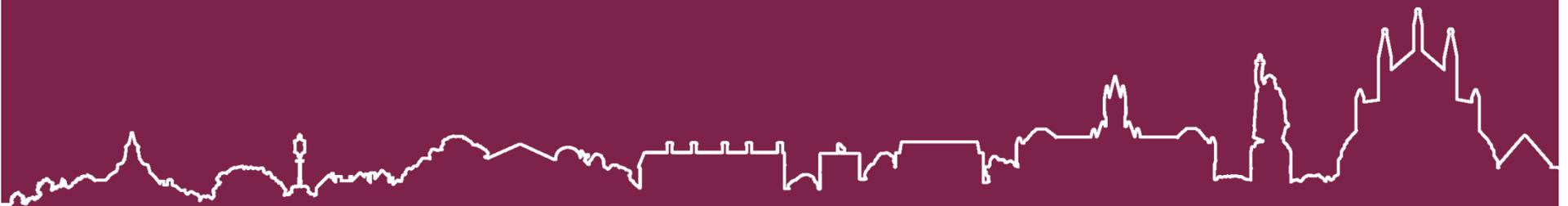


OPEN FORUM

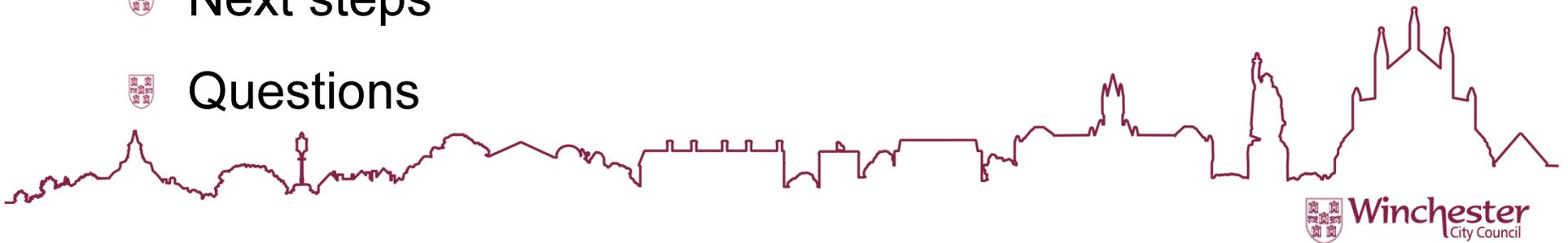
5 July 2021

Central Winchester Regeneration  
(CWR)

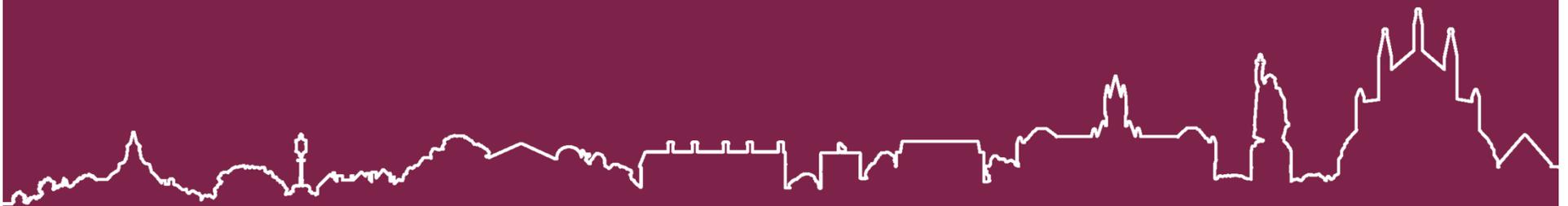


# AGENDA

-  Introduction
-  Recap
-  Business Case
-  Kings Walk
-  Archaeology
-  Coitbury House
-  Friarsgate Medical Centre
-  Next steps
-  Questions



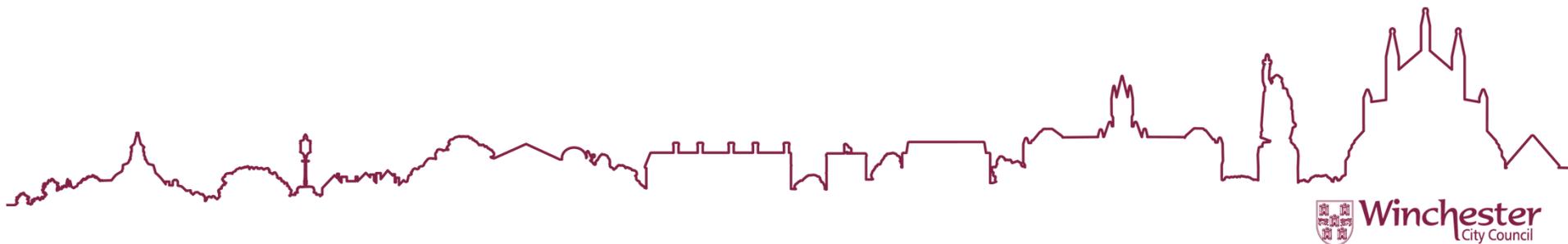
# Re-cap



# What we agreed to do: March Cabinet meeting

## ***Business case***

-  Complete business case for CWR to inform the delivery of the development proposals
-  Finalise the route to deliver the medium/long term vision for the creative hub at Kings Walk
-  Explore the options for delivering the interim on street bus solution along Friarsgate, Tanner St and Silver Hill and finalise the preferred approach



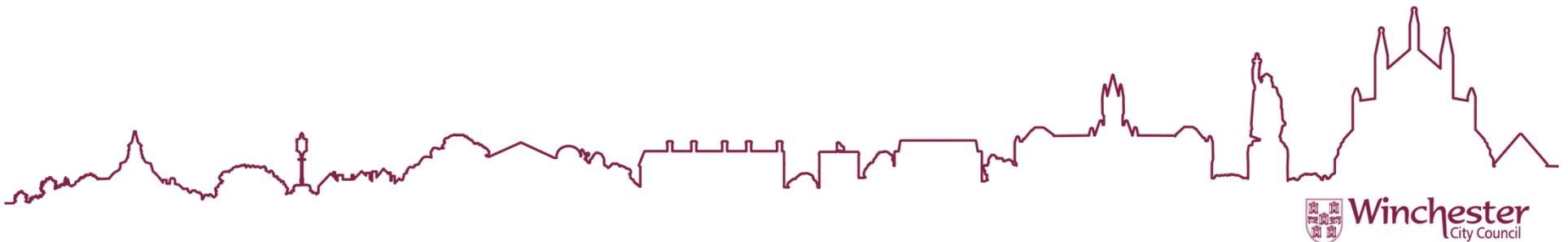
# What we agreed to do: March Cabinet meeting

## ***Kings Walk***

- Finalise the route to procure and deliver short term improvements to the ground floor at Kings Walk and surrounding public realm

## ***Friarsgate Medical Centre***

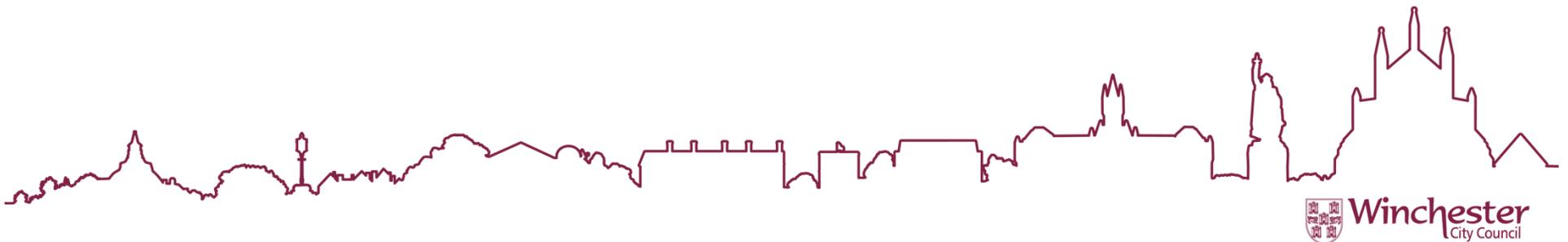
- Finalise the design for the interim public space and take forward the planning application to demolish Friarsgate Medical Centre



