CAB3080 (CWR) CABINET (CENTRAL WINCHESTER REGENERATION) COMMITTEE

REPORT TITLE: CENTRAL WINCHESTER OUTLINE DELIVERY STRATEGY

25 SEPTEMBER 2018

REPORT OF PORTFOLIO HOLDER: Cllr Caroline Horrill

Contact Officer: Veryan Lyons Tel No: 01962 848596 Email:

vlyons@winchester.gov.uk

WARD(S): TOWN WARDS

PURPOSE

Following the adoption of the Central Winchester Regeneration (CWR) Supplementary Planning Document (SPD), which gives a clear vision and direction to the development, this report introduces the draft outline delivery strategy which is designed to give a comprehensive overarching framework for the approach to be taken to deliver the scheme.

RECOMMENDATIONS:

1. That Cabinet (CWR) Committee approves the outline delivery strategy as detailed in this report including the development of a scope for procurement of a Strategic Advisor.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 The CWR area has potential to contribute to the Council Strategy objectives by enhancing the environment of the area, improving the local economy and providing important community benefits.
- 1.2 The CWR SPD was adopted in June 2018 and the outline delivery strategy presented in this report will facilitate the regeneration of this area in line with the vision and aspirations set out and demonstrate active support for that process.

2 FINANCIAL IMPLICATIONS

- 2.1 If the outline delivery strategy is approved by Cabinet (CWR) Committee, one of the key tasks is to identify a brief for and procure a strategic advisor to work across the project work streams. Although the council has a range of skills available to it within the staff team, a strategic advisor can provide additional capacity and draw down specialist skills as required. Further detail is provided throughout this report. Importantly, a Strategic Advisor can provide support across the totality of the Council's regeneration work.
- 2.2 Budget will be required in order to action this and the scope of work along with the financial implications will be considered by Cabinet in November for approval.

3 LEGAL AND PROCUREMENT IMPLICATIONS

3.1 If the principle approved, the Head of Programme and Strategic Director of Place will carry out a procurement process to commission a strategic advisor in line with policy, depending on the value of the contract. Due to the long term nature of the proposed contract, the sum is likely to require a full procurement process in line with EU rules. A review of available frameworks will be undertaken if the principle is agreed which may provide a more cost and time effective route to market.

4 WORKFORCE IMPLICATIONS

4.1 The resources within the existing project team are continually under review to ensure the project can be delivered. .

5 PROPERTY AND ASSET IMPLICATIONS

Winchester City Council owns a significant amount of the land and property within the CWR area and takes an opportunistic approach to additional purchases in line with the principles of the Strategic Asset Purchase scheme. The Council is seeking to acquire outstanding property interests by agreement. The high value of the property in the area, both capital and

ongoing revenue costs, will require careful management if there is not to be a negative impact on Council finances in the long term.

6 CONSULTATION AND COMMUNICATION

- In developing the SPD over a period of eighteen months, an extensive programme of consultation and engagement was carried out across the district. This comprised community planning events, roadshows both in the city and around Winchester district and an eight week formal consultation period. Full details of the steps taken are outlined in the Consultation Statement which can be seen at appendix A.
- 6.2 The outline delivery strategy has been developed to reflect the aspirations from that exercise and the Portfolio Holder and Cabinet members have been consulted on the approach proposed in the outline delivery strategy.

7 <u>ENVIRONMENTAL CONSIDERATIONS</u>

7.1 Proposals for the CWR area are underwritten by an approach to development which is environmentally sustainable in the long term. The SPD sets out eight objectives for the area of which 'Climate Change and Sustainability' is one. As set out under this objective, new development should be designed to be resilient to the impacts of climate change, particularly flooding in this location and to minimise its impact on climate change. High standards of sustainability should be achieved in accordance with LPP1 policy, incorporating measures to minimise energy and water use, generate and store renewable energy. The SPD can be seen at appendix B.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 None at this stage.
 - 9 DATA PROTECTION IMPACT ASSESSMENT
- 9.1 None.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
Not approving the delivery strategy risks nothing happening or a fragmented and un coordinated development across the site.	Agree a co-ordinated strategy to deliver the vision established in the SPD.	The CWR area can bring cultural and economic benefit to the city and improve the overall city experience.
A lack of development or a fragmented CWR scheme will damage the reputation	,	Opportunity to build on the enthusiasm for the CWR project gained throughout

of the Council.	SPD.	the SPD process and restore Winchester City Council reputation following the Silver Hill development issues.
Not carrying out works to the CWR area will result in a loss of community support.	•	

