about the suitability of retaining existing buildings and whether there is a need for workspace in this area of the city, particularly in light of the Covid-19 pandemic, and subsequent the implications for working patterns in the future.

c) Council response;

The council has carried out and continues to carry out extensive research to test the market, where the appetite is and what the requirements are including costs and terms of renting space.

Research has shown there is a demand for certain types of workspace in this part of Winchester. Particularly spaces that offer flexible and shared working arrangements, that also complement the mix of housing and workspace that already exists in the city centre.

The proposal is to provide a mix of uses across the site which includes spaces for start-up businesses and workshops.

The CWR SPD sets out ranges for various uses to ensure an appropriate balance is achieved.

We are ensuring that sustainability considerations are taken into account at every stage of the project. The proposed creative reuse of the Kings Walk building has been considered from a sustainability perspective as the refurbishment of an existing building rather than demolition and re-build has a lesser impact on the environment.

d) **CWR SPD Objectives achieved:** Vibrant Mixed Use Quarter, City Experience, Community

12.12 Leisure, retail and culture;

a) 250 respondents to this section

b) Key themes;

Comments were made around the need to ensure access for all, with specific reference to wheelchair access and the need for adequate car parking, and sufficient sustainable transport links.

A number respondents expressed a strong desire to ensure emphasis is placed on Winchester's heritage, with some suggesting provision for an Anglo-Saxon museum should be incorporated.

Links to the High Street and appropriate arrangements for maintenance and public safety and were flagged up as important considerations.

Respondents urged the council to consider cost of rent, rates and types of retail/F&B carefully.

Design to complement the city's heritage, covered outdoor space, public art and opening up of the waterways was encouraged by many.

Some concerns were raised about increased noise levels in relation to these uses, particularly at night. Other concerns were related to the demand for retail and the need to build in flexibility in line with market changes.

c) Council response;

The proposals have been developed in line with the CWR SPD which describes a desire to include a cultural or heritage building. Further work is required to determine precisely what use this will be.

The development proposals make provision for covered outdoor space, public art and waterways in line with the CWR SPD. The proposals for the leisure, retail and cultural space remain flexible so as to enable a variety of uses.

The research carried out as part of the Kings Walk feasibility study has identified cost of rent, rates, type of retail and the need to improve the night time economy in Winchester both for residents and to encourage tourists to stay overnight. The development proposals have been created with this in mind.

The CWR SPD recognises the desire to ensure Winchester's culture and heritage is respected and the opportunity to enhance the city's historical elements and cultural offer. This will be taken into consideration as the proposals are progressed.

The aspiration for the CWR area is to provide a mix of uses that will appeal to both residents and tourists and will complement not compete will existing offerings in the city.

The need for appropriate and sufficient safety and maintenance arrangements is recognised.

Noise levels will be taken into consideration as proposals are developed. It is a central city centre location however and in order to provide an active and vibrant redevelopment there must be an acceptance of a level of noise consistent with a development and location of this type

d) **CWR SPD Objectives achieved:** Vibrant Mixed Use Quarter, Exceptional Public Realm, City Experience, Community

12.13 Movement;

- a) 260 respondents to this section
- b) Key themes;

Support for sustainable transport and prioritisation of active travel came across in the majority of responses. Many comments stressed the importance of disabled access and disabled parking.

Some concerns were raised around the impact of the Winchester Movement Strategy on the proposals for traffic arrangements within CWR and the council is urged to ensure the two are aligned.

Concerns were raised related to current levels of traffic/congestion in the city centre, with many in favour of reducing vehicular access.

Comments related to car parking were mixed, with some respondents in support of reducing car parking and others raising concerns that limiting access will lead to a reduction in visitors to the city centre. Parking charges were mentioned in a number of responses, with some respondents suggesting charges are lowered for lower emission vehicles and some suggesting they should be lowered completely to encourage more people to come into the city centre.

Planning for the future and the importance of provision for electric vehicles was raised a number of times. As were points related to access for deliveries and the need for stricter delivery times in the area.

Safety concerns in relation to shared surfaces and the need for careful integration of pedestrian and cycle travel were raised.

Mixed comments were received in relation to the proposed bus solution. Some respondents concerned that buses will continue to move through the centre of the site and others in favour. Some concerns that there is no bus hub proposed. The need for easily accessible and sheltered bus stops with real time information came across in many responses.

c) Council response;

Car-free development as far as is possible is a priority for the council to promote a sustainable city centre. This is in line with the Council's Car Parking Standards SPD (2009) and the CWR SPD which supports the restriction and reduction of vehicle movement through the CWR area and aims to create a legible network which will ease movement for all modes of sustainable transport and reduce dependence on other vehicular modes.

In line with the CWR SPD, transport proposals require inclusive design to ensure improved access for those with disabilities. The proposals have been developed with pedestrian and cycle priority in mind. Public transport will be encouraged.

