

Driving revenue and value through capital investment

APSE Briefing – 22nd February 2018



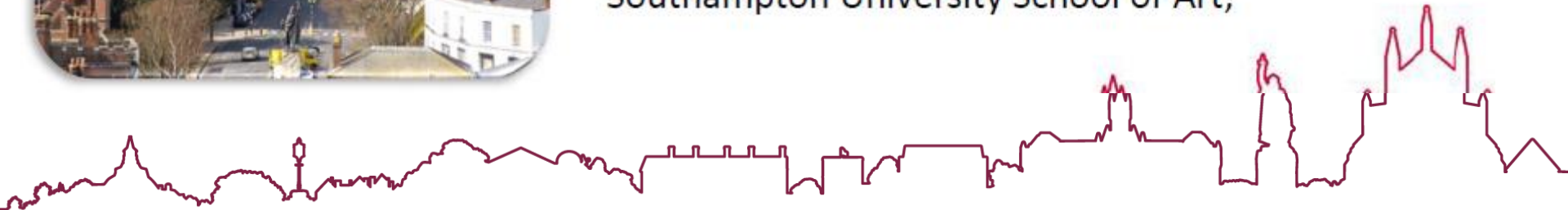
WHERE IS WINCHESTER?



WINCHESTER



- Geographic area of 256 Square Miles;
- 121,000 residents;
- 45,200 (1/3) of which live in the main town area;
- One of the lowest unemployment levels in the United Kingdom; standing at approximately 0.6%;
- Ranked #1 'Best Places to Live' survey 2016 (The Sunday Times);
- £360 Million regeneration programme
- Home to the prestigious Winchester University and Southampton University School of Art;



WINCHESTER

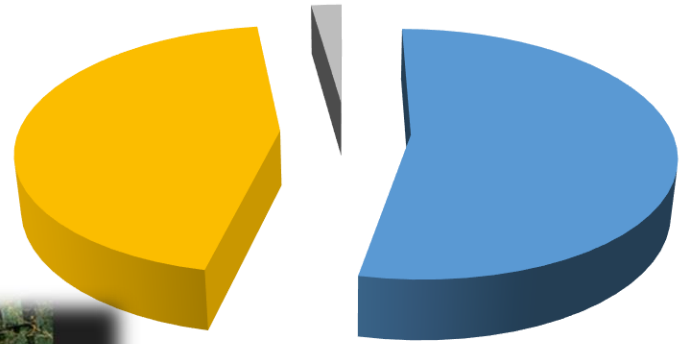
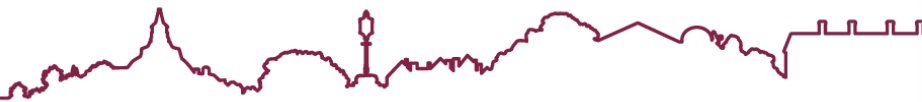
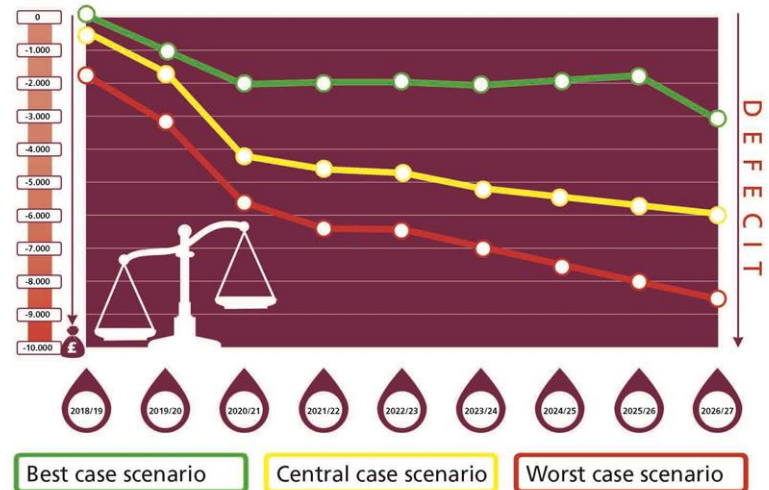


FIGURE 1 -
Sensitivity / Scenario Planning (£m)



WINCHESTER



Aerial view of Station Approach, which the Council is looking to develop into mixed use commercial as part of the aim to make Winchester a premier business destination



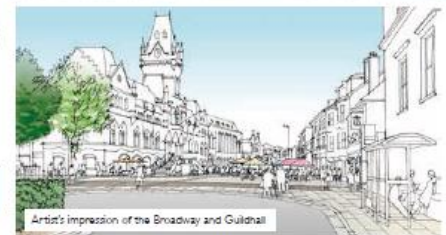
Artist's Impression of Friarsgate Market

VISION

The vision for the Central Winchester Regeneration area is for the delivery of a mixed-use, pedestrian friendly quarter that is distinctly Winchester and supports a vibrant retail and cultural / heritage offer which is set within an exceptional public realm and incorporates the imaginative re-use of existing buildings of historic interest.