11 SUPPORTING INFORMATION:

- 11.1 The CWR SPD was adopted on 20 June 2018, setting out the vision and aspirations for the regeneration area.
- 11.2 This is a complex development scheme, with many external aspects that inter-relate and a number of critical factors that are outside of the direct control of Winchester City Council. A comprehensive delivery strategy needs to be developed to ensure the aspirations and objectives of the SPD can be implemented. This is a long term development project, and will have both short term improvements commonly called "meanwhile uses", and longer term more complex work, such as the relocation of the bus station.
- 11.3 As well as actioning the agreed short and medium term work streams outlined in the update report CAB3077, the project team has explored options for delivery of the long term scheme. A draft delivery strategy for the CWR area has been developed to set out an overarching view of the implementation work that needs to be progressed. This will then form the basis for more detailed work streams and approaches, which will interlock to enable the development to progress over a number of years.
- 11.4 The key elements of the outline strategy are detailed in the following paragraphs which also expand on key elements of the proposed approach.

12 Purpose of the outline delivery strategy

12.1 This is a complex development project with many interlocking aspects. For example moving the bus station to enable development of that site has significant effects on the traffic flows in that part of the city, as well as impacting on the bus operators, passengers, businesses and car drivers. In this example Hampshire County Council as transport authority is a key stakeholder, as are Stagecoach and Bluestar the bus operators. Local businesses will also have strong views. The purpose of the outline delivery strategy is to show the overall work-streams that need to be developed to enable delivery of the SPD as a whole, and to give a clear framework for the delivery of CWR.

13 Scope

13.1 Delivery of CWR as defined in the SPD June 2018.

14 Guiding principles

- 14.1 These are the over-riding principles that guide the development of the delivery strategy, as expressed in the SPD and from consultation in the development of that document.
- Site assembly initially envisaged to be by negotiation and wherever possible not through compulsory purchase powers
- Delivering improvement through phased high quality development rather than one monolithic scheme
- Whilst the development approach is underway, ensuring that vibrancy and a sense of action is achieved through implementing meanwhile uses, smaller development and public realm improvements where practicable and cost effective
- Ensuring the delivery of well designed high quality public realm to set the tone for the regeneration area as a whole
- Incorporating the expression of "Winchesterness" as detailed in the SPD
- Taking care of existing businesses both within the CWR area, and also those that may be affected by development
- Being inclusive and engaging throughout the work, building on the positive momentum generated by the development of the SPD. Whilst it is recognised that all stakeholders will not always fully agree, the aim is to ensure a broad supportive informed consensus for the development approach
- 14.2 Vacant possession of the sites will have to be obtained prior to the commencement of redevelopment. This results in the need to be able to identify for short term users of premises in the area that are required for redevelopment, the earliest dates possession will be required of the premises they occupy.

15 Key strategic links

- 15.1 There are a number of documents and strategies that are of critical importance to the successful delivery of CWR:
- 15.1.1 Local Plans 1 and 2 adopted in 2013 and 2017 respectively, provide the key planning policies supported by the SPD, for determination of planning applications in the CWR area. Preparation of a new local plan (Local Plan 2036) has commenced and once adopted 2021/2, it will be necessary to

- update the SPD to ensure that the guidance in the SPD is aligned to a recently adopted local plan
- 15.1.2 Movement Strategy led by Hampshire County Council, but supported and part funded by Winchester City Council. Work is now well underway and due to be finalised in early 2019. The study is identifying the factors which constrain the way the city operates in transport terms. It will establish priorities moving forward which will form the basis for making changes to the city's transport infrastructure and systems aimed at improving movement in and around Winchester. The Strategy takes a long term view looking ahead at the next 20 plus years and will include packages of high level options intended to enhance how Winchester works in relation to transport, which should create wider opportunities for environmental improvements. This is key to CWR in particular as rearrangement of bus routes, moving the bus station and access to the area are critical
- 15.1.3 Economic Strategy work is underway to produce a new economic strategy for the Winchester City and district. The city centre economy is an important part of the local economy, and the future type of business occupiers is a key part of the successful delivery of a sustainable CWR
- 15.1.4 Medium Term Financial Strategy the CWR area currently generates income for the Council that supports its financial position, as well as the Council having ownership of a number of land and property within, and in the surrounding area, central Winchester. Development of this site will need to be strongly aligned to the medium term financial strategy, as well as the Council's capital strategy and treasury management strategy, as different financial implications and opportunities will arise for the Council through this development.