The proposal is to move the buses out of the existing bus station to enable development to start and provide an integrated on-street

solution with passenger facilities in suitable places. This decision follows lengthy discussions with Hampshire County Council and the bus operators which revealed that a replacement bus hub on Middle Brook Street car park is not appropriate due to the existing road network which would force some buses to travel through the city centre unnecessarily. As the outputs of the Winchester Movement Strategy come forward there is an opportunity to review this for the longer term. Appropriate facilities will need to be considered as the proposals are progressed. On street solution will include facilities including covered shelters, real time information and improved public realm

Parking charges are set on in the Council's Car Parking Standards SPD (2009) and seek to encourage parking in the most appropriate places. In line with this SPD and the CWR SPD, the council aim to reduce traffic movements through the city centre by encouraging parking on the periphery and walking or using public transport such as the Park and Ride, as well as inclusion of electric car charging points.

As set out in the CWR SPD, adequate disabled parking will need to be maintained.

The development proposals have been designed with pedestrian and cycle priority in mind, whilst recognising current levels of traffic and congestion and encouraging use of public transport and enabling access for deliveries where required.

- d) **SPD Objectives achieved:** Exceptional Public Realm, Sustainable Transport, Climate Change and Sustainability

12.14 Public spaces;

- a) 235 respondents to this section
 b) Key themes;

Many comments were in support of improvements to the public realm and provision of open space for new and existing residents.

Seating, bins, public art, and greenspace which is accessible for all were important to many respondents. As were covered outdoor spaces which account for British weather.

A number respondents urged the council to ensure appropriate plans for maintenance and management of space are considered.

The importance of high quality design recognising the city's heritage was raised by many respondents.

Many comments were received in support for opening up the waterways and a number of respondents raised the need to ensure sufficient thought is given to flooding and improved drainage.

c) Council response;

It is safe to open the culvert on the eastern edge known as Riverside Walk, however water features revealed during periods of rainfall will be encouraged within the design of the public realm in keeping with Objective 3 of the CWR SPD.

Rain gardens will also be encouraged to manage storm water runoff and enhance green corridors.

As stated in 3.8 Housing and Community in the CWR SPD a mixture of public and private outdoor space will be provided, residential areas will have a mixture of rear private communal space, balconies and roof terraces.

Appropriate street furniture will include seating, lighting, signage, canopies and public art

The CWR SPD Development framework illustrates the areas of greenspace and hard landscape. The proposed public realm approach is consistent with this and includes the greenspace Riverside Walk with pockets of tree planting in other areas.

Winchester has a complex mixture of materials, details and styles. The historic core is defined by narrow lanes, alleys and courtyards as well as historic spaces and buildings. The design will therefore vary across the site to provide variety and wayfinding in keeping with the existing layout. A mixture of traditional and contemporary materials will help to blend the new development into the surrounding character, while retaining a distinctive sense of place.

Providing active frontages onto public streets and spaces will provide passive surveillance to improve safety and security. Elements will be carefully positioned, and planting will be maintained to provide clear sight lines.

d) **CWR SPD objectives achieved:** Winchesterness, Exceptional Public Realm, City Experience, Community

12.15 Sustainability;

a) 225 respondents to this section

b) Key themes;

Many comments received regarding the importance of building design and materials to ensure carbon neutrality in operation and in construction. Reuse of buildings was favoured where possible as well as enabling flexibility so buildings can be used for different purposes.

The council is urged to utilise renewable energy sources and local building materials where possible.

Many respondents expressed support for sustainable transport solutions including provisions for electric vehicles, prioritising pedestrians and cyclists and reducing bus fares.

The importance of green public spaces, tree planting, infrastructure and management of water table came across in many of the comments received.

Adequate waste collection was raised by many respondents.

c) Council response;

Sustainability is a key focus for the council. WCC declared a climate emergency in June 2019 and the council is now committed to becoming carbon neutral by 2024 and the cabinet has ambition for the wider district to become carbon neutral by 2030

The suitability ambition for the site forms one of the nine key objectives in the CWR SPD. Sustainability considerations will be taken into account at every stage of the project.

When the project transitions into design stage more detail on the sustainability approach will be developed and embedded within the project. This will include consideration of sustainable technology or approaches such as the use of renewable materials and developing circular economy systems.

All new buildings will need to conform to rigorous building performance standards, and also ensure the reuse of buildings and materials, wherever possible.

It is the council's ambition to limit the use of private vehicles across the site and therefore encouraging sustainable forms of travel through the provision of cycle ways and walkways within the site so these form of movement are both supported and safe.

d) **CWR SPD objectives achieved:** Sustainable Transport, Climate Change and Sustainability

12.16 Delivery approach;

a) 214 respondents to this section

b) Key themes;

Concerns were raised regarding the proposal to enter into an agreement with a single development partner, with respondents saying that this goes against the CWR SPD and doesn't provide the council with sufficient control.

The council is urged to learn from previous development proposals for this site, suggesting that a new approach is needed.

Mixed responses were received in regard to timescales, some urged the council to make progress as soon as possible, others expressed concerns around rushing ahead and urged the council to focus on realistic, achievable timescales.

Many responses were in support of a phased approach and a master plan to set guidance for developers.

The need to consider other options for delivery including multiple developers and breaking up site into smaller parts was suggested.

c) Council response;

The council has not yet taken a decision on how the scheme will be delivered. A soft market testing exercise has been undertaken alongside viability studies and public consultation. All of this information will be considered by cabinet when making a decision on the delivery approach.

