

EXTRACT OF MINUTES

CABINET

28 AUGUST 2019

1. **STATION APPROACH PROPOSALS FOR DELIVERY AND FURTHER PUBLIC REALM DEVELOPMENT (LESS EXEMPT APPENDICES)**
(Report CAB3172 refers)

Cabinet noted that Appendix 9 (Minute extract of the Scrutiny Committee held on 14 August 2019) had not been notified for inclusion on the agenda within the statutory deadline. The Chairperson agreed to accept this item onto the agenda as a matter requiring urgent consideration in order that regard be had to their content in reaching its decision.

Councillor Weir introduced the report and emphasised that the scheme had received support from the Local Enterprise Partnership, Hampshire County Council, the Hampshire Chamber of Commerce and the Winchester Business Improvement District. Councillor Weir noted that the report had been considered by The Scrutiny Committee at the additional meeting held on 14 August 2019. She thanked Councillor Learney for attending the meeting on her behalf and Members of The Scrutiny Committee for their time in the consideration of the report.

Councillor Learney emphasised that The Scrutiny Committee had supported the principles of the report. However, they had raised a number of comments and concerns. Councillor Learney stated that primarily, these related to market timing, the Local Enterprise Partnership (LEP) funding and scrutiny of the desired outcome with baseline financial returns. The minute extract was set out in Appendix 9 to the report (less exempt minute).

In addition, Councillor Learney made reference to a representation received from Councillor Gottlieb which had also been taken into consideration.

In response Councillor Learney detailed some amendments that were proposed to the recommendations of the report for consideration by Cabinet, as follows:

Amended report recommendation 10

Removal of the wording 'Carfax site' from this report recommendation.

New additional report recommendation 12 (under 'Approves'):

12. That the Strategic Director: Place be directed to develop a schedule of and process for spend and payments for the LEP grant and assists with the active management of the risk of grant repayment.

Amended report recommendation 14 (previously recommendation 13, as set out in the report)

14. That detailed arrangements for the purchaser selection process for disposal are subject to a further report to Cabinet, having considered the specific comments of the Scrutiny Committee in this regard.

At the invitation of the Leader, Katie Kopec, Director – Strategic Development Consulting at JLL (the Council's Strategic Development Advisors), addressed Cabinet in respect of market timing opportunities. She emphasised that there was high demand for top quality Grade A office space in the district, with the availability of adequate space currently restricted. Research had been carried out which indicated that there was significant demand from businesses looking to secure greater space in structurally sound new offices where they are currently occupying aging facilities and where lease renewals were becoming due.

Mark Baulch, Dr Paul Spencer, Chris Gillam, Patrick Davies and Kate Macintosh spoke during public participation and Councillors Miller and Godfrey addressed Cabinet, at the invitation of the Leader, as summarised below:

Mark Baulch (Hampshire Chamber of Commerce)

- Supportive of the Station Approach development for several years;
- Businesses continue to grow and the new development was much needed for economic growth in order for Winchester to remain an area that was 'open for business';
- Will create new jobs, generate income and revenue from Business Rates;
- Car Parking – although close to the train station it was considered that parking on site would still be a necessity. Urged the Council to think about the competition in other areas in this respect i.e. Nelson Gate in Southampton.

Dr Paul Spencer (Winchester Business Improvement District)

- Supports Station Approach development and proposals for the Carfax scheme;
- Grade A office space would require a certain level of car parking space and noted that the number of car parking spaces had been reduced to 95 from approx. 230;

- Recognised the need for balance between car parking provision and the need to promote Winchester as a carbon free city;
- Risk that LEP funding would be lost if the project did not progress – keen not to see the scheme delayed any further.

Chris Gillam (Winchester Friends of the Earth)

- Major project for the Council coming forward at the same time as the Local Plan;
- Inadequate response has been received to concerns previously raised;
- Development in a sustainable location, questioning why any parking provision would be required at all;
- The scale of building was highly objectionable and the need for development was highly suspect, with the Market appraisal hidden from public inspection;
- Concern regarding the loss of biodiversity.

