

REPORT TITLE: ST. PETER'S CAR PARK: PROPOSED AFFORDABLE HOUSING SCHEME

25 AUGUST 2026

REPORT OF CABINET MEMBER: Councillor Mark Reach, Cabinet Member for Good Homes

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WARD(S): ST BARTHOLOMEW

PURPOSE

This report seeks approval to proceed with pre-planning works towards developing the St. Peter's Car Park site in Winchester for the construction of affordable homes.

The site was originally purchased by the council for the construction of council housing, however it was initially used as a car park while the Brooks Centre was under construction, and has remained as a temporary car park ever since.

The site has recently been reallocated for housing in the newly adopted Local Plan. The construction of affordable homes on the site would make a positive contribution to the council's 1,000 new homes target by delivering much needed affordable housing on a brownfield site in a sustainable city centre location.

Since 2020, the council has built or acquired 364 new affordable homes, with a further 124 currently under construction. The Council's affordable housing development programme complements that delivered by other registered affordable housing providers an example of which is the proposal by Places for People to develop the Council's Bar end depot site for circa 80 affordable homes.

The St Peters scheme would make use of central government funding as well as the council's affordable housing commuted sum subsidy.

This report outlines development proposals and seeks approval to proceed with the submission of a planning application and thereafter, proceed with a procurement exercise to tender for construction.

A Final Business Case report will be presented to the Cabinet of the shadow authority (or successor body) after tenders are evaluated and the final tender price is known, to agree whether to proceed with the scheme. This is likely to be in the 2027/2028 financial year. The costs of submitting a planning application will be abortive if the scheme does not proceed.

RECOMMENDATIONS:

1. Authorise capital expenditure of up to £480,000 to allow for professional fees, site investigative work and surveys to allow the submission of a planning application for the St. Peter's Car Park site, to be funded from the unallocated new homes capital budget, and note that this work proceeds at a financial risk to the council.
2. Authorise the Corporate Head of Asset Management to prepare and submit a planning application for the redevelopment of the St. Peter's Car Park site.
3. Authorise the Corporate Head of Asset Management to enter into any required planning/legal agreements to facilitate the granting of planning consent.
4. Authorise the Corporate Head of Asset Management to invite tenders to undertake the design and build of the consented scheme.
5. To note that a Final Business Case report, including details of valuation and appropriation of the site from the General Fund to the Housing Revenue Account, will be presented to Cabinet after tenders are evaluated and the final tender price is known, to agree whether to proceed with the scheme and to award and enter into a construction design and build contract with the preferred bidder.

IMPLICATIONS:

1. COUNCIL PLAN OUTCOME

1.1 The proposals set out in this report respond to the key challenges and priorities identified in the Council Plan 2025 to 2030, and the Housing Development Strategy 2025 to 2032.

1.2 Greener Faster

1.3 Carbon neutrality and mitigating for the changing climate will be at the centre of the proposed design. Proposals for affordable homes will be consistent with the requirements of the new Local Plan for energy efficiency and sustainability, in support of the greener faster priority. Likewise, the redevelopment of this site, with limited parking provision, will support the use of sustainable modes of travel and reduce cars travelling on the busy North Walls route. The redevelopment proposals will also support air quality improvement in the city centre and enhance opportunities for biodiversity.

1.4 Thriving Places

1.5 The Council Plan 2025–2030 sets out the council's Green Economic Development Strategy. The redevelopment of St. Peter's Car Park for affordable homes will support key elements of this Development Strategy. Redevelopment to affordable homes will support employment opportunities during the construction stage and allow younger people to live and work in the city. It will support the regeneration of a brownfield site and be of social and community benefit.

1.6 Healthy Communities

1.7 The redevelopment of this site will encourage sustainable modes of travel with limited car use. The existing long distance footpath (St Swithun's Way) which runs through the site, will be retained, and the design proposals aim to incorporate the aspirational quiet "east - west corridor", identified in the Local Cycling and Walking Infrastructure Plan (LCWIP), thereby enhancing the site's permeability.

1.8 Good Homes for All

1.9 Subject to planning approval, the design proposals will create much needed affordable homes for applicants on the social housing register. Proposals will aim to exceed the number of units identified in the Local Plan's site allocation therefore accommodating more persons from the register. The homes will be energy efficient and resilient to climate change, consistent with the council's net zero goal, and will support the council's target of delivering 1,000 new affordable homes by 2032.

