

REPORT TITLE: STATION APPROACH – UPDATE REPORT

12 JULY 2018

REPORT OF PORTFOLIO HOLDER: ESTATES – CLLR STEVE MILLER

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PURPOSE

The Council's ambition is to progress the Station Approach scheme, and this report includes a request to develop a design for public realm, focussing on proposals in Station Hill and Station Road and to enable the Council to take a business case to the M3 Local Economic Partnership (LEP) for £5m of funding.

The report sets out the procurement strategy to progress key priorities in the Public Realm Strategy which was considered at CAB3021(SA) on 27 February 2018. In order to take this work forward proposals in the Strategy will need to go through a design process and it is proposed to extend the current contract with Lifschutz Davidson Sandilands to undertake the design work.

In addition, a technical role to bring engineering, technical design and specification work, tendering, contract and construction management and advice to help with seeking approvals being granted by HCC, as Highway Authority, is needed. It is proposed that this role be undertaken by HCC Design and Engineering Services consultancy. The report sets out why this is important in progressing the application to the Enterprise M3 LEP for a £5 million grant and to support the further progression of the Carfax site, on which an update is given.

RECOMMENDATIONS:

1. That Cabinet (Station Approach) Committee agree to progress the public realm strategy by commissioning Lifschutz Davidson Sandilands and Hampshire County Council Design Engineering Services to undertake the necessary design work to support the Carfax site by taking forward projects focussing on the area of Station Hill and Station Road.
2. That Cabinet (Station Approach) Committee agree to extend the existing contract with Lifschutz Davidson Sandilands (LDS) to authorise them to undertake the design work on the public realm strategy as set out in this report and agree the Brief.
3. That delegated authority be given to the Head of Programme in consultation with the Portfolio Holder for Estates to agree the procurement process for the technical design services and to agree terms within an existing Joint Working Agreement framework with the County Council to facilitate this.
4. That delegated authority be given to the Head of Programme for Station Approach in consultation with the Portfolio Holder for Estates to submit to the Enterprise M3 Local Enterprise Partnership (the LEP) the Business Case to request the release of £5 million funding currently earmarked for the public realm to support the development of the Carfax site.
5. That Cabinet (Station Approach) Committee approve a revenue budget of £225,000 in order to progress the public realm strategy to the design stage prior to obtaining final LEP approval.
6. That the project plan for the Public Realm proposals at Station Approach is agreed.
7. That the engagement report in relation to public consultation held in March 2018 be noted and endorsed.
8. That the update on the Carfax development scheme be noted.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 The Station Approach regeneration scheme is a key activity in the Council Strategy to facilitate and support the development of two strategically important sites in the City, and work with partners to deliver employment and other regenerative opportunities, including housing. The project has a clear purpose which is to ensure that Winchester remains a vibrant centre of employment which provides an enhanced economic base for the city.
- 1.2 This regeneration scheme can provide a significant number of high value private sector jobs brought to Winchester through the provision of Grade-A office space, while also creating a gateway site into Winchester through new build regeneration and public realm. The regeneration initiative can also provide city centre residential units in a highly sustainable location close to a transport hub.
- 1.3 The project brief sets out the specific list of project deliverables which includes:
 - a) The provision of approximately 13,000 sq m (140,000 sq ft) new office floor space to create and retain high quality private sector jobs in central Winchester.
 - b) The enhancement of the public realm to include the identification of specific improvements to the existing network of highways and informal routes (within the financial parameters defined in the Brief) so as to reduce the impact of necessary vehicle movement on the area and improve connectivity for pedestrians and cyclists.
 - c) Improvement of the quality and location of public parking provision in accordance with the parking strategy.
 - d) Provide a housing element in order to meet need and to help make the project viable, also bringing greater life and vitality to the area.
 - e) A rental income and/or a capital receipt for the City Council.