16 Essential partners

- 16.1 Some local partners are essential to the successful delivery of the CWR SPD:
- 16.1.1 Hampshire Cultural Trust Hampshire Cultural Trust and Winchester City Council have been in discussions regarding provision of a museum in the CWR area. This is in line with the vision of a mixed use scheme with a vibrant retail/cultural/heritage offer. Talks are ongoing. Winchester City Council is exploring options for a location for a museum and Hampshire Cultural Trust is exploring the feasibility of such an offer. The changing nature of town and city centres means that a cultural/heritage offer could become an anchor use within the site.
- 16.1.2 Hampshire County Council Hampshire County Council is the highways authority in the area and as such is a crucial partner in the CWR regeneration project. Hampshire County Council is also a potential funding source for highways/public realm works.
- 16.1.3 Business Improvement District (BID) The Winchester BID represents the local businesses in and around the CWR area and can therefore play an

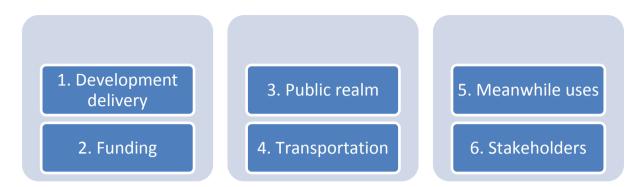
important role throughout the regeneration period. The aim is to keep economic activity thriving during the redevelopment and the BID is well placed to lead and assist in this. They support the vision expressed in the SPD.

17 Key players

- 17.1 Clear engagement and involvement of key local stakeholders is very important over the long term. Whilst this is not an exclusive list, at the current time the following are key players who need to be pro-actively engaged in the delivery of the scheme:
- Landowners in the CWR area
 - Marks and Spencer The vision expressed in the CWR SPD is for a vibrant mixed use development in the heart of the city. Marks and Spencer are landowners of Woolstaplers Hall which is located in the middle of the CWR site and they are therefore key partners in bringing forward the regeneration plans.
- Existing businesses in the CWR area
- Communities in the district along with residents of the City
- Ward members both Winchester City Council and Hampshire County Council
- The Town Forum
- Local interest groups WinACC; City of Winchester Trust; Hampshire Chamber Commerce; Winchester Access for All;
- Enterprise M3 Local Enterprise Partnership
- Historic England
- Stagecoach and other bus operators

18 Outline framework for programme delivery

18.1 Delivering the aspirational vision expressed in the SPD is complex. To give clarity on how the Council will approach this work, the strategy proposes six interlinked programme themes which will have associated work streams to underpin and deliver the key elements of this approach:



19 Development delivery

Procurement of a strategic advisor

- 19.1 Whilst there is a depth of local knowledge about Winchester and local circumstances, and strong programme management expertise within the Council, a development of this complexity will need to draw on external specialist expertise over a period of time. For example understanding current and future retail trends, the investment landscape and options available in the market nationally will be key to successful implementation of the development.
- 19.2 With the complex and highly visible nature of the CWR project, it is recommended that a strategic advisor be appointed to assist the Cabinet (CWR) Committee in the implementation of the project. The strategic advisor will advise the council throughout the process, and add capacity and expertise to the programme at appropriate points over the coming years.
- 19.3 Essentially the strategic advisor will be a multi-disciplinary organisation. The strategic advisor will not be appointed to be either a developer or an architect. The strategic advisor will provide expertise which the Council will need to draw upon from time to time to develop solutions and inform decision making in relation to development options and into the appointment and procurement of developers and architects.
- 19.4 The strategic advisor would work with the Council to provide long term support throughout the delivery of the project, initially assisting officers in developing the delivery strategy and providing advice and guidance to the Council where required as the project progresses. Exact areas will be more defined in a strategic advisor procurement brief, but initial tasks/responsibilities have been set out below.
- 19.5 Within the first twelve month period of appointment, the advisor will;
- Develop a clear understanding of the Winchester context and the needs of the delivery programme
- Understand and advise on the outline delivery strategy and help refine where appropriate
- Provide and or procure expert technical advice and studies as required