1.10 Efficient and Effective

1.11 Robust project management techniques will be employed to manage the development. A project risk register will ensure that any significant risk is escalated to ensure efficient use of council resources and implementation of effective mitigation strategies.

1.12 Listening and Learning

1.13 Engagement and consultation of local residents has been undertaken as part of the site allocation in the adopted Local Plan 2020 – 2040. Prior to a planning application, the local community will be consulted on development proposals and will also have opportunity to comment as part of the statutory planning process.

2 FINANCIAL IMPLICATIONS

2.1 A local architect was engaged to provide a capacity study for St. Peter's Car Park for redevelopment as affordable flats and houses. The current scheme suggests 40 flats and 4 houses may be deliverable on the site, although further surveys and feasibility work will be required to determine final unit numbers.

2.2 Various tenure options have been considered when assessing the financial viability of the scheme. The final tenure mix will be considered at Final Business Case stage, with the aim of achieving a good balance between financial viability, affordability for tenants, and providing a mix of tenure options.

2.3 The site is currently operated by the council as a car park and the revenue generated and operating costs flow through the General Fund. In order for the site to be redeveloped for affordable homes, the car park would need to be closed, and the site appropriated to the Housing Revenue Account (HRA). Specialist advice on the correct valuation for this appropriation is required as it must represent an arms-length transaction between independent parties to ensure no detriment to either the General Fund or HRA.

2.4 In order to progress the scheme further, it is estimated that fees of £480,000 would be required for site surveys and professional fees to prepare and submit a planning application. This can be funded from the unallocated new homes capital budget. There is a risk that these costs would be abortive if planning is not consented, or if the scheme is not found to be viable, and expensed to the Housing Revenue Account. A summary of these fees is included in exempt appendix 1.

2.5 Once planning consent is granted, a build contractor will be sought for the scheme via a competitive tender process. Once the final tender price is evaluated it will be brought to Cabinet as a Final Business Case, at which point Members can agree whether or not to proceed with the development proposals.

- 2.6 In its current use as a car park, the site produced a gross income of approximately £395,000 in 2025/26 in parking and enforcement revenue. It is anticipated that while there is sufficient capacity in other council owned car parks, much of this revenue will be retained as users will park elsewhere. There is likely to be some income loss however to the General Fund where alternatives, such as the Park & Ride, have a lower charging structure. Ongoing costs such as business rates (£33,000 in 2025/26) will be saved as well as periodic costs including relining and resurfacing. In addition, the appropriation of the site from the General Fund to the HRA will result in an increase in the HRA's Capital Financing Requirement (CFR) or "borrowing need" with an equal decrease to the General Fund's CFR. The consequence of this will be to reduce the General Fund's annual Minimum Revenue Provision charge (equivalent to loan principal repayment) and interest costs.
- 2.7 Early indications suggest that the site will be eligible for grant subsidy from central government via the Brownfield Land Release Fund (BLRF) and Homes England, responding to current government policies promoting the development of council housing.
- 2.8 Should grant funding be secured, and subject to final costings and appropriation valuation, the likely level of council subsidy in the form of S106 affordable housing commuted sum subsidy may be in the region of £8m to make the scheme viable.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Under Section 122(1) of the Local Government Act 1972, and Section 19(1) of the Housing Act 1985, prior to start on site, the council will appropriate the land from the General Fund to the Housing Revenue Account for redevelopment as affordable housing.
- 3.2 The site serves as an access point to the rear gardens of several dwellings along North Walls which will be retained. Winchester School of Art also has an access route into the car park. Maintenance access to the culvert running across the site will also be required.
- 3.3 St. Peter's Car Park is not adopted highway land, but all surrounding roads and access roads (including North Walls, Hyde Abbey Road and Gordon Road) are adopted by Hampshire County Council Highways.
- 3.4 There is a long-distance public footpath right of way, the St. Swithun's Way, that crosses the site from North Walls to Gordon Road, which will be retained. Any redevelopment of this site must consider the route of the St. Swithun's Way, and the footpath will need to remain open and accessible during construction. It is considered prudent to obtain specialist Public Right of Way advice on the potential impact of the St. Swithun's Way on any proposed redevelopment of this site.
- 3.5 The scheme design will also enable the delivery of the aspirational "west – east corridor" from the station and Marston Gate area to the Winchester School of Art.