2 FINANCIAL IMPLICATIONS

- 2.1 Full Council resolved at their meeting on 02 November 2016 (CAB2852 Station Approach – Procurement Process Update) that a revenue budget provision of £1.5 million be made for the commissioning of the necessary design work and other professional services to progress work on Station Approach, incorporating the development of the Carfax site and preparation of a public realm strategy.
- 2.2 For the progression of the public realm proposals for Station Approach, a revenue budget of £225,000 is requested in order to undertake the necessary

design work to take this forward and enable the submission of a business case to the LEP in October 2018. If accepted by the LEP, this will secure a £5 million LEP grant for Public Realm works to support the economic regeneration and job creation provided by the Carfax development; the LEP will make a decision on the business case for the bid and this is expected to be in March 2019. The Council needs to demonstrate to the LEP that the Grant will be spent by March 2021, so in order to progress the work within the required timeline and in line with the Carfax development, it is proposed that the Council instruct the LDS led Design Team and HCC Design & Engineering Services consultancy team (DES) to proceed in advance of the funding having been received. It should be noted that a smaller sum than the total sought (say £150-200k) could be spent before the LEP decision is made. In the unlikely event that the LEP decision is *not* to grant the £5m funding, the design work undertaken would still be of value, with another funding source being sought to implement the designed public realm works.

- 2.3 This outlay would not be recouped through the LEP bid, but would allow the Council to continue to seek the £5 million grant and demonstrate to the LEP the Council's commitment to progress the public realm design work in parallel with that for Carfax and thereby support the application for the £5 million LEP grant.
- 2.4 The maximum budget that Cabinet (Station Approach) Committee can approve is £250,000. It is anticipated that expenditure to keep to the programme imposed by the need to spend the LEP grant by March 2021 may be up to £225,000, and agreement to this budget will enable the public realm work, and ultimately delivery, to meet this programme.
- 2.5 This budget request is in addition to potential work to be undertaken to progress the delivery of the Carfax development in terms of legal and delivery partner costs which will be taken to a future Cabinet (Station Approach) Committee meeting.
- 2.6 Details of roles for delivering the public realm design are given in the next section.

3 LEGAL AND PROCUREMENT IMPLICATIONS

Public Realm Strategy

- 3.1 The Council appointed a design team led by Lifschutz Davidson Sandilands (LDS) through an EU compliant procurement process to develop the framework and design for the Station Approach project. In the current project stage (RIBA Stage 2) the design team has been commissioned to develop a strategy for the public realm, a masterplan framework setting out the disposition of uses across the two sites in the Council's ownership, and a concept design for the Carfax site.
- 3.2 Under the existing contract with LDS, at the end of RIBA Stage 2, and each subsequent RIBA Stage, the Council have a gateway at which point they can

decide whether to instruct the Design Team to continue with the next stage of the design process. The first gateway is at the end of RIBA Stage 2 and the outline business case which will be taken to a future Cabinet (Station Approach) Committee meeting. The gateways for the Council provided for in the contract are summarised below:

Project Stage	Gateway Cabinet (SA) Committee Approval	Expected timescales
RIBA Stage 2 – Concept Designs and Outline Business Case	Approval of RIBA Stage 2 and agreement to proceed to RIBA Stage 3	October 2018
RIBA Stage 3 - Development of Design to planning application	Approval of RIBA Stage 3 and agreement to proceed to RIBA Stage 4	March 2019
RIBA Stage 4 – Technical Design and full Business Case	Approval of RIBA Stage 4 and agreement to proceed to RIBA Stage 5	September 2019
RIBA Stage 5 - Construction		April 2020

- 3.3 There is no commitment on the part of the Council to develop a scheme for the Carfax site at this point, and decisions on delivery options can be made at the appropriate gateway. The Public Realm Strategy (the Strategy) was considered by Cabinet (Station Approach) Committee CAB3021(SA) on 27 February 2018; this specified the key project areas incorporating Station Hill and Station Road. The Strategy was exhibited to the public in March 2018. This Strategy includes numerous proposals to improve the public realm within the Station Approach Project Area, and received widespread support.
- 3.4 In order to ensure the design continuity with the Strategy and the design work on the Carfax site, the Council is looking to extend the role of the LDS led design team to progress the design for the public realm within Station Hill/Station Road.
- 3.5 Under the additional services section set out in the existing contract, the Council may instruct LDS to develop public realm improvements across the Station Approach area.
- 3.6 Legal advice has confirmed that extending the existing contract to cover the additional work now required is permissible and complies with Regulation 72 of the Public Contracts Regulations 2015.
- 3.7 Delegated authority is therefore sought for the Head of Programme for Station Approach in consultation with the Portfolio Holder for Estates to extend the