# What we agreed to do: March Cabinet meeting

## *Additional Work streams*

-  Continue to liaise with 3<sup>rd</sup> party landowners with a view to bringing forward all sites in the CWR SPD area
-  Explore opportunities to secure external funding
-  Continue to develop communications and engagement plan
-  Develop project governance as work progresses to the next phase



# Business Case



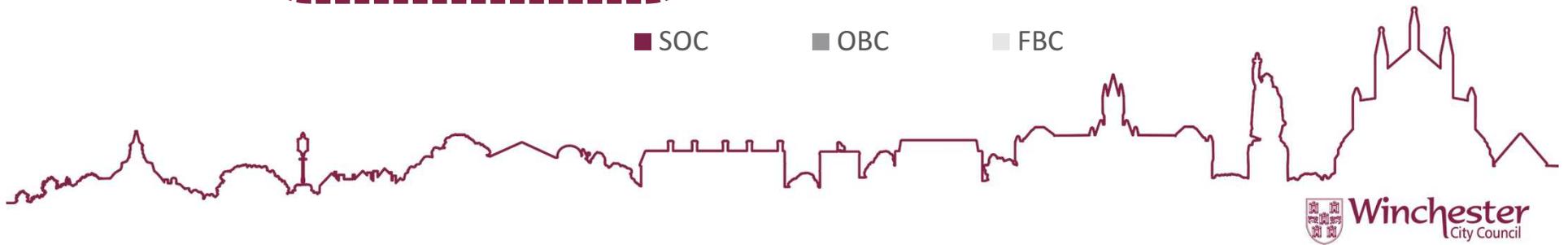
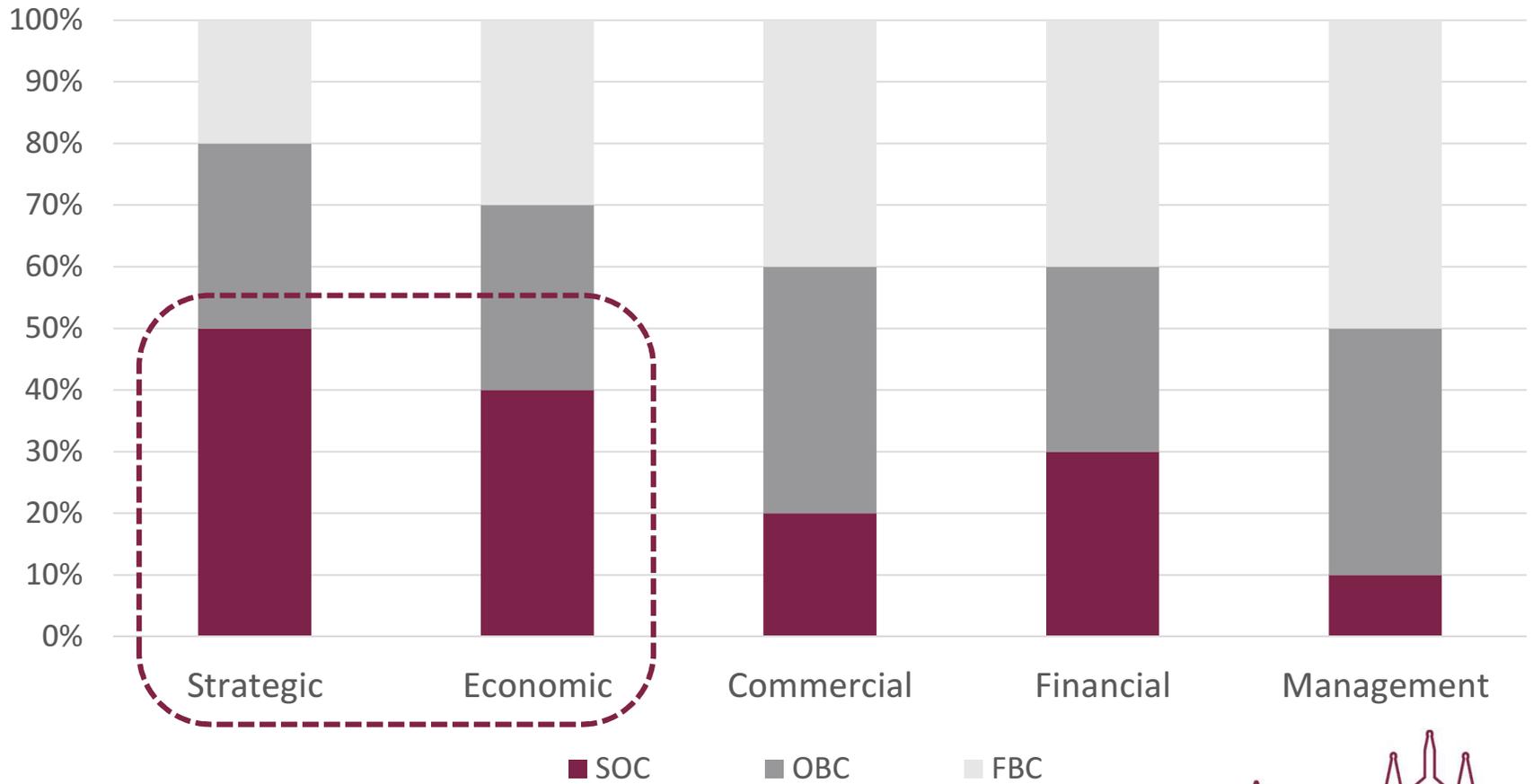
# BUSINESS CASE DEVELOPMENT PROCESS

	Stage 0	Stage 1	Stage 2	Stage 3
Stage outcome	<b>Strategic Assessment</b>	<b>Strategic Outline Case</b>	<b>Outline Business Case</b>	<b>Full Business Case</b>
Stage activities	<ul style="list-style-type: none"> <li>• Determine the strategic context</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Scoping the scheme</b></li> <li>• <b>Making the case for change</b></li> <li>• <b>Explore the preferred way forward</b></li> </ul>	<ul style="list-style-type: none"> <li>• Planning the scheme</li> <li>• Determine potential value for money (VfM)</li> <li>• Preparing for the potential deal</li> <li>• Planning for successful delivery</li> <li>• Ascertaining affordability and funding</li> </ul>	<ul style="list-style-type: none"> <li>• Procuring the solution</li> <li>• Contracting for the deal</li> <li>• Ensuring successful delivery</li> </ul>
Gateway review and expected date	0: Strategic assessment (Complete)	<b>1: Business justification</b> <b>(Summer 2021)</b>	2: Delivery strategy (Autumn 2021)	3: Investment decision (Spring/Summer 2022)



# PROGRESSING THE CASES THROUGH THE STAGES

Primary focus is developing Strategic and Economic cases for business justification of project