- Provide expert advice on cost and construction aspects to help guide the Council founded on proven experience
- Research the market and provide advice in regards to development options, investors, funding sources etc.
- Present back to the Council and aid in decision making process
- Procure any required contractors or consultants
- Help to contract manage and monitor the works undertaken by subconsultants
- 19.6 Other local authorities have also procured external specialist expertise to assist in the successful delivery of complex developments:
- 19.7 Bracknell Forest Council appointed multi disciplinary consultants Montagu Evans to assist officers and members throughout delivery of The Lexicon development. This was a mixed use town centre regeneration scheme that was successfully opened in September 2017.
- 19.8 Montagu Evans sat alongside Bracknell Forest Council in discussions with the main developers to ensure that the proposed scheme was in the interests of the council and the local residents and businesses.
- 19.9 Over a period of more than 7 years, Montagu Evans provided the council with advice on market research, planning, viability, tax issues, land values and how the council maximised return on investment in the scheme (which comprised land and funding to the tune of £15m).
- 19.10 GVA have been appointed by Tunbridge Wells Borough Council to act as lead consultant and project manager on the Tunbridge Wells development programme, now called Calverley Square which includes a new office building, theatre, underground car park and public square in the centre of town. Prior to this GVA worked with the Council to assess the viability and oversee the delivery of the initial stages of the project including feasibility and design.
- 19.11 It is proposed that a brief is prepared and considered by Cabinet in November that covers areas of advice and consultancy services that are required and then undertake a procurement process to seek to appoint a suitably experienced and qualified long term advisor.
 - Spatial distribution / assignment of space
- 19.12 To follow the work carried out by JTP throughout the SPD process, a cohesive, financially viable and comprehensive approach to developing the site is required. This needs to carefully consider the layout and design of the development blocks and the public realm. Further external advice may be required to support the long term delivery proposals but there are some areas that can be developed in the short term without compromising that longer term

vision and the Council should seek to move forward with these, e.g. Coitbury House.

Design guidance

19.13 As above, further work is required to build on the design principles established in the SPD. The concept of Winchesterness is a key aspiration and it may be that external guidance is commissioned to develop a design brief for developers. JTP advised that the Council should not be too prescriptive in this design guidance so ideas are not stifled and innovative designs come forward for consideration.

Development approach and options

- 19.14 This is key to delivering the CWR project. The aspirations in the SPD are that the development is carried out incrementally. Research has been undertaken as to how other Councils have brought forward schemes recently and, with the help of the proposed strategic advisor; options can be brought to Cabinet for discussion and approval in due course.
- 19.15 For information, during a visit to Oxford's Westgate centre, although the scheme is very different from what is envisaged for Winchester, the lesson learned was that the different look and feel across the scheme was achieved with one developer and one master architect but with several other architects, each designing one section of the scheme.
- 19.16 There are a range of options for development of the site which have a varying risk and reward profile. This are commonly recognised as disposal of land in whole or part to developers who will then bring forward the scheme subject to planning controls, through to the Council, as the major land owner, being the principal developer and developing the site in its entirety.
- 19.17 Other options include exploring joint ventures and the possibilities around setting up a development company or entering into a development agreement.
- 19.18 A key early task for the strategic advisor will be to evaluate and advise on the appropriate options for the Council, which could vary across the site. Given the range of regeneration work being undertaken the strategic advisor will be expected to consider the delivery options in the round.

Viability

19.19 The development of the site will need to ensure that its viability fits with the Council's medium term financial strategy and Council Strategy. Further work to assess overall scheme viability will be required having regard to the available development options. Overall viability will be affected by the option chosen for development and what role the Council plays. It will have regard to any available grant, Community Infrastructure Levy or funding from third party organisations such as private investors or other public bodies. Specialist advice will be required.