- existing contract with Lifschutz Davidson Sandilands (LDS) to authorise them to undertake the public realm design work as set out in this report. In addition to commissioning LDS, the Council are pursuing using Hampshire County Council Design Engineering Services (HCC DES) under an existing framework for a Joint Working Agreement and/or whether there are appropriate frameworks for the Council to call off contracts for the necessary technical design services to work alongside the LDS design team.
- 3.8 LDS, and their landscape architect (BHSLA) for the Carfax proposal would prepare the RIBA Stage 1-3 public realm design (i.e. Brief definition, Concept and Developed Design), with HCC DES working alongside the LDS team from the very start to ensure as streamlined an approach as possible to assist with, ultimately, securing necessary approvals from HCC (and Network Rail as the other key landowner) within the highway area.
- 3.9 At Stage 4 (Technical Design), the roles would 'switch' with HCC DES taking a lead in technical design/specification, oversight of contract preparation/tendering and ultimately on-site construction management (Stage 5) and eventual Handover/Close out (Stage 6), with LDS retaining a design overview role throughout to ensure that scheme objectives and quality are maintained, and to assist with interfaces with the co-located Carfax development.
- 3.10 The legality of entering into a contractual relationship with HCC DES was tested with Counsel. A telephone conference was held on 26 June and confirmed in written Advice received on 3 July 2018. The Advice confirms that there is a good argument for the Council to rely on Regulation 12(7) of the Public Contracts Regulations 2015, the relevant Regulatory instrument for this area of procurement. This process would enable public realm design objectives in the public interest to be met, and secures value for money in the efficient way the project will proceed.
- 3.11 The advice confirmed the 3 limbed test for whether a contract complies with Regulation 12 (7). The first limb, relating to Public realm works at Station Approach, confirms they are likely to be deemed by the Court to be a public service. Whilst a counter argument does exist, in part due to legal uncertainty in this limb, Counsel confirmed the argument that the City Council would rely on, were it to be challenged, was good.
- 3.12 Counsel confirmed there is no issue with the second limb with regard to public interest provided HCC DES did not sub-contract. Sub-contracting is not the intention and can be ensured in the contractual documentation with HCC DES.
- 3.13 The final limb, in regard to the % of turnover performed on the open market Counsel advises that the City Council need to ensure that less than 20% of the activities of HCC DES be performed on the open market. Confirmation has now been received from the Commercial Contracts and Procurement team at the County Council that HCC would not perform 20% or more of the services provided under the joint working arrangement on the open market.

This will be reviewed and endorsed by the Finance team prior to entering into a contractual relationship.

- 3.14 Delegated authority is requested for the Head of Programme in consultation with the Portfolio Holder for Estates to agree the procurement process for the technical design services and to agree terms and enter into a joint working agreement with the County Council to facilitate this appointment.

4 WORKFORCE IMPLICATIONS

- 4.1 Specialist resources are needed for the design and technical work to take forward projects in the Public Realm Strategy which will be supported by the LEP funding. These resource requirements are set out in sections 2 and 3 of this report, with the project office supporting this project as a whole.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The progression of the public realm strategy may impact on existing public car parking and some areas of leased car parking in conjunction with the Carfax development which will need to be carefully managed as part of the overall car parking strategy within the scheme.
- 5.2 The Council is still in discussion with a number of different organisations that remain interested in taking a lease for office accommodation, and the Council continues to receive enquiries about the availability of office space in the city which currently cannot be fulfilled. As the design development progresses the Design Team will meet prospective tenants to ensure that the accommodation is designed flexibly and is able to meet a range of potential requirements.

6 CONSULTATION AND COMMUNICATION

- 6.1 Stakeholders and interest groups have been engaged throughout the course of this stage of the project, regarding both the Carfax development and, in outline schematic form, the adjacent public realm.
- 6.2 Stakeholder events and meetings held to date in phase 1 of the project (to end of RIBA Stage 2 (concept design) include (non exhaustive list):
- a) Stakeholder workshops in November 2017 and March 2018
 - b) Open drop-in exhibitions at the Hampshire Records Office, New Alresford and Bishops Waltham in March 2018
 - c) Advisory Panel meetings in February and May 2018
 - d) All Members Briefing in February 2018
 - e) Monthly meetings with Hampshire County Estates since January 2018
 - f) Regular meetings on highway, public realm and design matters with HCC since September 2017