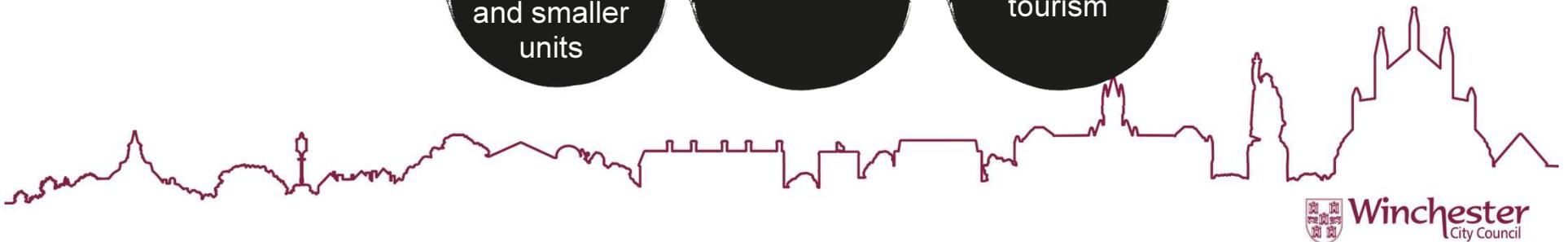


# Strategic Outline Case



# CASE FOR CHANGE

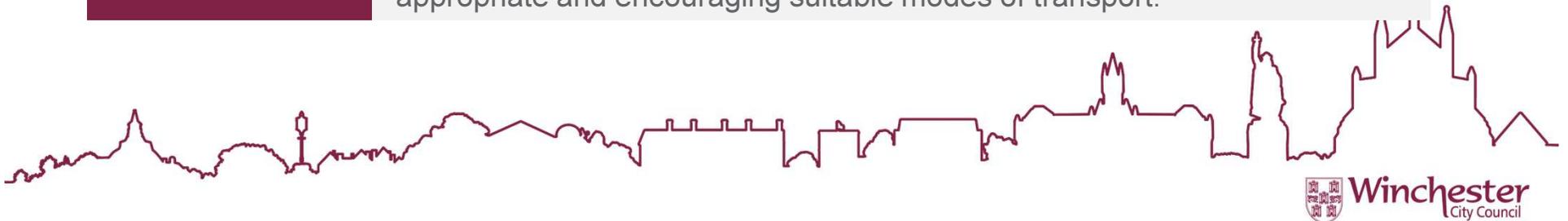
- The case has been outlined in two primary sources:
  - The Central Winchester Regeneration Supplementary Planning Document (SPD)
  - The Winchester City Council Plan 2020- 25
- Competitive Position work, workshops and public consultation identified 7 key themes:



# INVESTMENT OBJECTIVES

The investment objectives were distilled from the key themes

<b>Work</b>	Provide creative, flexible workspaces to help grow start-up businesses and allow like-minded professionals to support each other by sharing skills, ideas and resources.
<b>Live</b>	Provide housing suitable for a range of people, including young people and families. A mix of private and affordable housing is needed with new homes for key workers and homes for rent.
<b>Play</b>	Create high quality exceptional public places where people want to spend time, to enjoy outside spaces, to experience new things, celebrate heritage and culture and get involved in something that interests them.
<b>Student and young person experience</b>	Create a mix of uses which is attractive to students and young people. Which encourages them to visit the centre of Winchester instead of going elsewhere and gives them reason to want to stay in the city beyond their time at university.
<b>Overnight tourism</b>	Create an attractive night-time offering to complement the existing city quarters and encourage residents and tourists to visit the area in the evening.
<b>Sustainable development</b>	Work towards the city carbon neutrality target through choice of building materials, measures to minimise energy use, re-use of buildings where appropriate and encouraging suitable modes of transport.



# CRITICAL SUCCESS FACTORS

CSF 1

Alignment to City Needs (Winchester City Council Plan 2020- 25)

CSF 2

Alignment to the CWR Supplementary Planning Document

CSF 3

Alignment to the Investment Objectives

CSF 4

Achieving the benefits optimisation

CSF 5

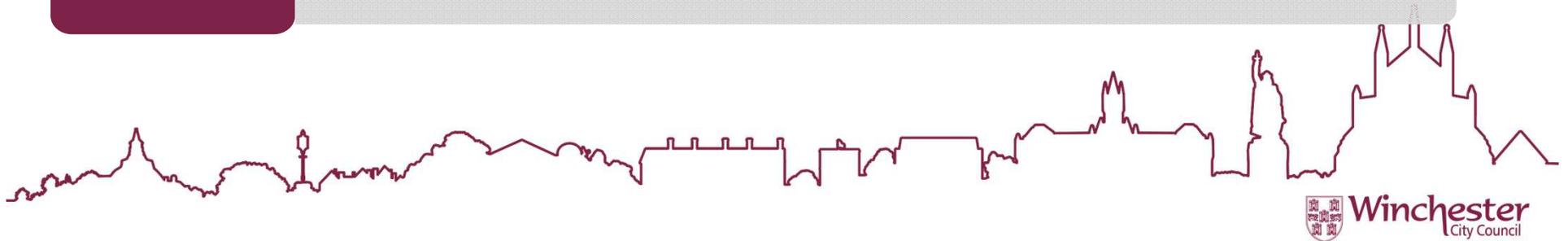
Affordability

CSF 6

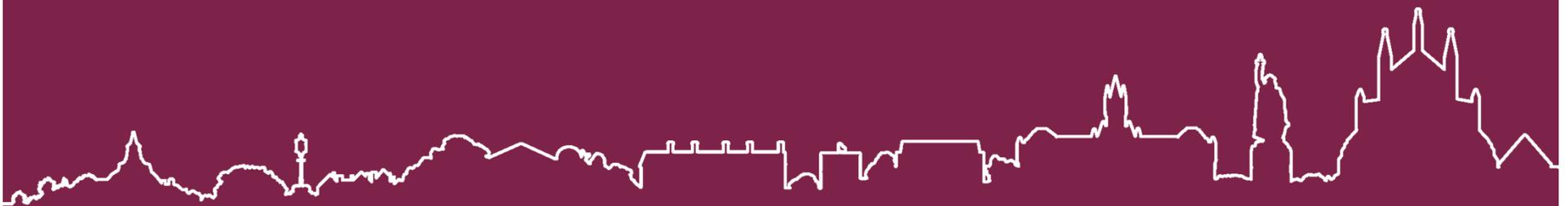
Obtaining planning permission

CSF 7

Political Risk

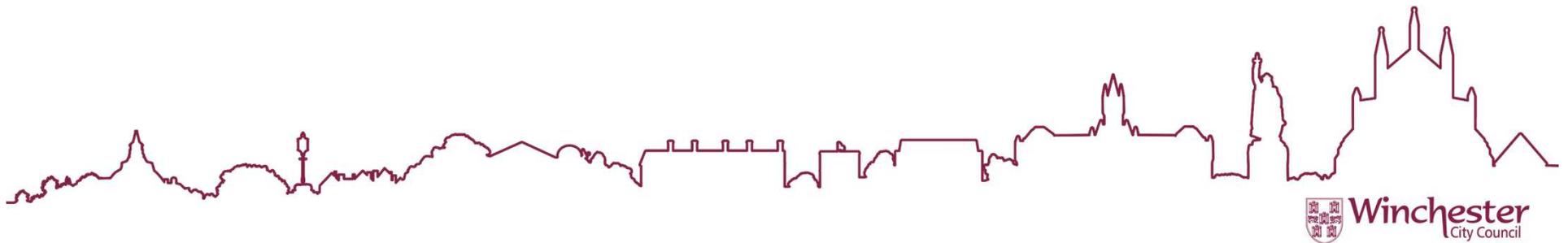


# Delivery Options Long List



# SOLUTION DELIVERY OPTIONS

Lesser Control/Risk			Greater Control /Risk		
Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Disposal	KW + Bus + Disposal	KW + Bus + Development Partner	KW + Development Partner	Development Partner	Master Developer
Disposal-Freehold or Long Leasehold	WCC to bring forward Kings Walk Creative Quarter and deliver the on-street bus solution. Remaining land parcels disposed of on a Freehold basis and brought forward by multiple developers	WCC to bring forward Kings Walk Creative Quarter and deliver the on-street bus solution. Followed by a contractual agreement with one development partner to bring forward remaining site	WCC to bring forward Kings Walk Creative Quarter. Contractual agreement with one development partner for the remainder of the site	Contractual agreement across the defined site with one developer partner	WCC acting as master developer