The delivery of the CWR site is complex. The council are seeking to balance a number of key factors including cost, speed, risk, control and expertise.

The council is aware there are concerns about a single developer route due to the issues related to previous redevelopment plans for this site. The lessons learned from the past have helped the council move forward to this point and it should be noted that are major differences between the council's position previously and now, for example the council now owns the majority of the site, and there is clear planning guidance in the form of the CWR SPD. The clear priority for the council is what local people have said is important firstly through the development of the CWR SPD and consultation periods that has taken place since.

Delivery route(s) for the scheme are being reconsidered in light of the consultation feedback and several options will be revisited through work on the Business Case. The Council will seek to identify the optimal delivery route(s) which can deliver what the community wants whilst balancing a range of key factors, and makes the best of the delivery capability available across public and private sectors. Once

this work has been completed, a report will be brought back to Cabinet in the summer with recommendations on the way forward. It is very important that any agreed scheme is both commercially viable, attractive to the development community and affordable to the council.

d) **CWR SPD objectives achieved:** Incremental delivery

12.17 Other comments to consider;

a) 206 respondents to this section

Key themes;

A number of respondents requested more information, saying the detail was too vague.

A need for the design of the development to be sympathetic to Winchester's heritage came across in many responses.

Some concerns raised in relation to the CWR SPD and the work carried out by JTP. With some concerned that little progress has been made since the CWR SPD was adopted and others concerned that the CWR SPD is being diluted or the proposals have moved away from it.

Confidence in the viability has been raised as an issue for some and more evidence is requested to support the proposals.

Some concerns about the practical implications of the development coming forward in relation to potential noise, air and light pollution during construction.

Many asked questions about the approach to archaeology and flagged an interest in access to further reports and investigations.

b) Council response;

We have included a number of images as part of our virtual public exhibition to give a flavour of the types of buildings and features of public realm we want to include on the site. At this stage there are no detailed designs - these will be shared at a later stage in the consultation process.

We understand the desire for CWR to be in keeping with the character of Winchester. The CWR SPD 'Objective 2 – Winchesterness' discusses this concept in detail and recommends 'local distinctiveness, in keeping with the historic context whilst providing for 21st century needs of residents, workers and visitors'. The work done to date is aligned to all elements of the CWR SPD guidance including 'Winchesterness'. Any development that comes forward will be required to directly address this objective and the Council fully

understands the need for the development to be aligned to the character and historic nature of the city. Further detail on this element can be found in the Public Spaces response.

JTP worked with the Council on the development of the CWR SPD which included comprehensive public consultation activity. JTP also undertook some high-level initial work to assess the viability of the CWR SPD, not as part of a master planning exercise. Initial output from the JTP work was that viability was very challenging and needed careful consideration. The WCC Project team and its advisors have built on the JTP work, while considering the guidance of the CWR SPD, to arrive at the mix of uses presented in the Development Proposal while ensuring a viable and deliverable scheme.

It is fundamental to delivery that we have a viable site and it is also the council's duty to seek best value for the land. The Council team and its advisors have been frequently looking at the viability of the development proposals and acknowledge that there are some uses that are not as financially viable as others which is why it is important to consider the site as a whole to enable the more profitable uses to cross subsidise the uses that drive less value.

The council understands that there may be concerns about the practical implications of the development coming forward in relation to potential noise, air and light pollution during construction. As the project progresses, detailed consideration will be given to all of the factors which may impact local residents or businesses during a construction period. Measures will be taken to keep disruption to a minimum however it is too soon for the Council to be able to provide any detail at this stage.

We have taken guidance from stakeholders, experts and community groups to formulate and initiate our planned approach to archaeology on the site. An Archaeology Advisory Panel was set up in autumn 2017 by Winchester City Council, comprising nationally-recognised archaeologists and local specialists. The Advisory Panel reported its findings in public in March 2018. National planning policy is to conserve heritage assets in situ. We are following a comprehensive process to investigate and understand the archaeology of the site. We are currently carrying out early stage work across the site that will help inform the progress of development in the best possible way - in line with national and local policy and outlined in detail in the CWR Archaeology Advisory report, which is available on our website. Updates on progress are also available on our website.

- 12.18 Analysis of feedback from the consultation process, including consideration of all themes identified (outlined in section above), has demonstrated a level of public support for key elements of the development proposals – in particular:
- a) Affordable housing

- b) Flexible workspaces
- c) Opening up the waterways
- d) Improved public realm

12.19 A full breakdown of every response received to each question grouped by theme, together with a response statement relating to each question, can be seen at appendix C and D and on the CWR pages of the council website.