Phasing and Delivery Plan

19.20 The phasing of development is linked to the development strategy and delivery plan, but also depends on land availability and projects might be interlinked. An example to date is that by purchasing the bus station, the bus routes could be removed from the town centre,

Securing a positive outcome through regeneration

- 19.21 Key to the success of the project will be the development of a vibrant new quarter for the City Centre. Research will assist in ensuring ongoing viability and activity within the scheme and the market interest in Winchester. This is a task that we would call on our advisor to carry out. Market testing should be carried out at an early stage to ensure that proposals for development that come forward will meet the needs of the market and remain flexible to accommodate the changing nature of the High Street and general experience that customers will require. Initial studies have been carried out to inform the SPD but more detailed and updated studies will be needed. The economic strategy will be an important piece of work to support the occupier mix on the site and ensure, so far as possible, that it is sustainable over time.
- 19.22 The balance of retail use, leisure use and residential provision is an important factor and it will be necessary to reflect the aspirations of the SPD in the overall development plan.

Branding and marketing

- 19.23 It is important at the right time to create a strong identity for the regeneration area and reflects the vision in the SPD.
- 19.24 As development options emerge, targeted marketing will be a necessary part of the strategic advisor role.

20 Funding

Sourcing funding as a whole

20.1 A key area in which a strategic advisor can add value is helping the Council identify sources of funding and structures that will secure that funding. Much will depend on the mechanisms adopted to deliver the development and again, this is the area where value can be added by a strategic advisor who will assist in marrying up the preferred development approach with available funding in the market.

Short term and long term

20.2 There are also funding considerations for the meanwhile uses and independent pieces of the CWR jigsaw. For example, the Council is looking to deliver the repaving in the lower High Street and refurbishment of Coitbury House and funding for projects such as these is likely to fall outside the overall project

funding. Sources of funding need to be explored and these may include CIL monies and LEP funding if available.

Investors

20.3 This is another key area that a strategic advisor can assist the Council with. The approach will ultimately depend on the development options adopted. The Council should consider where/when approaching investors is advantageous and what arrangement that might take.

Public realm

20.4 Providing outstanding public realm is an objective identified in the SPD but in order to do that, funding is key. Not only is the capital cost of the works a major consideration but, where the public realm is delivered on highway land, Hampshire County Council will require funds to cover ongoing maintenance costs. Typically, a period of 50 to 60 years is not uncommon so this must be addressed and factored in.

21 Public realm

Coherence across the scheme

- 21.1 With an incremental approach to development, it will be very important to have an agreed approach to delivering the public realm, not just in relation to the look and feel but also how it is funded and maintained going forward. The SPD is as the base line for the scheme but work is now required to determine how best to bring that forward.
- 21.2 High Street paving
- 21.3 Plans exist to repave the lower High Street in line with the rest of the High Street and this is a work stream that is being carried out as one of the initial projects. Details are given in report CAB3077.
- 21.4 Broadway
- 21.5 Plans have been drawn up showing options to carry out short term improvements to the Broadway. This is a work stream that is being carried out as one of the initial projects. Details are given in report CAB3077.
- 21.6 Meanwhile Uses
- 21.7 The Informal Policy Group (precursor to the Cabinet (CWR) Committee) in February of this year conducted a walk about in the CWR site with a view to suggesting short term improvements to the area.
- 21.8 This is a work stream that is being carried out as one of the initial projects. Details are given in report CAB3077.

22 Transportation considerations

Bus station

22.1 Relocating the current bus station as proposed in the SPD is crucial in order to develop the eastern edge of the site in line with the vision for the area. How and when this is delivered will be identified as the process above moves forward but it will be important to bring both Hampshire County Council and the bus operators along with us. Long term plans to re-route the buses away from Silver Hill and Tanner Street remain the end goal but there are challenges along the way as to the relocation of bus stops, traffic movement and pedestrian crossings. Plans will be developed alongside the emerging themes from the Movement Strategy.

Vehicular traffic

22.2 There are challenges around vehicular movement in the city centre and plans to deliver the CWR scheme should reflect that the vision in the SPD is for a reduction in city centre traffic. Parking will be kept to a minimum, but recognising the need for businesses and occupiers to park locally. Consideration will be given to whether servicing vehicles may be restricted in the routes and/or times they can enter the area.

Sustainability - cycles, electric, gas powered buses

22.3 The aim expressed in the SPD is to reduce vehicular traffic in the centre and more prominence given to sustainable modes of transport. Cycle routes will be planned across the site and will link up to existing cycle paths, provision of charging points and promotion of electric vehicles may be encouraged and, in conjunction with changes to the bus routes, cleaner greener buses will be encouraged. Again, plans will be developed alongside emerging themes from the Movement Strategy.