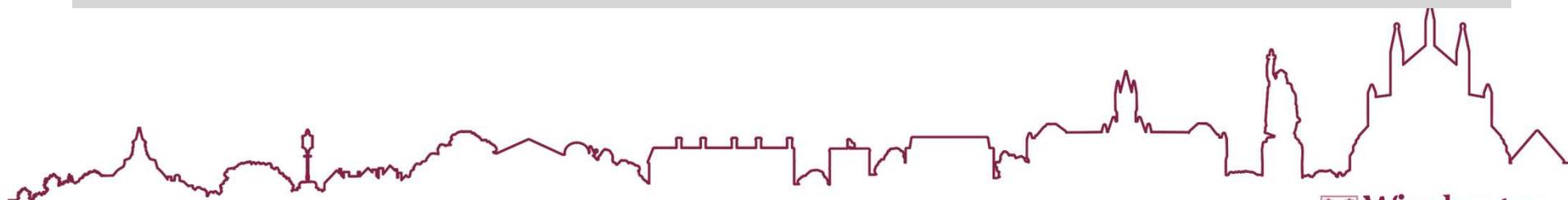


# LONG LIST EVALUATION CRITERIA

 Each of the solution delivery options has been evaluated against a set of criteria based on a Five Category Evaluation Model



Evaluation category	Selection Criteria	Descriptor
Finance	Cost	What is the expected level of direct cost to WCC
	Return (profit share)	What level of profit share return will WCC receive
	Return (land receipt)	What level of land receipt returns will WCC receive
Timing	Speed	How well does the delivery option align to the required delivery timelines
Risk	Planning risk	How much of the planning risk lies with WCC
	Development risk	How much of the development risk lies directly with WCC
Control	Control	How much control does WCC have over the development
	Market appetite	What is the likely market appetite for the solution delivery option
Expertise	Resourcing / expertise	Does WCC have the required internal resources/expertise



# SUMMARY EVALUATION OF OPTIONS

From WCC's perspective:

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Evaluation Criterion	Disposal	KW + Bus + Disposal	KW + Bus + Development Partner	KW + Development Partner	Development Partner	Master Developer
Cost	4	1	1	3	4	0
Control	0	2	3	3	3	4
Planning risk	4	0	0	3	3	0
Development risk	4	2	2	4	4	2
Resourcing / expertise	4	1	1	3	4	0
Speed	1	1	1	2	3	2
Return (profit share)	0	1	1	1	0	0
Return (land receipt)	3	2	2	2	2	2
Market appetite	4	2	1	3	4	0
<b>OVERALL</b>	<b>24</b>	<b>12</b>	<b>12</b>	<b>24</b>	<b>27</b>	<b>10</b>

Key: 0 = Least favourable impact; 1 = Some impact; 2 = Positive impact; 3 = High positive impact; 4 = Maximum favourable impact

# CRITICAL SUCCESS FACTOR EVALUATION

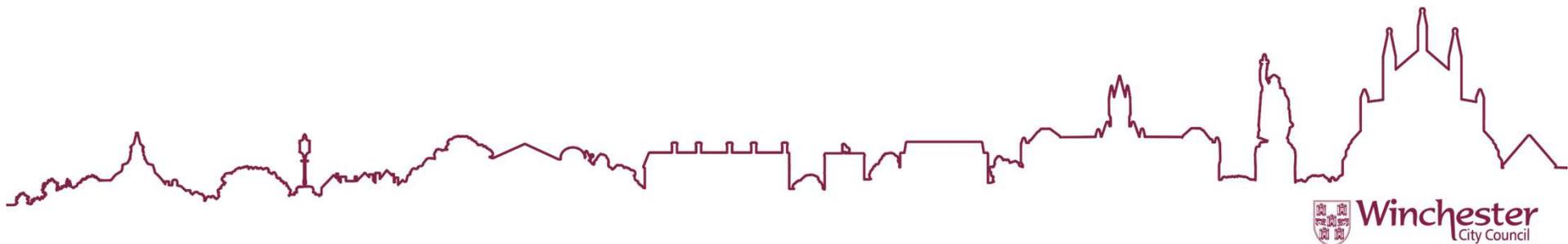
## SHORTLISTED SOLUTION DELIVERY OPTIONS

Assessment Category	Option 4 KW + Development Partner	Option 5 Development Partner
CSF1: Alignment to city needs	4	4
CSF2: Alignment to SPD	4	4
CSF3: Alignment to investment objectives	4	4
CSF4: Achieving the benefits optimisation	3	3
CSF5: Affordability	1	3
CSF6: Obtaining planning permission	2	3
CSF7: Political Risk	3	2
<b>OVERALL</b>	<b>21</b>	<b>23</b>

Key: 0 = Least favourable impact; 1 = Some impact; 2 = Positive impact; 3 = High positive impact; 4 = Maximum favourable impact