Social Media activity

- 12.20 As outlined in section 6 of this report, a social media campaign was undertaken on Facebook, Twitter and Instagram as part of the consultation process.
- 12.21 We achieved 3371 post engagements on Facebook and Instagram, including reactions, comments and link clicks. Facebook comments totalled 41 and related to project timings (21%), consultation process and questions on involvement (55%), general comments on development proposals (18%), general comments on city centre (0.03%) and the bus station (0.03%).
- 12.22 Twitter polls achieved 166 votes and showed support for affordable housing (59.5%), independent retail (53.8%) and the creative and cultural space (59.5%).
- 12.23 Using social media enabled us to reach a younger demographic of the local population. Facebook and Instagram posts encouraging people to take part in the consultation reached 488, 189 people, 59% of whom were under 34 years old.
- 12.24 Of the 3,371 post engagements including likes, comments and link clicks, 67% were undertaken by people under 34 years old.
- 13 This has enabled us to balance feedback received from the more traditional methods of engagement associated with participation from an older demographic.

Integration with Vision for Winchester

- 13.1 The CWR development proposals also accord with findings of the Vision for Winchester (WTF293) which was approved by Winchester Town Forum on the 28th January 2021. Key messages that come from work carried out on the Vision are that people want things to happen and therefore collaboration and strong leadership are essential. The city needs to build resilient communities that can work together with the council to enable change that can encourage and accommodate emerging ideas and that can be prepared to flex with changing times, attitudes and technologies.

- 13.2 The CWR development proposals provide a mix of uses that will deliver space to live, work and play for young people, creatives and independent organisations to come together to build a community in the heart of the city.

Next steps

- 13.3 The council has collated and noted all comments received and has taken time to carefully consider all feedback received.
- 13.4 The response to the consultation was encouraging with over 300 respondents entering over 4,000 comments encompassing a wide range of views, comments and questions on the proposals. The council is committed to bring forward regeneration in the area and is pleased to see that there is general support for the development proposals.
- 13.5 Subjects attracting particular support are the provision of affordable housing for young and local people, creating the opportunity for local independent traders and businesses to take space on flexible terms in the heart of the city, the creation of a creative hub to bring vibrancy and creativity to the area and the provision of high quality public spaces for a range of uses for both residents and businesses alike.
- 13.6 Views on the approach to sustainability and reducing the carbon footprint were also largely supported, including the use of water and planting across the site and there are calls to exceed the current targets where possible.
- 13.7 There were however conflicting views within the consultation comments around movement with some respondents wanting no parking and less cars for example whilst others wanted the convenience of city centre parking and access. A balance therefore needs to be struck.
- 13.8 The provision for buses also attracted different views with some pleased to see that there would be a high quality on street provision in the centre of the area whilst others wanting to see a bus hub/interchange.
- 13.9 A key area for concern that was raised in the comments was around the proposed emerging delivery route of finding a single development partner across the site. Many who commented drew the comparison with the previous Silver Hill scheme which was also the subject of a development agreement with a single developer and aired views that if the council followed this same route, the same outcome would result. The other concern around this approach was that this would be inconsistent with the guidance in the CWR SPD and put the aspiration of different architectural styles being used across the area at risk.
- 13.10 There was an under representation of young people responding overall in the consultation. Respondents under the age of 35 accounted for 9.93% of the consultation responses, whilst those aged 65 and above, accounted for 41.39%. This is in contrast to the Winchester population where 41.80% is

aged 34 or under (24% aged between 15 and 34), and 21.00% are aged 65 or over.

- 13.11 Development of the CWR site is the perfect opportunity to bring about change and support the local economy and the council is fully committed to bring forward regeneration consistent with the guidance of the CWR SPD. The development proposals aim to address the gaps identified around young people and increasing the offer for visitors and, although there are concerns around movement and the delivery approach, are generally supported.
- 13.12 The council has now had time to carefully consider all comments received and is encouraged by the thoughts on and support given for the CWR development proposals. It has been noted that there are mixed views on movement, particularly around parking and buses, and that concern was expressed about the proposed delivery route of a single development partner.
- 13.13 These elements, together with other views summarised in this report, have been acknowledged and it is therefore proposed that the council proceeds as follows, considering the views expressed in the process:

Business case

- a) Complete the business case for CWR to inform the delivery of the development proposals, including commercial viability, affordability to the council and deliverability
- b) Finalise the route to deliver the medium/long term vision for the creative hub at Kings Walk
- c) Explore the options for delivering the interim on street bus solution along Friarsgate, Tanner Street and Silver Hill in more detail and finalise the preferred approach.

Kings Walk

- d) Finalise the route to procure and deliver short term improvements to the ground floor at Kings Walk and surrounding public realm.

Friarsgate Medical Centre

- e) Finalise the design for the interim public open space and take forward the planning application to demolish Friarsgate Medical Centre.

Additional work streams

- f) Continue to liaise with 3rd party landowners on the site to work with them with a view to bringing forward all sites in the CWR SPD area to ensure comprehensive regeneration.
- g) Explore options to secure external funding.

- h) Continue to develop communications and engagement plan
- i) Develop the project governance as work progresses to the next phase

- 13.14 By adopting the above approach, the council aims to build on progress already made on the CWR SPD site with the commencement and ongoing archaeology data collection and also the provision of young person and key worker property guardian opportunities at Coitbury House.
- 13.15 The council agreed in October 2020 to proceed with a proposal to grant a temporary licence to LOWE Property Guardians. The agreement would lead to LOWE occupying the building for 2 years to create temporary, flexible living space for between 15 and 20 property guardians. (DD17 refers). The rationale behind this approach was to bring activity and opportunities to the area consistent with the long term vision of the CWR SPD ahead of the wider development proposals, hence establishing a clear direction of travel for the area.
- 13.16 Planning permission was granted in January 2021 for the change of use and following completion of the licence with LOWE, works to enable occupation of the building are now complete. LOWE have a waiting list for those interested in taking up the opportunity to act as guardians in Coitbury House and are currently waiting for discharge of the planning condition around nitrate mitigation before guardians can take occupancy.