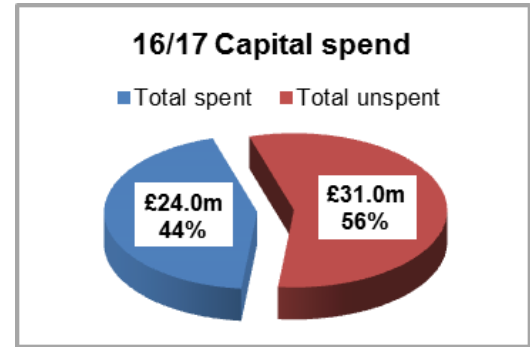
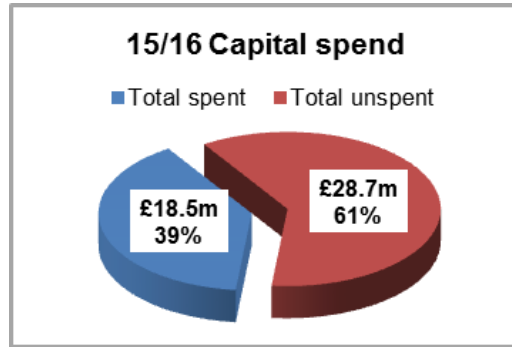
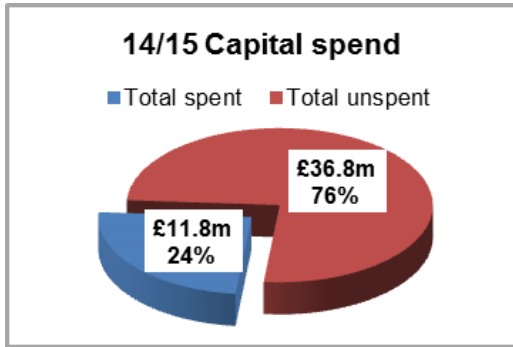
Artist's Impression of the view from the Broadway into Riverside Walk



Artist's Impression of the Broadway and Guildhall





CAPITAL PROGRAMME

Historic underspends of capital





CAPITAL PROGRAMME

Why do we have an ongoing underspend?