- 3.6 Approximately a quarter of the car park falls within the Conservation Area.
- 3.7 All procurement required for delivery of the project will be in accordance with the Procurement Act 2023, the council's Contract Procedure Rules (CPRs) and adherence to the council's Procurement and Contract Management Strategy (2020-2025), all in consultation with the Procurement and Legal teams.
- 3.8 Should this report be approved and planning consent granted, the project will be tendered on a JCT Design and Build contract. Although the transfer of risk to the contractor results in increased tender costs, it is considered this form of contract represents the least financial risk and exposure to the council.

4 WORKFORCE IMPLICATIONS

- 4.1 The project will require support from teams across the council including Finance, Procurement, Planning, Housing, Estates, and Legal.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The development of St. Peter's Car Park will require appropriation of the land from the General Fund to the Housing Revenue Account (HRA).
- 5.2 The Housing team will assume responsibilities for ongoing maintenance once the homes are completed.

6 CONSULTATION AND COMMUNICATION

- 6.1 Engagement and consultation has taken place as part of the Local Plan adoption process, including consultation as part of the site allocation for residential use.
- 6.2 Subject to approval of this report, local residents and businesses will be consulted on the development proposals prior to submission of a planning application. Residents and businesses will also have opportunity to comment on proposals during the statutory planning process.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Design proposals will contribute to the council's carbon neutrality commitment and consider how to adapt to a changing climate. It is proposed to use low carbon heating technology to reduce and minimise energy consumption. Homes will be built to a high standard of fabric efficiency to reduce the demand for energy in the home. Proposals for limiting parking provision in this city centre location will support sustainable modes of transport.
- 7.2 Redevelopment from its current brownfield status to affordable housing will present significant opportunities to enhance biodiversity. The proposals will achieve biodiversity net gain (BNG) in accordance with national guidance and planning policy.

7.3 The site is located adjacent to the Air Quality Management Area (AQMA) and design proposals will implement mitigation measures to address air quality.

7.4 Noise impact assessments, air quality, and contaminated land surveys will be undertaken prior to submitting a planning application, and remediation measures will be implemented if required.

7.5 Design proposals for sustainable urban drainage systems (SuDs) will allow for the site's high groundwater levels. As the site is adjacent to a flood risk area, a flood risk assessment will demonstrate how the development will be safe from flooding.

7.6 Design proposals will assess any impact on the Conservation Area and, subject to approval of this report, an archaeological assessment will be undertaken to determine the site's constraints to inform mitigation strategies.

8 PUBLIC SECTOR EQUALITY DUTY

8.1 The key related strategies and policies, including the Housing Strategy 2023-2028 and Housing Development Strategy 2025-2032, have been subject to an Equality Impact Assessment.

8.2 Equality matters will be considered throughout the design, procurement, and tender process.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 Not applicable.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
Financial Exposure Loss of car park income. Financial risk associated with brownfield site development. Reduced or no Homes England or BLRF grant funding available.	Appropriation capital value will mitigate lost revenue. Undertake comprehensive site investigation works to anticipate costs to include in financial appraisal. Grant levels assumed are in line with current grant rates. Regular meetings with grant funding contacts to check grant levels. Council is part of Wayfarer Consortium to	Development of affordable housing will generate rental income and provide opportunity to provide real value for money for persons seeking affordable accommodation in the city centre.

	assist with Homes England bids.	
Exposure to challenge Loss of car parking in this city centre location may not be supported by all the community.	The site is allocated for residential development in the adopted Local Plan. Extensive engagement and consultation with residents has been undertaken as part of the Local Plan adoption process.	
Innovation Higher build costs due to new technologies.	Lessons learned from recent builds used to minimise cost increases. High contingency in financial appraisal.	The repurposing of the site demonstrates the council's commitment to carbon neutrality by providing affordable homes using low carbon solutions to minimise energy consumption and create a sustainable community in the city centre.
Reputation Perception of lack of community consultation on removal of public car park.	Consultation on Local Plan allocation. Community consultation undertaken prior to planning submission.	Opportunity to repurpose a brownfield city centre location to accommodate persons on the social housing register, create a vibrant local community, and support placemaking.
Achievement of outcome Planning refused.	Ensure professional, experienced consultants are engaged throughout the development process and implement strong governance in early stages to continue throughout local government reorganisation.	Opportunity to consult with wide range of stakeholders to ensure delivery success.
Increase in build costs and/or interest rates makes scheme unviable.	Consider various tender routes to ensure value for money obtained.	