14 **Section 3: Business Case**

- 14.1 CWR is a priority for Winchester City Council and, as heard both through the CWR engagement and consultation period and in the development of the Vision for Winchester, the local residents and business community want to see progress.
- 14.2 Key to establishing the delivery route will be further work on and completion of the business case (BC). On major development schemes the council is guided, but not bound by, the Green Book approach outlined by HM Treasury in its approach to producing business cases around projects. In summary the Green Book outlines three stages. The purpose of a strategic outline business case is to establish the need for investment; to appraise the main options for service delivery; and to provide management with a recommended – or preferred – way forward, together with indicative costs, for further analysis at the next stage. Once the business case has been prepared and approved, the subsequent business cases will be completed for each key work stream. These will be guided by;
- a) Outline business case - to evidence the case for change and the preferred way forward identified in the SOC; establish the option(s) which optimises value for money; outline the deal and assess affordability; and demonstrate that the proposed scheme is deliverable

- b) Full business case - to evidence, prior to contract signature, that the most economically advantageous offer is being procured and that it is affordable. In addition, the FBC explains the fundamentals of the negotiated deal and demonstrates that the required outputs can be successfully achieved

Business case approach

- 14.3 The business case will state the case for progressing the CWR project and this is broken down in to the following categories;
- a) Strategic case
 - b) Economic case
 - c) Commercial case
 - d) Financial case
 - e) Management case
- 14.4 The BC will include narrative around the need for change, the options considered for the CWR development, the social and economic benefits of the CWR development proposals and, particularly in light of the consultation feedback, exploration of the list of options considered for delivery.
- 14.5 Work on preparing the BC is underway and will be brought back to Cabinet for approval in summer 2021. Key areas of consideration will be delivery options for Kings Walk and the interim bus solution within the wider CWR scheme.
- 14.6 The council is committed to delivery of the creative quarter at Kings Walk in line with the vision in the Turner Works/Worthwhile Works feasibility study. Considerable investment is required to enable this to happen and the council needs to be establish the best delivery approach.

Soft market testing

- 14.7 A soft market testing exercise has been carried out with a range of developers, both mixed use and residential, to understand the potential level of market appetite to bring forward the development of CWR. 12 developers were invited to meet and 11 took the opportunity to do so. The full findings can be found at appendix E, however certain key points are as follows:
- a) The quality of Winchester as a place creates market appetite although the relatively small scale of the opportunity for national developers might preclude some from bidding. Much would depend on the approach taken regarding disposal and/or delivery mechanism.
 - b) Developers were comfortable with the proposed mix of uses and agreed that successful delivery of the Kings Walk creative hub would be key to the development.

- c) Mixed use developers would ideally wish to bring forward the Kings Walk creative quarter themselves. Should Kings Walk be removed and/or the scale of the opportunity get any smaller this would likely diminish their level of interest in comparison to other available regeneration opportunities.
 - d) Residential developers were principally interested in the residential components with less appetite to deliver significant mixed use elements.
 - e) All developers were comfortable with the approach to net zero carbon but commented on the impact this may have on viability.
 - f) All developers were comfortable with a development agreement route to delivery but would require clarity on the process and council objectives.
- 14.8 A further soft market testing exercise is underway to explore options to bring forward the Kings Walk creative hub separately from the wider CWR scheme. This exercise is to inform understanding on the structure of possible contractual arrangements before any procurement exercise could be carried out. Another important factor is how delivery of this part of the CWR area would then be incorporated in to the wider CWR scheme and this needs to be considered as part of developing the BC.
- 14.9 Relocation of the bus station is crucial to allow development of the eastern side of the site. The CWR SPD envisages that a bus hub could be situated on part of Middle Brook Street car park but acknowledges that the Winchester Movement strategy will determine the options around this. The CWR SPD states that the solution, working towards creating a pedestrian and cycle friendly site, needs to be worked in consultation with the bus operators and Highway Authority to ensure high quality alternative provision.
- 14.10 The council has been working with Hampshire County Council and the bus operators for many months to work through the practicalities of relocating the bus station to Middle Brook Street car park and, in the interim to allow for the WMS studies to complete and understand the outcomes, how this can be phased.
- 14.11 Key considerations are;
- a) for the bus operators and HCC; keeping bus passenger access and foot fall to the heart of the city along Tanner St and Silver Hill and this is a particularly important element of the High Street recovery after COVID 19. Relocation to Middle Brook Street car park does not meet this requirement at this stage.
 - b) for the council; vacation of the current bus station to allow for development. If the bus station remains in situ until a bus hub on Middle Brook Street car park is workable as a result of changes made

through the WMS, it is not possible at this stage to know when the site will be available to market for development.