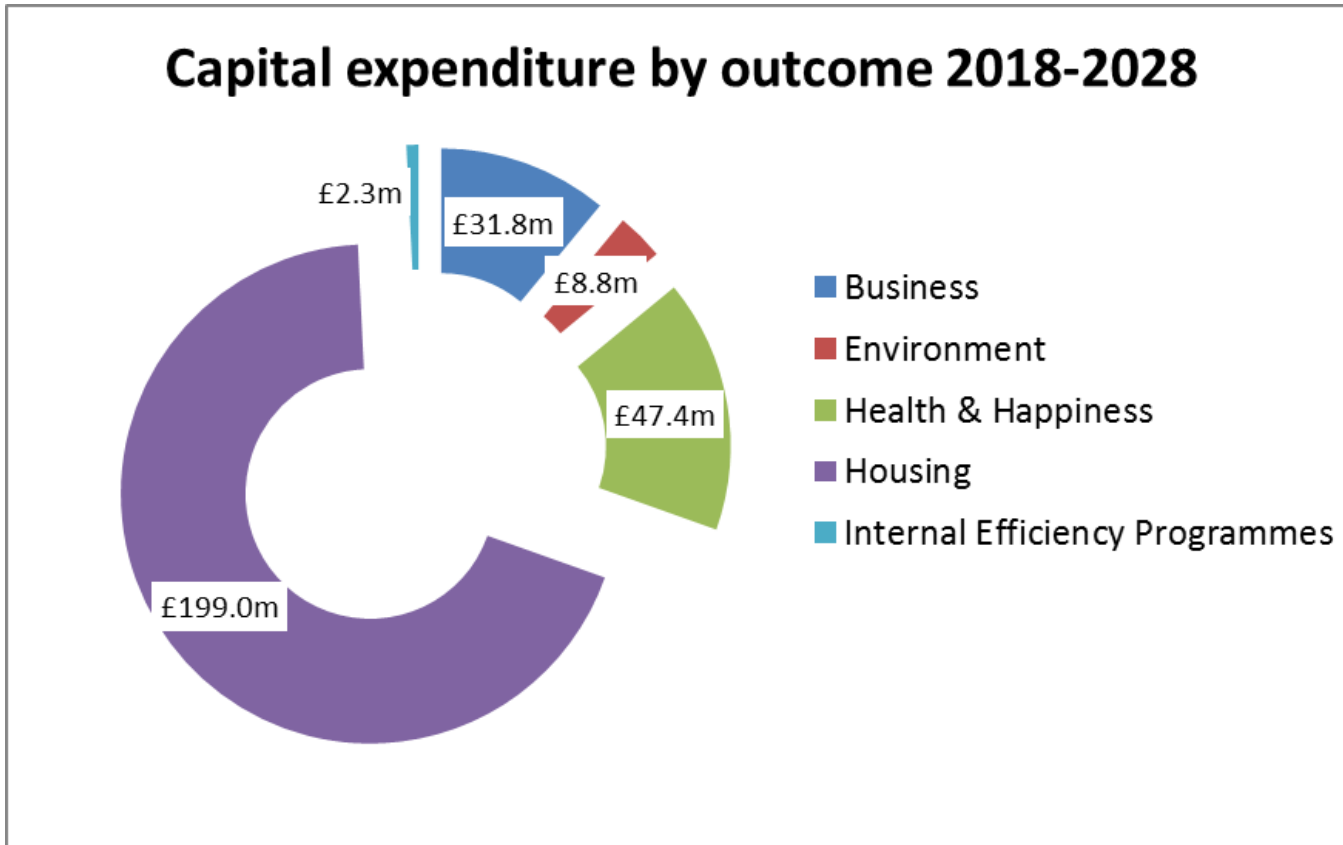
-  Nature of spend – large scale capital projects are prone to delay
-  Capital Strategy too short term?
-  Too ambitious?
-  Optimism bias?

Does it matter?

-  Outcomes aren't achieved when we want to achieve them
-  We invest our available cash shorter-term resulting in lower yields