Property Risk of unlet 2 bed flats following completion.	Ensure frequent communication with Housing allocations colleagues during development process. Ensure unit mix reflects need.	Creation of new affordable homes meeting the council's Good Homes for All priority.
Community Support Risk of lack of community support.	Ensure high quality and inclusive community consultation is undertaken prior to planning submission.	Community consultation at pre-planning stage will engage residents and seek feedback on proposals.
Timescales Project delay.	Robust project management techniques will be employed to minimise project delays.	
Project capacity Limited council resources.	Use external professionals and resources as required.	Provides opportunity to widen knowledge base and provide objectivity.
Local Government Reorganisation Full Business Case will be presented to shadow authority who may have different corporate priorities.	Keep shadow authority updated on project progress.	Opportunity to utilise strong project governance in early stages to ensure smooth transition to local government reorganisation.
Other		

11 SUPPORTING INFORMATION

11.1 Background

11.2 St. Peter's Car Park is an existing public car park of 0.459ha owned by the council which is located between various residential dwellings on North Walls and St. Bede's Primary School. The site is well served by local amenities and is in walking distance to several public open spaces, including North Walls Recreation ground as well as public transport facilities.

11.3 The site is currently a surface car park providing 165 spaces. It is one of the 10 central car parks, currently offering around 1,500 spaces in total, which offer the most convenient parking at the highest price.

- 11.4 The site was originally purchased by the council for the construction of council housing; however, it was initially used as a car park while the Brooks Centre was under construction and has remained as a temporary car park ever since.
- 11.5 The council recently confirmed that the Cattle Market car park would remain in use until the northern park and ride had been delivered, ensuring car parking provision for visitors on the northern side of the city.
- 11.6 The site is allocated in the Adopted Local Plan 2020-2040 for redevelopment for 30 dwellings (Policy W3).
- 11.7 The site provides an opportunity for the council to deliver new, energy efficient affordable homes in a sustainable city centre location.

11.8 Proposal

- 11.9 In June 2026, Architecture PLB were commissioned to refresh their previous capacity studies of the site. They produced a proposed scheme comprising 40 1 and 2 bed flats and 4 3-bed houses. This is consistent with housing need in the district, as shown in the table below:

Housing Need: Number of Households registered on HHC by Bedroom Need in Winchester District (April 2026)	
1 bed need	1,117
2 bed need	304
3 bed need	196
4 bed need	81
TOTAL	1,698

(Hampshire Home Choice Annual Report 2026)

- 11.10 Calford Seaden were then commissioned to produce a cost estimate for the proposed scheme.
- 11.11 Development proposals for the site aim to exceed the numbers in the site allocation thus optimising development potential to meet the high demand for affordable homes in the city centre, whilst still responding to the planning policy requirements of the Local Plan.
- 11.12 Design proposals will respond to the Winchester Movement Strategy and the Local Cycling and Walking Infrastructure Plan (LCWIP) to create a permeable space to maximise opportunities for sustainable modes of travel. Proposals aim to restrict parking to two or three car share vehicles, plus private parking for accommodation designed for persons with restricted mobility. The limited parking provision will respond to the Local Plan requirements and reduce car use in this sustainable city centre location.

11.13 The scheme design will also enable the delivery of the aspirational “west – east corridor” from the station and Marston Gate area to the Winchester School of Art.

11.14 A portion of the site falls within the Winchester Conservation Area and proposals for the whole site will include a high standard of architectural design and use quality materials consistent with development requirements in the Conservation Area.

11.15 Site investigation surveys

11.16 Further ground and site investigation work is required prior to a planning application submission to determine site and development constraints. This includes ecology, tree, archaeological and contamination surveys.

11.17 The site has high groundwater levels so design proposals will ensure that groundwater flows towards the river, and a flood risk assessment will be undertaken as part of the design process.

11.18 Planning submission

11.19 Once planning consent is granted, a build contractor will be sought for the scheme via a competitive tender process. Once the final tender price is evaluated it will be brought to Cabinet as a Final Business Case, at which point Members can agree whether or not to proceed with the development proposals.

12 OTHER OPTIONS CONSIDERED AND REJECTED

None

13 BACKGROUND DOCUMENTS: -

[Adopted Local Plan Local-2020-2040](#)

Previous Committee Reports: -

None

Other Background Documents: -

None

14 APPENDICES:

Exempt Appendix 1:

Professional Fees Breakdown