- c) for HCC; that there is sufficient capacity to allow for bus routes and capacity going forward so it is important that the bus operators are comfortable that any solution will provide this flexibility.

14.12 As a result, until more understanding of how a bus hub could work on Middle Brook Street car park, an interim on street solution has been agreed. This has been shared throughout the consultation as it meets the needs of the bus operators, and hence bus passengers, HCC and the council. Significant work has been done in order to agree the interim solution and next steps are to understand how it can be delivered and this is to be explored through development of the BC

15 **Section 4: Kings Walk**

15.1 An exciting and key element of the CWR development proposals is the provision of a creative hub in and around Kings Walk. The council carried out a feasibility study, conducted by Turner Works and Worthwhile Works, which was completed in August 2020 and formed part of the CWR consultation.

15.2 Feedback from the consultation via CitizenSpace and social media activity carried out during this period shows wide public support not only for this concept but also for the repurposing of the Kings Walk building. This is consistent with the objectives of the CWR SPD and works towards achieving the council's net zero carbon targets. In response, the council has been exploring the best way to deliver the vision set out in the feasibility study.

15.3 The medium/long term vision for the creative hub in line with the Kings Walk feasibility study will take time to come forward as it is important to get the right look and feel to the area together with the right balance of uses and activity. There are specialist operators experienced in this field and the council will be considering how best to ensure delivery of the creative hub as part of the BC work.

15.4 The council is keen to put a marker down to show how things will change when the medium/long term vision is delivered so is looking to bring about change to Kings Walk as soon as possible. By bringing forward improvements to and around Kings Walk, the council will also be supporting the city centre recovery as and when COVID 19 restrictions are lifted and has been working on proposals that can be implemented while work on the SOBC is completed and plans to deliver the vision for Kings Walk implemented.

15.5 Scoping work for short term improvements has been carried out together with an estimate of cost and timescales for delivery. The proposals include;

- a) Phase 1: Kings Walk ground floor and public realm

- i. Improvements to the front and rear entrances, the Kings Walk arcade and inner Courtyard through lighting and artwork
 - ii. Improvements to Silver Hill and Middle Brook Street including lighting and artwork
 - iii. Painting the Kings Walk shop fronts
 - iv. Greening of the Kings Walk area through green walls and planters
 - v. Budget required to carry out this work is £50k, the scope will be managed to remain within budget
 - vi. Subject to procurement requirements and COVID19 restrictions work could be started in Q1 21/22 and completed by the Autumn 2021
- b) Phase 2: Kings Walk loading bay on Tanner Street
- i. convert the loading area at Kings Walk into a small event space to allow for pop up activities when the current COVID 19 situation allows. This could be pop up events, food and beverage outlets, art exhibitions, street theatre etc.
 - ii. Works needed have not been specified but the concept will be aligned with the turner works feasibility study utilising the generous ceiling height and large opening towards the street as key feature to facilitate events as listed above
 - iii. The bin store serving Kings Walk and some High Street retailers is located in the loading bay and the cost of relocating this to an alternative location will be met from existing maintenance budgets.
 - iv. Initial cost estimates to complete the work to the loading bay is £50k plus the cost of relocating the bin store. Work is underway to scope out and cost this.
 - v. Detailed design proposals will be prepared in conjunction with work on the ground floor and public realm improvements and work could commence, subject to current COVID restrictions, in summer/autumn 2021.
- c) Phase 3: improvement of Kings Walk connectivity to the High Street
- i. Improve visibility of Kings Walk and its connectivity with the High Street.

- ii. This could include opening up the façade of Kings Walk along Silver Hill and highlighting the route to and from Kings Walk along Middle Brook Street and Cross Keys Passage.
 - iii. Further work needs to be done on this phase with regard to works but an allocation has been made in the capital budget to allow for improvements to be carried out.
 - iv. Detailed proposals can be prepared post cabinet approval in March/April/May, for tendering in June/July/August for work to start subject to planning late 2021
- 15.6 By carrying out the works above, Kings Walk and the surrounding area will start the transformation towards the longer term vision for the creative hub and bring much needed and called for visible activity and change to the area.
- 15.7 In order to deliver the 3 phases outlined above, approval to incur expenditure up to the allocated budget of £200k is sought.
- 15.8 It should be recognised that, in addition to the improvement works outlined above, a condition report, together with an intrusive structural survey, is being carried out on the building following recent incidents of flooding to the ground floor retail units. There have been 3 separate incidents in the last 12 months, most recently in December 2020 and then again in January 2021. It is likely that further expenditure will be required to resolve the issues identified by the survey to enable the existing ground floor tenants to remain in situ but at this stage, it is not known what this figure will be.
- 15.9 The condition report and intrusive survey will also highlight work that will need to be done to ensure the building will be fit for purpose for the next 10 to 15 years so that, together with the data gathered from the initial structural survey carried out in 2019, the full cost of refurbishing the building can be factored in to the medium/long term plans.
- 15.10 Once the condition survey has identified remedial work needed as a matter of urgency, a co-ordinated programme will be established which includes both the essential repair work and the short term improvement works. It is therefore important to note that the expenditure to carry out the short term improvements will be incurred only when the full extent of the remedial works is known.
- 15.11 Once the physical improvements have been carried out, the space can be managed to bring forward activity and greater foot fall to Kings Walk. This will create a sense of optimism and confidence in the local community and work to support the High Street recovery following the COVID 19 pandemic.