KEY CAPITAL ASSUMPTIONS

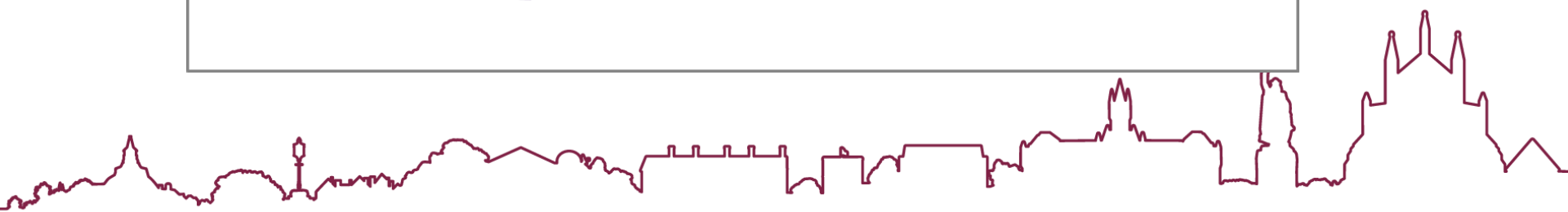
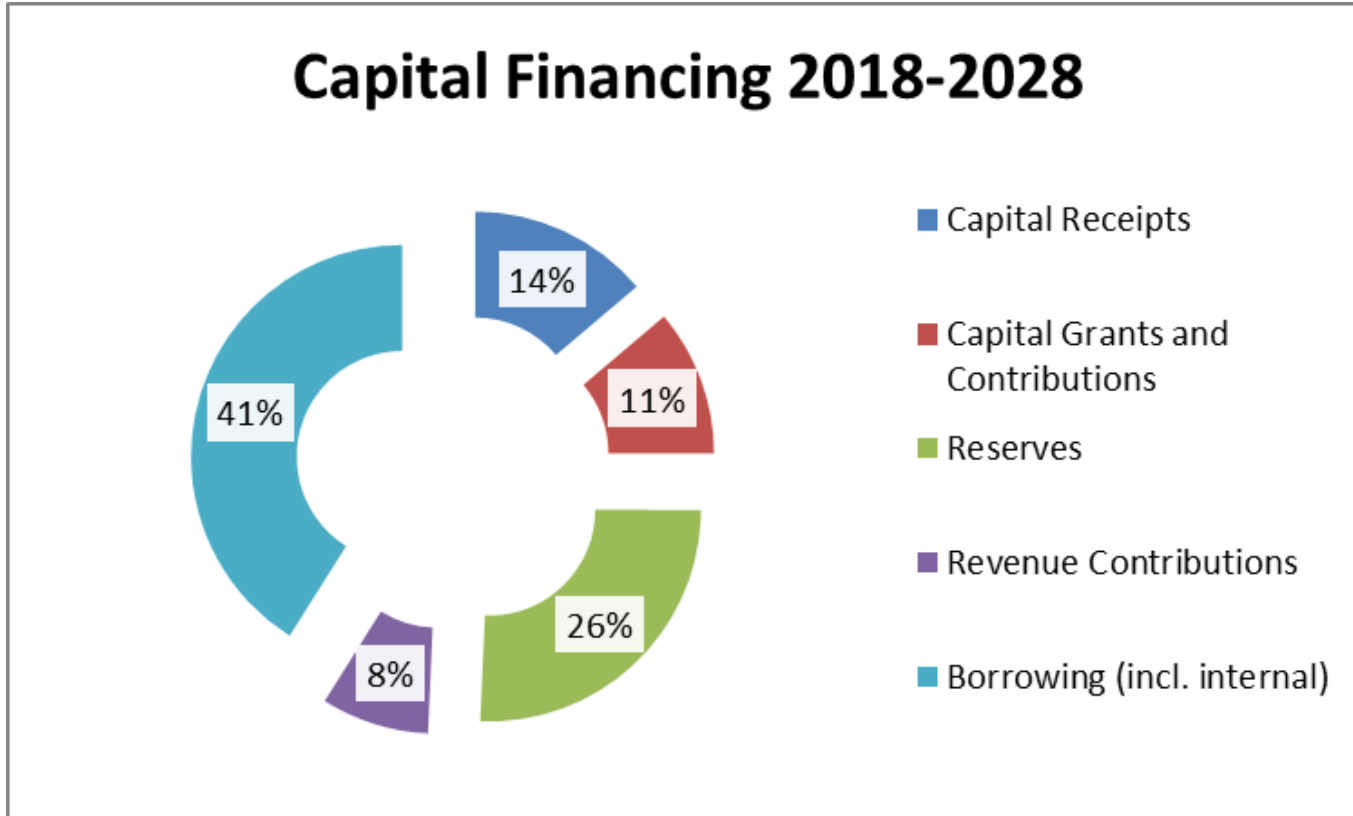
 10 year £289.4m programme:



KEY CAPITAL ASSUMPTIONS

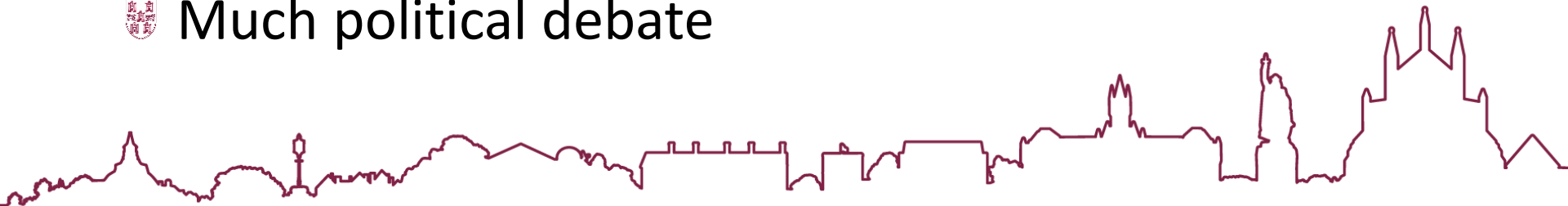


Financed by:



STRATEGIC ASSET PURCHASE SCHEME








- £15m initially with further £15m agreed
- Is not going to provide a solution to financial challenge
- Key is 'double-win' principle
- Governance
 - £4m and over is a Full Council decision
 - Under £4m delegated to a member/officer board with s151 final approval
 - Key criteria for the scheme
- Much political debate



FIRST PURCHASE







CAPITAL SCHEMES

-  New surgery
-  Extra Care Housing scheme
-  HRA / General Fund movement on garages and commercial units
-  Housing company
-  Build 600 new Council homes over the next 3 years
-  Solar investment
-  Smart district



CAPITAL SCHEMES



-  Provide 30-50% deposits in open market property
-  Rental return to the Council
-  Sharing risk and rewards of any changes to property prices
-  Safeguards but risks



QUESTIONS?