Patrick Davies

- Raised concerns about the process with additional Meetings of the Scrutiny Committee and Cabinet being urgently called. In addition, the Open Forum was scheduled to commence after the Planning Committee on 12 September where the planning application was due to be considered;
- Little feedback given to the public comments received in March 2019 and holding the Open Forum after the Planning Committee would further preclude serious public consultation in the process;
- No thoughts given on the risk of the LEP grant;
- Rushing to obtain an early planning decision.

Kate Macintosh

- Welcomed the comments of Councillor Learney regarding the improvements to the public realm and Upper High Street;
- Disappointment that Sussex Street was not being restored to 2 way working and therefore taking the major traffic out of Upper High Street;
- Made reference to a rumour she had heard suggesting a proposal for the disposal of the Cattle Market with only outline planning consent, although she noted this was not contained within the report – outline planning consent was valueless;
- Stated that 50% of public land was being disposed of to private buyers – and commented that with land ownership comes control and governance.

Councillor Miller

- Stated that there had been a great deal of public participation on the project;

- Car parking had been reviewed and had now been reduced to 95 parking spaces which was a measured approach – a level of car parking on site was essential;
- The project had received the full backing of the LEP, Winchester BID, Hampshire Chamber of Commerce and the County Council as a much needed development to accommodate high demand;
- Welcomed the old Registry Office building being retained;
- The development would generate employment with well paid jobs, reduce the need for residents to commute outside of Winchester, generate revenue income for the Council to lower the budget deficit;
- The Council would meet the LEP grant funding deadline, retain the interest of prospective purchasers and local tenants if the project was progressed in a timely manner.

Councillor Godfrey

- Welcomed the report and believed that the project should be fully endorsed as it brought a key site next to the station, not used to its full potential, into more sustainable use and provided a significant financial benefit to the local economy;
- Long term finances were under increasing pressure and developments such as Station Approach ensured that income streams were safeguarded and the area was improved by a high-quality development;
- Grade A office space was required to attract and retain major businesses in Winchester and for employment opportunities to remain in this central location and to not relocate elsewhere;
- Enabled Winchester residents the opportunity to take up employment near to where they live, reducing long commutes to work and improving the environment by doing so;
- Parking would reduce in the town centre by 130+ parking spaces which offered a step towards carbon neutrality.

The Strategic Director: Place recognised the tight timetable to enable the council to take advantage of the LEP grant and stated that a prompt decision was essential in order for the project to progress. It was recognised that the LEP grant funding was essential to deliver the public realm scheme, and would support the Carfax office development as well

To address the points raised during public participation, Councillor Learney provided the following response, as summarised below:

- The difficulties with the scheme, particularly the level of car parking, were recognised and work would be carried out to ensure that this did not impact on the economy of the Town;
- Determination of the Planning Application by the local planning authority was a separate decision to the land disposal decision before Cabinet;

- Reassurance was provided that there were no plans for the disposal of the Cattle Market site. The Cabinet Member: Built Environment and Wellbeing was currently working on the Local Plan before any matters relating to future proposals for the site would be taken forward;
- Proposals to implement measures within the Movement Strategy prior to considering further car parking are being progressed,; this being undertaken in balance with measures to promote the use of public transport.

During debate, Cabinet Members clarified that the public realm as part of the Carfax scheme, would be maintained as part of the development, but, via planning condition would be kept fully, publically open. It was confirmed that the City Council is keen for Hampshire County Council to deliver the adjacent Station Approach public realm. The purpose of the report was to consider the approach to land disposal in order to ensure progress with the project and that there would be opportunities for details, and a final recommendation, to come back to Cabinet.

The Leader thanked all those in attendance and those that spoke for their contribution.

Cabinet agreed to the following, including those amendments tabled at the meeting as detailed above, for the reasons set out above and outlined in the Report.

