

Public Document Pack

THE SCRUTINY COMMITTEE

Monday, 6 December 2021

Attendance:

Councillors
Brook (Chairperson)

Lumby
Becker
Cook
Craske
Ferguson

Horrill
Power
Weir
Williams

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

1. **APOLOGIES AND DEPUTY MEMBERS**

None.

2. **DECLARATIONS OF INTERESTS**

Councillor Lumby declared a non-pecuniary interest concerning items upon the agenda that may be related to his role as a County Councillor. He also advised that he acted as a consultant within the regeneration group of a Southampton based firm of solicitors and that he was a First Tier Tribunal Property Chamber Judge.

3. **MINUTES OF THE MEETING OF THE 15TH NOVEMBER 2021**

RESOLVED:

That the minutes of the previous meeting held on 15 November 2021 be approved and adopted.

4. **PUBLIC PARTICIPATION**

Mr Gottlieb addressed the meeting regarding the agenda item: "Central Winchester Regeneration – Outline Business Case". Mr Gottlieb questioned the overall direction taken by the council on this project. He felt that the strategy was overly complex, putting off potential developers and failing to generate effective competition which in turn would mean the public only being presented with a single option. In summary, Mr Gottlieb considered the strategy would generate a poor financial outcome for the council and a poor development outcome for residents. At the Chairperson's discretion, members asked several questions of Mr Gottlieb regarding his concerns of the archaeology and developer competition elements of the proposal.

Mr Baker spoke on behalf of the City of Winchester Trust regarding the agenda item: "Central Winchester Regeneration – Outline Business Case". Mr Baker referred to a letter that had been sent from the Chairman of the City of Winchester Trust to scrutiny committee members, dated 1 December 2021. Mr Baker advised that the Trust considered that several issues remained

unresolved, and he cited the following as examples; archaeology, the movement strategy, the use of land on other city-centre sites, the type and tenure of housing, the type, and size of cultural buildings required, car parking, the use of The Broadway and the use of the Middlebrook site. He advised that details of these concerns and others were contained in the letter and that when resolved should be embedded within an adopted master plan. Mr Baker urged members to pause, reflect and reconsider before embarking on the procurement exercise. At the Chairperson's discretion, members asked Mr Baker for further details regarding his proposal for a master plan for the central Winchester area.

It was noted that the Cabinet Member for Housing and Asset Management had not received the letter from the City of Winchester Trust.

These points were responded to by the Head of Programme, Central Winchester Regeneration as part of her introduction to the report.

5. **CENTRAL WINCHESTER REGENERATION (CWR) OUTLINE BUSINESS CASE**

Scrutiny report reference SC058

Cabinet report reference CAB3322

The Head of Programme, Central Winchester Regeneration introduced the report and provided members with a presentation that covered the following aspects of the project, the development proposals, the investment objectives, the critical success factors, the business case process, the outline business case, the procurement process and the key meetings and dates for future approvals. The report sought the committee's views regarding the draft cabinet report and specifically the draft recommendations on pages 7, 8 and 9 of the agenda pack.

The committee proceeded to ask questions and debate the application in detail. In summary, the following matters were raised.

Costs, Income, Expenditure and Risk points raised included; issues concerning consultancy costs, incentivising consultants' performance, how other regeneration projects supported the CWR business case, the council using its funds or Community Infrastructure Levy (CIL) within the project, the potential of loss of income and ability to generate an income from other assets, the robustness of the specified benefit figure, whether the council was borrowing for the investment and if so what was the cost of servicing that borrowing and were all risks suitably addressed - especially the potential for a legal challenge?

The Procurement process, points raised included; the stages of the procurement process, an update on the soft market testing, examples of previously successful competitive dialogues, the practicalities around the handling of the applications received for example who scores them, the council visiting potential bidders and visiting their previous sites, whether any red lines to the procurement process existed, ensuring local traders would be utilised, queries over the scoring methodology (specifically the percentage allocated for collaborative working, the 1,000 word limit for design and finance and capital at

10%), clarity regarding leasehold and freehold and referencing the council's carbon neutrality plan within the commercial principles.

Public benefit and consultation, points raised included; the differences (in terms of volume and substance) of the public respondents to the Supplementary Planning Document (SPD) consultation compared to the respondents to the latest consultation, the scope for public engagement within the procurement process, the benefits for residents being clear and how would services improve as a result of this project.

Archaeology & Development, points raised included; members ability to see the archaeology statement, potential findings from the archaeology study incurring costs and impacting the overall project, the councils' position regarding sites that were not in the development area, compliance with the SPD, the public realm including spaces for biodiversity and calming spaces for people to use, any environmental impact from the demolition of Kings Walk, the impact on Kings Walk tenants, ensuring those developers with green credentials join in the process, specifying the conditions for drawdown, understanding the process for taking back of land, the use of the Broadway, inclusion of the bus station and break clauses for the developer and the council.

These points were responded to by the Cabinet Member for Housing and Asset Management, officers, and representatives from Jones Lang LaSalle (JLL), Browne Jacobson and 31Ten accordingly.

The committee agreed to move into an exempt session to consider the exempt appendix to the report before returning to the open session to debate the report further and to agree the following:

RESOLVED:

The committee agreed the following comments be passed to Cabinet.

1. regarding the section relating to technical questions, that the questions be reviewed to ensure they are focused on the people who delivered the relevant example rather than the company.
2. "Design" is imperative, and it was requested that the 1,000-word count limit be reviewed to enable demonstration of this.
3. capital - the evaluation of financial standing will be assessed elsewhere, the committee requested that clarification of this be provided.
4. how would the Council ensure that local people are involved in the development?
5. could further clarification be provided regarding the arguments of freehold vs leasehold?
6. could the adherence to carbon neutrality plans be firmed up in some of the descriptions?
7. within appendix G where it refers to the sources in the business case - what are the assumptions and sources as referenced in the economic business case?

8. the impact of an archaeology challenge had not been referenced and should be acknowledged in the risks
9. consider that the project removes the use of compulsory purchase order powers.
10. could the naming of the phases be reviewed to void confusion?
11. page 129, suggested to use the names of posts rather than names of officers
12. reference of archaeology statement and whether the wording could be improved to make it clearer.
13. regarding repayment costs, could confirmation be given that there is no borrowing requirement to fund the project?
14. additional narrative required i.e., to demonstrate the bigger picture, how did we get here and where are we going?
15. could clarity be provided on how we would engage as part of the procurement process?
16. suggested that the archaeology report be appended to the Cabinet report
17. within the economic case, could the background sources be listed?
18. could clarification be provided regarding financial phasing?
19. could clarification be provided regarding phases for the whole site and phasing in defined site financials?
20. suggested that a review of the risk register be undertaken and the risks around: the developer going “bust”, partial development and legal challenge
21. requested that CWR be brought back to Scrutiny committee as an interim update item – i.e., early new municipal year.

6. **TO NOTE THE WORK PROGRAMME FOR 2021/22**

RESOLVED:

that the work programme was noted

The meeting commenced at 6.30 pm and concluded at 11.30 pm

Chairperson