- 16 **Section 5: Friarsgate Medical Centre and interim public open space**
- 16.1 The council is looking to build momentum around bringing change to the CWR SPD area by implementing short term interventions across the site and pave the way for the long term development to come forward.
- 16.2 Work has been carried out to explore the option of demolishing Friarsgate Medical Centre at the north east corner of the CWR site. Friarsgate Medical Centre has been vacant for many years and has fallen in to a state of disrepair. The council purchased the site in Dec 2018 with a view to securing control of this part of the CWR SPD area. The site is currently secured and hoarded off for safety reasons. It is however the subject of regular vandalism and ongoing issues with maintenance. The short term proposal comprises 2 phases, the first is to secure planning permission to demolish the building and the second is to provide some interim public open space in its place.
- 16.3 The CWR SPD envisages residential development and public open space in this area in the longer term, together with provision of access to the water ways, so demolition of the buildings currently on site will be in preparation for future development.
- 16.4 The CWR area sits within a conservation area so planning permission is needed as outlined in the Town and Country Planning Act 1990. A full planning application is required which outlines the plans for demolition of the existing buildings and includes details of what will be provided on the vacant site.
- 16.5 A preliminary cost estimate of £250k has been obtained for phase 1 (demolition) to demolish the building down to ground floor slab (to be ratified by subsequent tender action). This will enhance the visual aspect of this portion of the site and minimise the council's outgoings on the existing buildings. This will keep costs to a minimum at this stage but allow for delivery of open space that will not only transform the site but also give an indication of what is to come.
- 16.6 The council is working with JLL on the CWR development proposals and will also work with them to develop concept designs for phase 2 (the interim open space) to ensure that the designs fit with the long term proposals for the area.
- 16.7 The cost of design and delivery of appropriate proposals is £250k which includes a £40k contingency for any unforeseen requirements with regards to the watercourse which passes directly through the site.
- 16.8 The provision of interim open space also allows for testing out of different ideas with regard to public art, use of open spaces, street furniture etc. ahead of the long term detailed plans.
- 16.9 Anticipated time scales are;
- a) Mar 2021 Cabinet approval to proceed as outlined above

- b) Apr/May 2021 Planning application and permission
- c) Feb-Jun 2021 Procurement of demolition contractor
- d) July-Sept 2021 Demolition of FGMC to ground floor slab
- e) Oct-Dec 2021 Create interim public open space in line with long term CWR development proposals

16.10 In order to progress with the work outlined above, approval to incur expenditure up to the approved budget of £500k is sought.

16.11 **Section 6: Funding opportunities**

16.12 Viability is one of the key challenges associated with bringing forward the comprehensive regeneration of the CWR area in phases and with different delivery partners across the site.

16.13 The CWR SPD outlines the vision and objectives for the site and gives guidance on quantum of uses, heights, massing and quality of design and public realm. Getting the balance right when moving from planning guidance to proposals that can be realised on the ground is crucial.

16.14 The CWR development proposals have been developed in line with the CWR SPD and were generally supported throughout the consultation and the council is committed to securing delivery of a vibrant, mixed use scheme.

16.15 Viability is one of the key challenges that needs to be addressed and remains challenging when looking to deliver comprehensive mixed use regeneration across the site. Different uses bring different levels of financial return and risk so it is important to understand how key elements of the scheme such as delivery of the creative hub, relocation of the bus station, provision of exceptional public realm and the opening up the waterways can be provided for.

16.16 In order to support delivery, the council will therefore seek external funding where possible with regard to;

- a) EM3 LEP: liaising and preparing bids where appropriate to submit when funding streams/grants become available. This is mainly around commercial elements such as work/maker spaces and potentially transport infrastructure through Growth Funding. This may also include liaising and collaborating with colleagues at HCC with regard to access to funding streams around wider city regeneration projects and the WMS.
- b) Community Infrastructure Levy (CIL): the council has funding available through the CIL funding mechanism and will therefore look at the

general strategic approach to allocation of this fund across a range of projects. Elements of the CWR scheme that could benefit from CIL funding are:

- i. Short term public realm improvements around Kings Walk
 - ii. Long term public realm improvements across the whole area, including lower High Street and Broadway
 - iii. Funding of the on street bus provision and associated public realm, including highway works and infrastructure provision
- c) Homes England: liaising and preparing bids where appropriate to submit when funding streams/grants become available around affordable housing in particular.

16.17 There may be other funding opportunities from other sources as the project moves forward and the council will continue work with stakeholders and partners to identify these and utilise where possible.