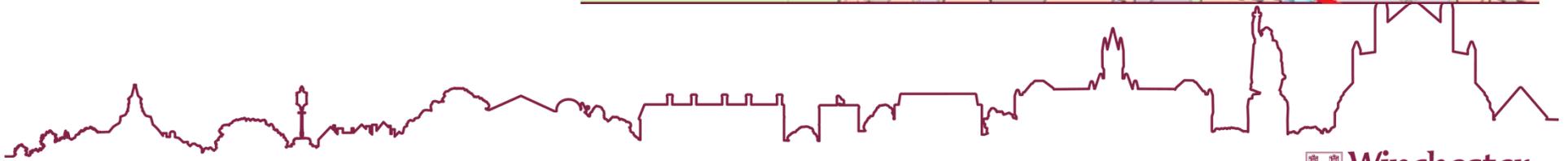
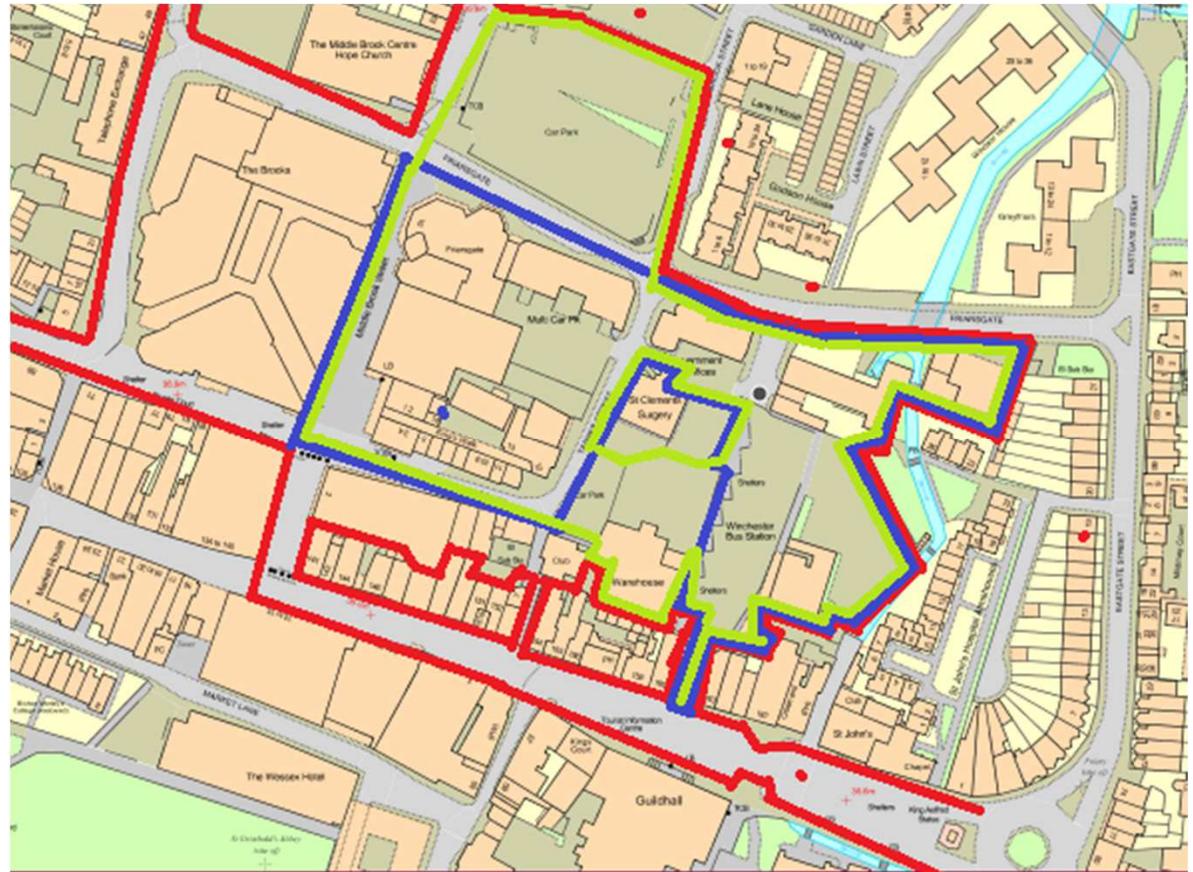


Option	Rationale	
<p><b>Option 4 - WCC to deliver Kings Walk with a Development Agreement on remaining land</b></p>	<p>This option delivers well against the CSF's however it does require capital expenditure by WCC to deliver Kings Walk and is therefore may be less affordable to WCC.</p>	<ul style="list-style-type: none"> <li>• <b>Advantages</b> <ul style="list-style-type: none"> <li>• Certainty of delivery and <b>timescales</b> for KW</li> <li>• Delivery control through development agreement</li> <li>• Development partner delivers bus solution</li> </ul> </li> <li>• <b>Disadvantages</b> <ul style="list-style-type: none"> <li>• 'Gateway' to the site would be <b>un-developed</b> for 15 years</li> <li>• Some parties view the Kings Walk building as <b>unattractive</b></li> <li>• Requires significant <b>capital expenditure</b> by WCC to bring KW back to leasable standard</li> <li>• May result in a <b>reduction in market interest</b> due to scale of site reducing</li> </ul> </li> </ul>
<p><b>Option 5 - Development agreement across the defined site with one development partner</b></p>	<p>This option delivers very well against the evaluation criteria and the CSF's and is noted as the <b>preferred delivery route</b>.</p>	<ul style="list-style-type: none"> <li>• <b>Advantages</b> <ul style="list-style-type: none"> <li>• Lower WCC <b>resourcing/expertise requirement</b></li> <li>• The developer is responsible for delivering interim bus solution</li> <li>• The developer is able to <b>balance viability</b> across uses efficiently</li> </ul> </li> <li>• <b>Disadvantages</b> <ul style="list-style-type: none"> <li>• Some loss of control; however, key aspects of <b>influence retained</b></li> <li>• Relying on contract if performance falters/market conditions change</li> </ul> </li> </ul>



# DEVELOPMENT AGREEMENT

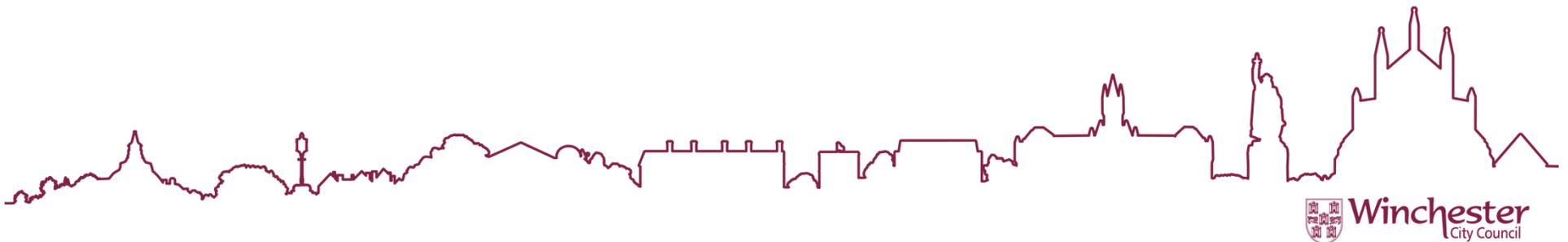
-  CWR SPD Red Line
-  CWR Development Proposals
-  DA Defined Site



# DEVELOPMENT AGREEMENT

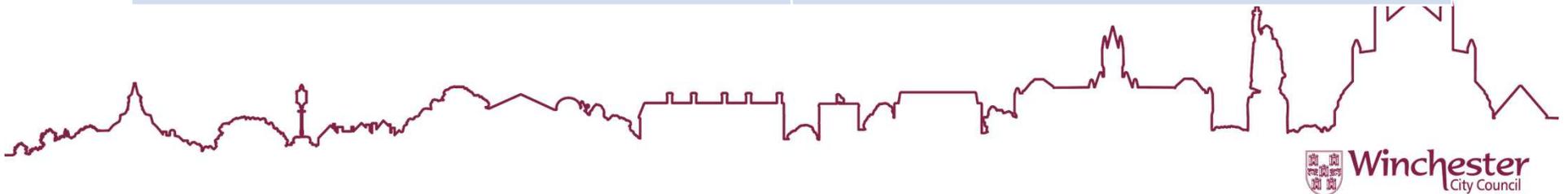
 The development agreement between WCC and the development partner would set out the role and responsibilities of both parties and would include conditions and obligations around

-  Objectives – for the scheme
-  Pre-conditions (e.g. land assembly, planning, consultation, funding, viability)
-  Phasing – target and longstop dates (and delays)
-  Payments – land value, overage, grant, etc.
-  Financial – appraisal/model, inputs/outputs, review
-  Governance – meetings, reporting, open book
-  Change/Variations