RESOLVED:

That the following be noted:

1. The Scrutiny Committee considered the contents of the report and the proposed recommendations to Cabinet on 14 August 2019 and made comments as set out in the draft minutes (Appendix 9)
2. The three specific areas for consideration raised by the Scrutiny committee along with associated comments as set out in the report and detailed in Appendix 8
3. The amendments made to the outline planning application, including reduced height, reduced parking and additional areas of active frontage to the public route through the site.
4. The introduction of an Open Forum to continue stakeholder engagement in the development of this proposal.
5. The feedback from the soft market testing as detailed in Appendix 3.
6. The RIBA equivalent Stage 3 report (Appendix 10) and cost plan for the Public Realm project.

7. That this report concludes the review of the Station Approach scheme led by the Cabinet Member: Local Economy.

That the following be approved:

8. That the allocation of a revenue budget of up to £220,000, as set out in Appendix 1 of the Report be approved, to undertake the selection process to enable the site disposal.

9. That the progression of the Public Realm project to RIBA equivalent Stage 4 (Technical design) and Stage 5 (Construction Management) be approved and that this work proceeds at a financial risk to the Council (see para 2.8).

10. That a request be progressed for the allocation of up to £500,000 CIL funding to enable development of public realm works to improve connectivity between the Station area and the High Street and Sussex Street.

11. That the Strategic Director: Place be authorised to enter into the necessary agreement with Hampshire County Council (and any other necessary associated parties) to progress public realm design and construction management work.

12. That the Strategic Director: Place be directed to develop a schedule of and process for spend and payments for the LEP grant that assists with the active management of the risk of grant repayment.

That, contingent on the approval of the outline planning consent, the following be approved:

13. The disposal of the Carfax site to a selected purchaser by way of a long leasehold, subject to agreed terms and conditions following a competitive selection process.

14. That detailed arrangements for the purchaser selection process for disposal are subject to a further report to Cabinet, having considered the specific comments of The Scrutiny Committee in this regard.

RECOMMENDED (TO COUNCIL):

15. APPROVAL TO AGREE AND TO ENTER INTO THE LEP GRANT AGREEMENT FOR A TOTAL SUM OF £5M BASED ON THE HEADS OF TERMS (APPENDIX 6), WITH FINAL AMENDMENTS TO BE DELEGATED TO THE STRATEGIC DIRECTOR: PLACE IN CONSULTATION WITH THE CABINET MEMBER FOR LOCAL ECONOMY.

16. APPROVAL TO INCUR CAPITAL EXPENDITURE IN STAGES TOTTALLING £5M TO BE FUNDED FROM THE LEP

GRANT RECOGNISING THE TERMS AND CONDITIONS ATTACHED TO THE GRANT AGREEMENT AND THAT SUCH EXPENDITURE WILL BE SUBJECT TO PAYBACK TO THE LEP SHOULD THE SCHEME NOT PROGRESS AND ACHIEVE THE GRANT OBJECTIVES.

14. **EXEMPT BUSINESS:**

RESOLVED:

1. That in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2. That the public be excluded from the meeting during the consideration of the following items of business because it is likely that, if members of the public were present, there would be disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

<u>Minute Number</u>	<u>Item</u>	<u>Description of Exempt Information</u>
15.	Station Approach proposals for delivery and further public realm development (exempt appendices and exempt minute)) Information relating to the) financial or business affairs of) any particular person (including) the authority holding that) information). (Para 3 Schedule) 12A refers)) Information in respect of which a) claim to legal professional) privilege could be maintained in) legal proceedings. (Para 5) Schedule 12A refers)

15. **STATION APPROACH PROPOSALS FOR DELIVERY AND FURTHER PUBLIC REALM DEVELOPMENT (EXEMPT APPENDICES)**
 (Report CAB3172 - Appendices 4a, 4b and 9 refers)

Cabinet noted that exempt Appendix 9 (Exempt Minute of the Scrutiny Committee held on 14 August 2019) had not been notified for inclusion on the agenda within the statutory deadlines. The Leader therefore agreed to accept

this item onto the agenda as a matter requiring urgent consideration in order that regard be had to their content in reaching its decision on the way forward with the proposals for Station Approach.

Cabinet had considered the contents of the exempt appendix to the report which included commercially sensitive information regarding the Financial and Commercial Appraisals as part of the proposals for the disposal options and approach, and market interest and viability for Station Approach, when they made their decision on this matter.