- g) Regular updates with the Enterprise M3 LEP and the BID/Hampshire Chamber of Commerce
- 6.3 Representatives from the LEP and County Council are closely involved in the development of the scheme in order to inform the future business case proposal to secure funding for highways and public realm works.
- 6.4 If approved by Cabinet (Station Approach) Committee, further engagement on the emerging concept design (Stage 2) will then follow later in 2018, to feed into the RIBA Stage 3 design (developed design).
- 6.5 An engagement report was produced by the Design Team sub-contractor Icení on the engagement events in March 2018 and Cabinet (Station Approach) Committee are requested to note and endorse this report set out in Appendix 1.
- 6.6 Engagement will continue throughout the design process as each phase of the project is taken forward. Broadsheets will be published as a useful way of sharing progress.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The project brief identifies that the project should contribute towards the Council's objectives to build a low carbon economy. The BREEAM method of assessing the building design and impacts will be used to measure and test the designs as they evolve.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 None required at this time. The public realm design work will need to consider accessibility and as designs progress, relevant stakeholders/advisors will be consulted.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required

10 RISK MANAGEMENT

- 10.1 A project risk register is maintained by the project manager and reviewed and updated regularly by the project team. Key risks for this project stage are set out in Appendix 2 and include risks regarding entering into a contract with HCC DES, the LEP bid of £5 million if there are delays to the approval of the Business Case, and the design process, and work with stakeholders who own third party land which result in not being able to meet the required spend programme, for example in delays to approvals by third party landowners and HCC as Highway Authority coming forward in a timely manner.
- 10.2 The scope of the project is set out in the brief used in the procurement and the tender received from LDS. The programme was agreed by Cabinet

(Station Approach) Committee at their meeting on 28 November 2017 (CAB3001(SA)) and the risk register in Appendix 2 includes the risk that changes to the agreed programme could incur additional fees under the contract.

11 SUPPORTING INFORMATION:

Background

11.1 Winchester City Council commissioned Lifschutz Davidson Sandilands (LDS) as the design team for Station Approach in September 2017 following a Cabinet (Station Approach) Committee decision in August 2017. The procurement of LDS was based on a brief agreed in March 2017 to provide new Grade-A office space through a mixed-use development. Three areas of work formed the first stage of the project, to produce:

- a) Public Realm Strategy for the Station Approach.
- b) Masterplan Framework for the disposition of uses across the two sites in the Council's ownership (known as the Cattlemarket and Carfax sites).
- c) Concept design for Carfax site.

11.2 The Public Realm Strategy and Masterplan Framework were approved at Cabinet (Station Approach) Committee CAB3021(SA) on 27 February 2018, and exhibitions of these were held in March 2018 as set out in Section 6 of this report.

11.3 The Masterplan Framework established the approach of B1 office accommodation on the Carfax site which, being close to the station, suitably facilitates the provision of Grade A offices, and residential development on the Cattlemarket site. As set out in the scope for the design work ([Cabinet 2864 20 March 2017](#)), the design work for the Cattlemarket will not be progressed further at this stage, and no decision has been made on when or how this site will be taken forward further.

Update on Carfax Site

11.4 The RIBA stage 2 concept design, and technical issues relating to access in particular, for the Carfax site are being finalised and build on the approach set out in the Masterplan Framework and the feedback from the public engagement held in March 2018. An outline business case to support this design stage is being developed for the concept design with a view to reporting back to a future Cabinet Committee meeting to request progression to RIBA stage 3.

11.5 The design work on the Carfax site is closely linked to the Public Realm design work. The design for Carfax will be enhanced by a high quality public

realm which will also provide wider benefits for the local community and commuters.

- 11.6 Members are asked to note this update on the Carfax element of the Station Approach proposals.