# KEY DIFFERENCES - DEVELOPMENT AGREEMENT ROUTE

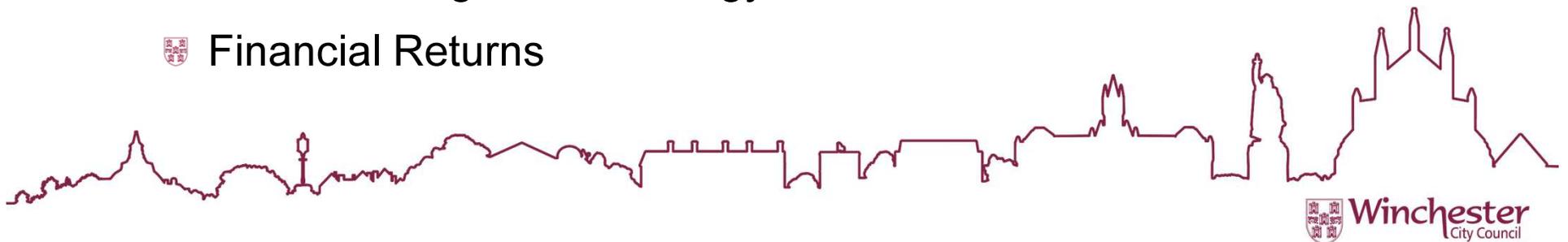
The previous failure was due to 3 main issues:	What is different this time:
The developer was a majority landowner	WCC is now the majority landowner through a DA, can regulate required steps and responsibilities
WCC had no choice and there was no procurement process to choose a best in class	WCC can choose a preferred developer to work with to deliver against their criteria and work with them to optimise the current proposals
There was ambiguity over planning	WCC has adopted the SPD and has also developed the CWR Development Proposals recently consulted on Once appointed, WCC can work with the developer to create a joint masterplan.



# SELECTION CRITERIA

**Any procurement process would establish the developer's ability to fulfill WCC key requirements:**

-  Track record of mixed-use development with Local Authorities
-  Work within the SPD and with WCC to optimise the Development Proposal work already completed and obtain Planning Consent
-  Implement the bus solution and high-quality public realm
-  Meet or exceed WCC sustainability ambitions
-  Agree phasing and incremental development – achieved through a phased drawdown of land and may involve a mix of architects
-  Agreement on Development Agreement structure
-  Meanwhile Use Strategy
-  Estate Management Strategy
-  Financial Returns



# SELECTION CRITERIA

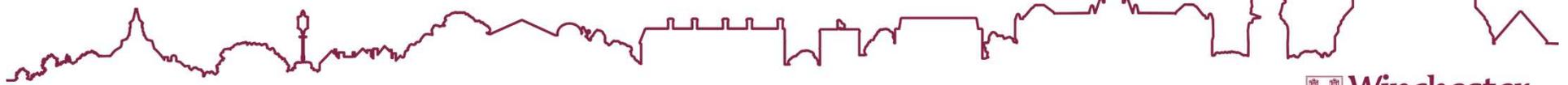
The developer would also need to demonstrate their ability to meet all the criteria set out within the business case.

## INVESTMENT OBJECTIVES

<b>Work</b>	Provide creative, flexible workspaces for new start ups and allow collaboration
<b>Live</b>	Provide private and affordable housing for young people and families.
<b>Play</b>	Create high-quality, exceptional public places.
<b>Student and young person experience</b>	Create a mix of uses that is attractive you young people and students to attract patronage to Winchester's centre.
<b>Overnight tourism</b>	Create an attractive night-time offering.
<b>Sustainable development</b>	Work towards the city's carbon neutrality target.

## CRITICAL SUCCESS FACTORS

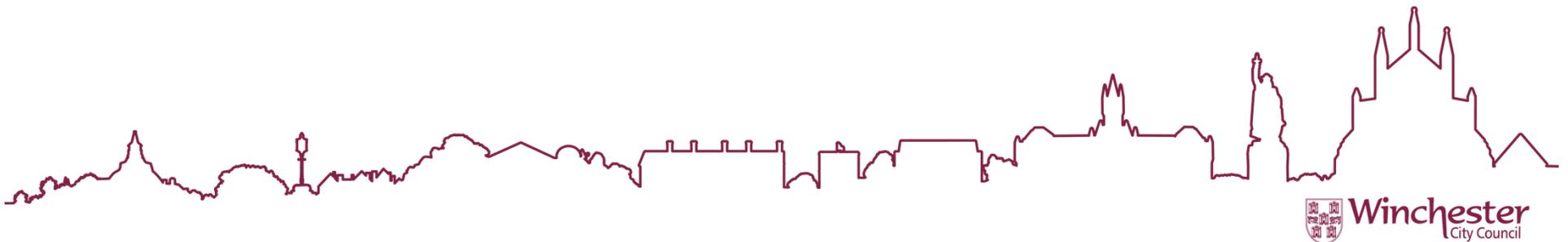
- CSF 1** Alignment to City Needs (Winchester City Council Plan 2020- 25)
- CSF 2** Alignment to the CWR Supplementary Planning Document
- CSF 3** Alignment to the Investment Objectives
- CSF 4** Achieving the benefits optimisation
- CSF 5** Affordability
- CSF 6** Obtaining planning permission
- CSF 7** Political Risk



# DEVELOPMENT AGREEMENT AND THE SPD

 The SPD envisaged using multiple developers to bring the site forward in phases. The approach outlined will achieve the same goal:

-  Defined site sits within the SPD red line
-  Retains the incremental approach of delivery in phases
-  Enables better integration of multiple design inputs from multiple partners and architects
-  Enables better sharing of infrastructure and public realm related costs across land parcels

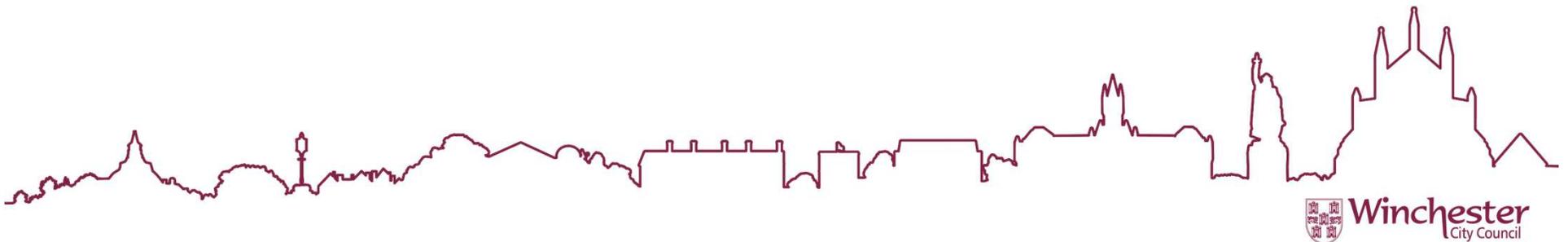


# Kings Walk



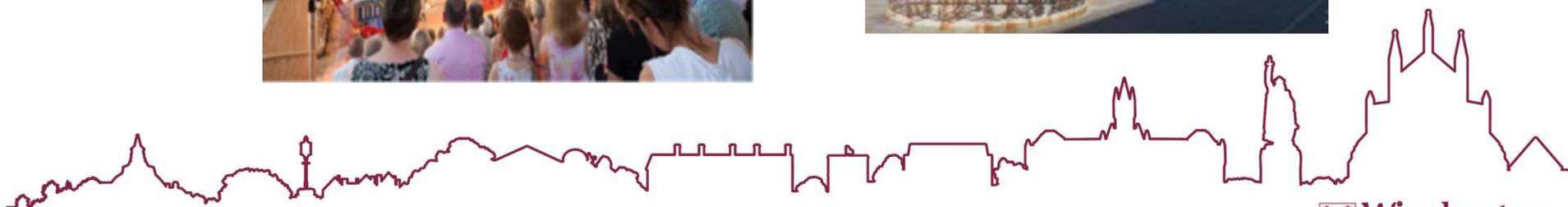
# Kings Walk

- At Cabinet in March, it was indicated that bringing Kings Walk back in to use to provide for a creative quarter is a priority to kick start transformation and activity in the city centre
- A key area of focus as the SOC has been prepared has been how to bring this forward in the best way
- However, the SOC indicates that to proceed with KW as a separate and early development package is not beneficial, however, it is critical that life is breathed into this area of central Winchester