Pedestrians first

22.4 A fundamental aspiration is to provide outstanding public realm and to encourage pedestrianisation across the site where possible. Clean, green, safe routes and open spaces will be developed in line with the Movement Strategy outcomes and the new routes across the site will aid pedestrian movement around the city centre.

Link to the Movement Strategy and action plan

22.5 The vision for CWR area expressed in the SPD is the long term aspiration but consideration needs to be given to the outcomes of the Movement Strategy. The drafting in the SPD allows sufficient flexibility for the long term aims to be delivered over time so it will be important to have a cohesive plan to ensure that neither the development nor the long term transportation plans are compromised. The Council is already working with Hampshire County Council and will call on external expertise if required.

23 Meanwhile uses

23.1 The meanwhile use work stream was identified at committee in July as a priority and is already underway. Details for the projects below can be seen in CAB3077 which is also presented at this Committee meeting.

Old Antiques market

23.2 The lease agreement has been signed and the new tenant is now in occupation. The 'Nutshell Arts' Community Interest Company offer an accessible place for creatives to use for rehearsals, workshops, exhibitions and small-scale productions; alongside resident companies the Discarded Nut Theatre Company and ENCORE Youth Theatre.

Coitbury House

23.3 Work has started to develop a brief for the refurbishment of Coitbury House and will be presented to the Coitbury House Advisory Panel in October for comment and then to Cabinet (CWR) Committee in November for approval.

Bus station

23.4 Work to explore pop up options for the vacant land at the bus station will be presented to the Meanwhile Use Advisory Panel in October for comment and then to Cabinet (CWR) Committee in November for approval.

Vibrancy projects

23.5 Suggestions for short term improvements around the CWR area were identified by the Informal Policy Group in February this year and these are to be revisited by the Public Realm Advisory Panel in October.

24 Stakeholders – engagement and involvement

- 24.1 The involvement of stakeholders in this work is a critical component and needs to build on the momentum from the development of the SPD. Currently the strategy will build on that by developing a town team, establishing specific advisory panels, and building key relationships with strategic stakeholders. A communications strategy and action plan will be developed as part of this work.
- 24.2 An inclusive approach
- 24.3 Following from the approach taken through development of the SPD, the development stage should also take a collaborative approach. Whilst led by the Council it is for the benefit of the business, residential, and visitor community, and should be an inclusive programme of development for the future.

Advisory panels

24.4 Dedicated panels will be an important mechanism to keep interested parties up to date and involved in the project moving forward. The aim of these panels is to help to keep those involved on board with work streams and aid the officers

and members in the decision making process. Three panels have already been created for the initial work streams and these are detailed in report CAB3077.

Strategic stakeholder group

- 24.5 A core strategic panel should be convened to ensure that key stakeholders are central to the CWR plans as they progress.
- 25 OPTIONS CONSIDERED AND REJECTED
- 25.1 The Council has an adopted SPD for the area and an option available is to wait for market interest from third party owners. The Council has brought forward these regeneration proposals to kick start a positive change in the City centre. This approach of being market led is not recommended.
- 25.2 It would be possible to adopt a more aggressive land acquisition approach through CPO and thus increase the Council ownership in the area. Throughout the development of the SPD the Council indicate that CPO would not be the preferred route, so this approach is not recommended.
- 25.3 Similarly the council need not invest in a strategic advisor but this would not bring forward the transformation of the CWR area in any timely fashion due to the easy access of multidisciplinary skills and capacity the advisor team would bring.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB2969 (CWR) – 17 October 2017 Central Winchester Regeneration Area Short Term 'Meanwhile' Measures and Uses

CAB2995 (CWR) – 6 December 2017 Draft Supplementary Planning Document

CAB3034 (CWR) – 20 June 2018 Adoption of Supplementary Planning Document

CAB3061 (CWR) – 10 July 2018 Central Winchester Regeneration update

Other Background Documents:-

None.

APPENDICES:

Appendix A – Central Winchester Regeneration Supplementary Planning Document Consultation Statement

Appendix B – Central Winchester Regeneration Supplement Planning Document

 $\frac{http://www.winchester.gov.uk/planning-policy/supplementary-planning-documents-spds/central-winchester-regeneration-spd}{}$