Public Realm Strategy

- 11.7 As set out earlier in this report, securing a high quality public realm across the Station Approach area is an important objective of the project, and represents an opportunity to set a new standard linking into the work on the wider Winchester Movement Strategy. Firstly, the Council wishes to ensure that the quality of the public realm makes a positive statement about the city itself on arrival via the station, and by all transport modes via adjoining roads, and the key Andover Road corridor. This will also create a new focus comprising the public realm, and anticipated Carfax development as a new 'hub' within the city, enabling both formal and informal events and activity, and providing the new setting for the Carfax development. Secondly, provide improved walking and cycling routes within the public realm to key destinations such as the University and Hospital and city centre, improve the links with new development to the north, improving convenience and safety and encouraging non-car journeys.
- 11.8 The broad objectives for the public realm strategy are therefore to repair and enhance the public realm and public transport facilities in the station area, and to improve pedestrian, cyclist and traffic flows around the site, particularly at the Carfax junction. The brief given to the design team included the production of a public realm strategy (the Strategy) to address these objectives. The project plan to implement these works is included in Appendix 3 of this report and Cabinet (Station Approach) Committee are requested to agree this plan.
- 11.9 The Strategy includes many proposals for improvements to the wider Station Approach area. The Council has applied to the Enterprise M3 LEP for a grant of £5 million towards public realm improvements to support the development of the Carfax site. This is a pre-requisite for the LEP accepting the bid. The business case must demonstrate how the public realm proposals will support the Carfax development and the creation of new jobs and improvements to employment prospects in the City. The proposals from the Strategy that the Council will take forward through a design process will therefore focus on the area of Station Hill and Station Approach. This is the area of most impact which will support the development of the Carfax site and the creation of new employment opportunities, and were identified as key project areas in the Public Realm Strategy.
- 11.10 Other projects set out in the Strategy may be taken forward through separate initiatives, for example, they could be considered through other funding opportunities such as the Community Infrastructure Levy (CIL) contributions the Council pass on to the County Council and to the Winchester Town Forum

to support projects to provide, improve, replace, operate or maintain infrastructure to address the demands that development places on an area.

- 11.11 A large proportion of the public realm proposals are on third party land owned by Network Rail (significant areas of which are leased to the franchise holder South Western Railway) and by Hampshire County Council as highway land. Close working and agreements with these landowners, but also the County Council as the Highway Authority will be required to take these projects forward. However, with the possibility of the £5 million LEP money which would be available for this work, and the benefits this work will bring for the local businesses and community as well as the Council for the Carfax site, there are significant incentives to work together to improve the public realm in the area. The project team at the Council have been in regular discussions with these landowners to discuss the proposals.
- 11.12 The recommended option is to therefore agree to extend the contract with LDS to lead a design process, with HCC DES as part of the team, to develop the proposals for the public realm to support development of the Carfax site which would allow an integrated approach for the two initiatives. This recommendation would require the agreement for a revenue budget as set out in section 2 of this report.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 Different procurement routes to implement the overall Public Realm Strategy (the Strategy) have been considered. Due to the scale of the overall design work required, the costs are likely to exceed the EU procurement threshold. The option is therefore to use an EU procurement process and invite submissions of Standard Selection Questionnaires based on an agreed brief and subsequent invitation to tender and assessments for the whole Strategy implementation.
- 12.2 This approach has not been recommended because at this stage WCC seeks to implement key selected priorities from the overall Strategy. In addition, due to programme and development/public realm interface needs, the advantages and ability to retain the services of the Lifschutz Davidson Sandilands design team are important to:
- a) build on the experience and local knowledge developed by the team through the production of the original Strategy;
 - b) for the design to be well integrated with that of the Carfax site which will be taken forward in parallel with the public realm work;
 - c) to ensure timely progression and a streamlined process to work on the design and delivery of projects to be able to keep the opportunity to secure the Enterprise M3 LEP £5 million bid and spend within the required timeframe (March 2021).

BACKGROUND DOCUMENTS:-Previous Committee Reports:-

CAB3021(SA)	Station Approach - Public Realm Strategy and Masterplan Framework	27 February 2018
CAB3001(SA)	Station Approach – Update	28 November 2017
CAB2959(SA)	Station Approach – Appointment of Design Team	14 August 2017
CAB2864	Station Approach – RIBA Plan of Works Stages Documentation	20 March 2017
OS157	Station Approach – End Stage review report for the competitive dialogue process	30 November 2016
CAB2852	Station Approach - Procurement Process Update	17 October 2016
CAB2829	Station Approach - The Way Forward	7 September 2016

Other Background Documents:-

The Public Realm Strategy was published in February 2018 and can be viewed using the following link: [Station Approach Public Realm Strategy February 2018](#)

APPENDICES:

Appendix 1: Public Engagement Report

Appendix 2: Key risks for current project stage

Appendix 3: Station Approach Outline Public Realm Project Plan