# Kings Walk

- At Cabinet in £200,000 was approved to deliver short term improvements to Kings Walk and the surrounding area as follows;
  - Enhance ground floor entrances, courtyard and undercroft
  - Convert Loading Bay into events space
  - Silverhill frontage improvements



# Kings Walk

## Condition survey and intrusive investigations

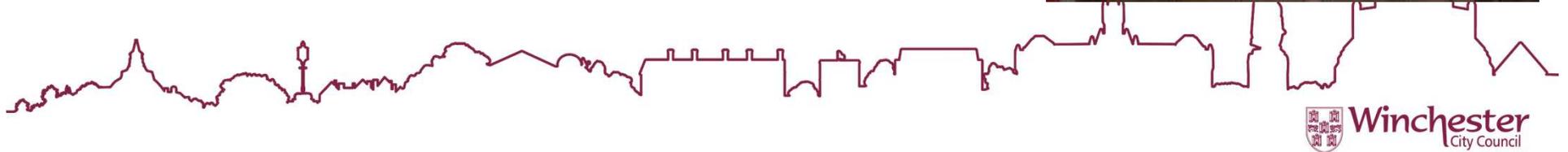
The condition survey has now been completed and the conclusion is that in order to keep Kings Walk in use, either long or short term, further maintenance work is required.

- Remedial works to the roofs & elevations, plant rooms, window framework & glazing
- Drainage works to a suspected collapsed section of drainage run
- Additional fire safety measures including upgraded alarm system

## Intrusive investigations

- Structural integrity of the building – concrete, steels etc
- Results 6 -12 weeks

## Fed in to SOC – challenging financial position



# MEANWHILE OPTIONS

🏰 An additional budget sought to bring forward the following improvements:

- 🏰 Multi-storey car park roof
- 🏰 Courtyard garden
- 🏰 Activation and marketing



# MEANWHILE OPTIONS

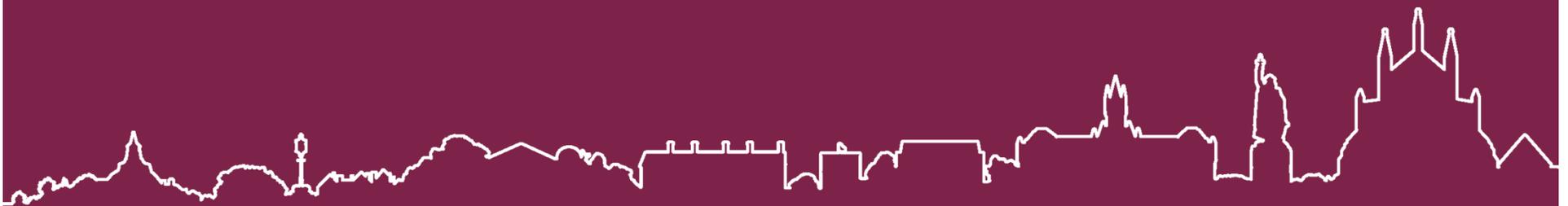
3 year period between now and end of 2024 aligning with lease renewals in Middle Brook Street

Scope:

- Ground floor shops – internal and external
- The courtyard
- Open space in front of 3&4 Kings Walk
- The loading bay outdoor events space
- The multi-storey car park roofscape



# Archaeology

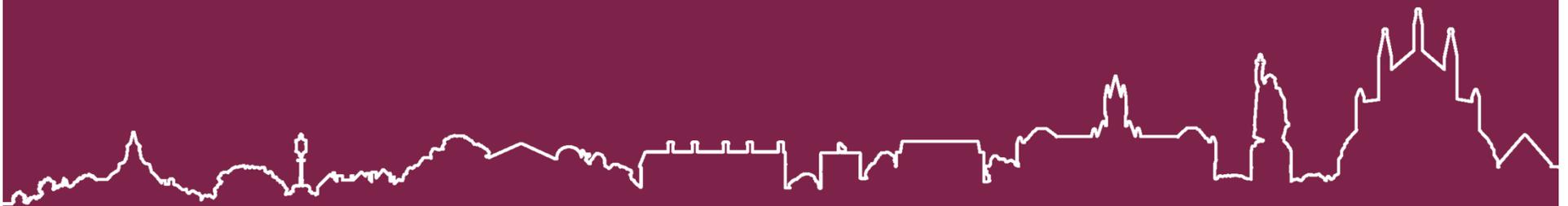


# UPDATE

- ❏ Analysis of samples taken from the cores drilled from the ground across the CWR area last year is underway
- ❏ We are increasing our understanding of the general nature of deposits below the CWR site and the conditions in which archaeological remains may exist
- ❏ This information will help to inform future archaeological investigations undertaken in relation to development proposals as they come forward
- ❏ Updates on investigations and the findings are available on the council website

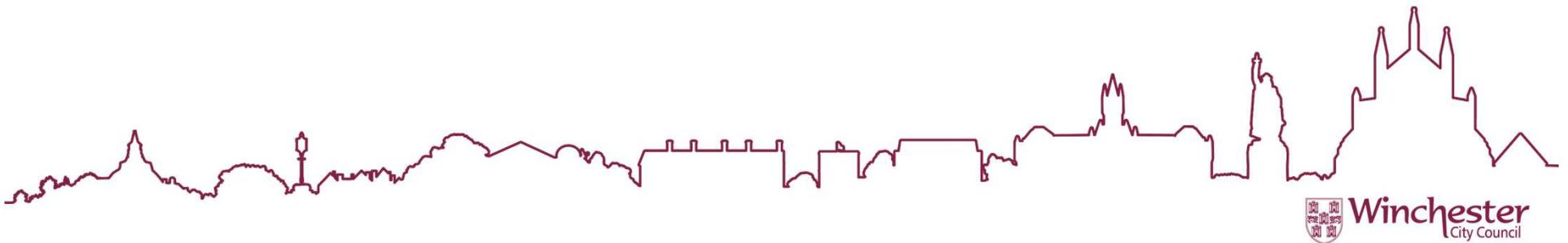


# Coitbury House





-  Coitbury House will now provide affordable housing to 16 young professionals and key workers.
-  It has been transformed into short-term affordable guardian accommodation with an extensive internal fit out.