17 **Section 7: Project governance arrangements**

17.1 The Programme and Capital Strategy Board (PAC) is a senior officer governance body with a clear remit to provide strategic overview of the Council's portfolio of projects and to be the advisory body on the Council's Capital Strategy. The role of the Board, which is chaired by the Chief Executive, is as follows:

- a) To scrutinise Business Justification Cases for new projects and approve them to next the stage or decline as appropriate
- b) To frequently review progress on Tier 1 and 2 projects via highlight reports and hold project owners to account to ensure effective and efficient delivery
- c) To review progress of Tier 3 and 4 projects via a monthly monitoring report
- d) To consider issues of strategy/priority, resources, risks, equality, project interdependencies and funding for major projects and capital programme schemes
- e) To receive and assess post-project reviews for all projects
- f) To consider whether a project is suitable in a post-COVID 19 environment
- g) To enhance cross-service collaboration between directorates and to implement a consistent corporate approach to project management

- h) To review the quarterly Performance Panel report
- 17.2 CWR is a Tier 1 project and therefore subject to the highest levels of scrutiny by the PAC Board. Furthermore this Tier 1 project has:
- a) A dedicated project lead and sponsor
 - b) Associated delivery team drawing from both internal and external specialisms applicable to a project of this size
 - c) A project board with operational responsibility for the project including the regular review of the risk register
 - d) An engagement and communications plan is in place to ensure communities of interest and stakeholders are involved as appropriate
- 17.3 As this project moves to procurement and development phases it is proposed to add a Reference Group to these established arrangements. This would be a cross party group that will act as a sounding board, drawing on external experts as necessary and required to provide specialist advice and guidance to inform decision making process.

18 OTHER OPTIONS CONSIDERED AND REJECTED

18.1 **Not to approve the CWR development proposals**

- 18.2 The development proposals have been crafted to be consistent with the CWR SPD guidance and to address some of the gaps in the local economy to help support and build a strong and resilient economy. The proposals incorporate public views on the mix of uses and the desire to see a comprehensive development with exceptional public realm and imaginative re-use of existing buildings together with views from the development market. The proposals have been tested with regard to deliverability and viability and, although there are challenges to consider as the scheme progresses, the scheme could be delivered as proposed.
- 18.3 If the proposals were not approved and progressed, there would be further delay and uncertainty leading to further decline in the area. The public and the development market would lose confidence in the council's abilities to deliver regeneration making it harder in the future to progress. The council has invested to secure land in the area and acknowledges that it can play a key role in bringing the change the area deserves. The impact of COVID on the High Street and local economy has also been considered and moving forward with the development proposals will support recovery as the current situation eases.
- 18.4 For these reasons, this option has been rejected.

18.5 Not to continue and complete the business case

18.6 The council is guided by the methodology outlined in the HM Treasury Green Book approach to bringing forward projects and in order for the council to make an informed decision on how to deliver regeneration in the area, the business case needs to be completed. The BC will state the case for change, identify the key measures of success and explore options for delivery.

18.7 The option to not complete the BC has therefore been rejected

18.8 Not progress the short term works to Kings Walk ahead of delivery of the longer term plans.

18.9 The reason for progressing at pace with the short term works is to bring improvements to the area as quickly as possible to bring a level of expectation and confidence in the local community and wider market. The changes will act as a test for the longer term vision for Kings Walk and start to bring activity to the area to pave the way whilst reducing the decline and working to combat the incidents of antisocial behaviour.

18.10 For this reason, the option not to progress the short term works has been discounted.

18.11 Not to progress with the planning application to demolish Friarsgate Medical Centre.

18.12 Friarsgate Medical Centre has been vacant for some time and is now falling into disrepair. Due to uncertainty around development in the CWR SPD area, the council approach has been minimal expenditure on maintenance whilst continuing to incur regular costs for business rates and security. The building has been vandalised on several occasions and the costs of keeping it structurally sound are increasing.

18.13 In the long term, Friarsgate Medical Centre will be demolished to make way for development so the option to demolish the building at this stage and provide some open space, as a flavour of how the site will evolve over time, will transform and enhance the north east corner of the site sooner rather than later. The space provided could be used for events, activities and community purposes and also be used to try different street furniture, materials and landscaping ideas which could then be used more widely across the site.

18.14 For these reasons, the option not to progress the planning application has been rejected.

18.15 Not to seek external funding opportunities

18.16 The CWR development proposals aim to deliver the vibrant, mixed use scheme envisaged within the CWR SPD guidance and extensive work has been done in relation to viability of the proposals. The cost of providing the mix of uses within the range or parameters set out in the CWR SPD and high

quality design and materials is high and without external funding, compromises might need to be considered that would seem unacceptable to the market and public.

18.17 For this reason, the option not to seek external funding opportunities has been rejected.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3034 Central Winchester – Adoption of SPD - June 2018

DD17 Cabinet Member for Housing and Asset Management Decision Day CWR Project Update – 12 October 2020

CAB3271 CWR Development Proposals - November 2020

Other Background Documents:-

Available on the WCC website:

CWR SPD

Competitive positioning report

Road map review

Draft CWR bus provision study

Kings Walk feasibility study

APPENDICES:

Appendix A: CWR Draft Development Proposals

Appendix B: CWR FGMC Financial Appraisal

Appendix C: Consultation Feedback - Key Themes

Appendix D: Council Responses

Appendix E: CWR Soft Market Testing Report

Appendix F: CWR Risk Register