# Friarsgate Medical Centre

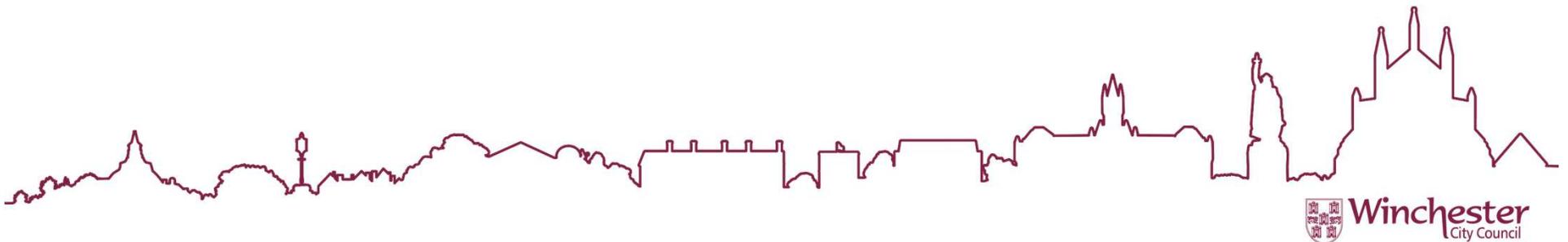


# FRIARSGATE MEDICAL CENTRE



## Key aims of the project

-  Improve accessibility and key links
-  Sustainable systems and circular economy
-  Catalyst to revitalising the City Centre
-  Biodiversity gain
-  Low maintenance



**Slide 37**

---

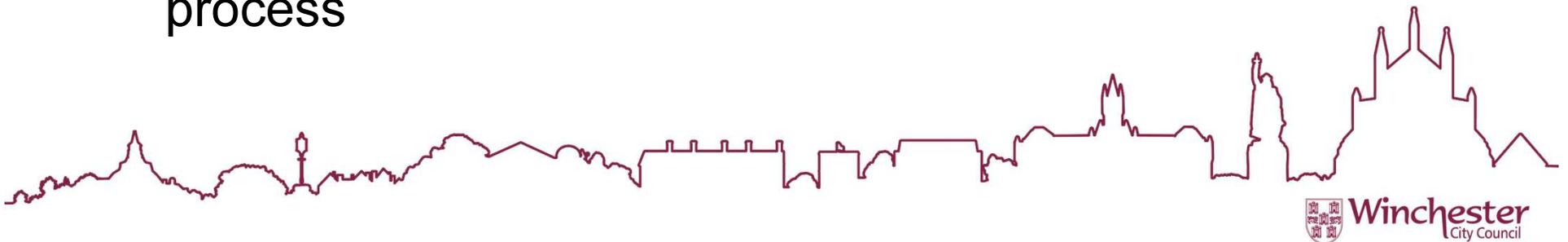
**LG4**

**add image of existing building**

Louise Gill, 30/06/21

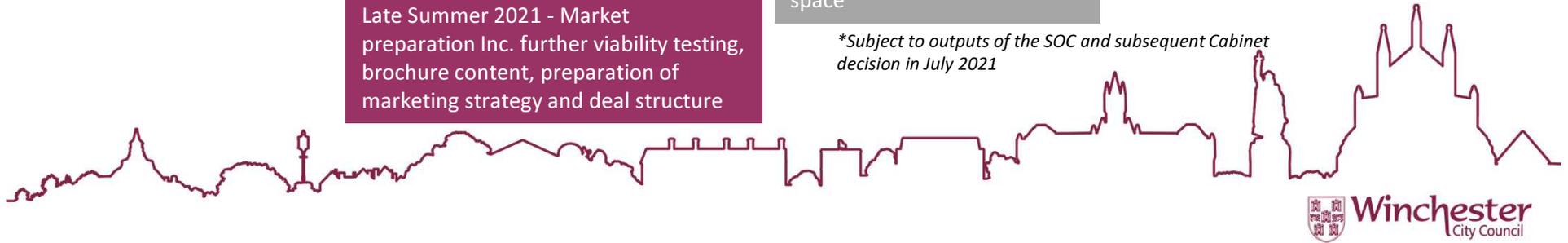
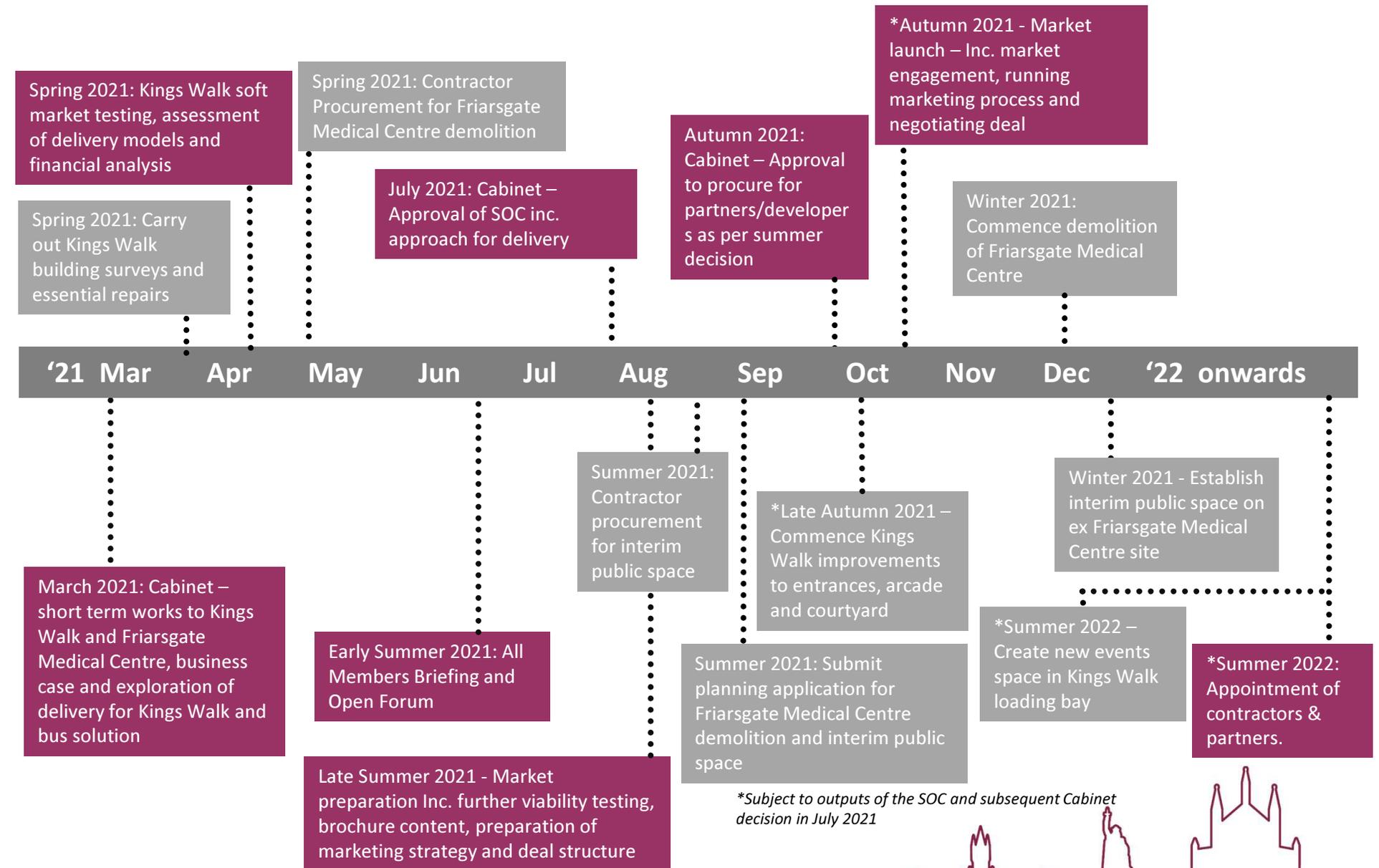
# FRIARSGATE MEDICAL CENTRE

- 🏰 Cabinet approved in March, £250k for demolition and £250k for implementation of an interim public space
- 🏰 Analysed the constraints and opportunities of the site
- 🏰 Scrutinised the social context within Winchester
- 🏰 Conducted a site appraisal to understand the limitations of the site
- 🏰 Liaised with stakeholders throughout design process



# Next Steps





# Questions

If we don't get to your question today – please email us at [CWRegen@Winchester.gov.uk](mailto:CWRegen@Winchester.gov.uk) and we will send you a reply

## Thank you

