

Executive

21 June 2018

Report of the Director of Economy and Place

Portfolio of the Executive Member for Finance and Performance and Executive Member for Economic Development & Community Engagement

York Central – York Central Masterplan and Partnership Agreement

Summary

1. This report represents a momentous stage in the delivery of York Central. The largest regeneration York has ever seen is well on the way to delivery. We have shaped this proposal by listening and learning from residents, communities and businesses. We can now describe how, in partnership, our investment will not only deliver iconic, attractive spaces for new homes and businesses, but also improve the wellbeing of residents, connecting communities to the city and beyond. Through sensitive and intelligent planning, it is proposed to we will revitalise and invigorate our economy, reduce social isolation, improve health and whilst recognising our unique heritage, build innovative and exciting spaces that are fit for the future.
2. We are now at the stage when we can set out development parameters, describe an illustrative master plan and prepare planning applications, as well as outlining the basis for a formal contractual agreement between the York Central Partnership (YCP). Importantly, we have set out our shared ambitions for York Central and describe how, through joined-up consultation, city residents and businesses will achieve wider social, environmental and economic benefits. In addition, through this unique approach to regeneration, we will mitigate the impacts that are inevitable with large scale urban development.
3. The York Central site is adjacent to the railway station and one of the largest brownfield sites in northern England, see the plan at Annex 1 which sets out the extent of the outline planning application. This neglected and run-down area is currently the first impression many visitors will experience of York. This provides a huge opportunity for improvement. The site is ideal for regeneration including new homes, Grade A commercial office space, an

enhanced cultural experience delivered by the National Railway Museum and a range of new public spaces and facilities. As the gateway to York this space will be synonymous with York's rich history whilst heralding our role in developing future city living in the UK.

4. The scheme is promoted by the York Central Partnership (YCP), comprised of Network Rail (NR) Homes England (formerly the Homes and Communities Agency or HCA), the National Railway Museum (NRM) and the City of York Council (CYC).
5. Listening to residents and communities, the YCP developed a master plan for the regeneration of York Central. This will lead to the submission of an outline planning application for the whole York Central site and a full application for a new access road, bridge and spine road. Extensive community engagement and consultation has been at the heart of shaping the final masterplan. This report seeks agreement to take this forward and submit an outline planning application for the whole site and a full application for the phase 1 infrastructure including access road, bridge and spine road.
6. This report proposes the agreement of a Memorandum of Understanding between the members of the YCP to set the outline terms of a proposed formal partnership agreement. The full Partnership agreement will be signed once the infrastructure costs and external funding are confirmed.
7. Finally, this report outlines the huge potential and once-in-a-lifetime opportunities York Central can bring to York's residents, businesses and visitors. The report describes how the site will deliver the council's strategic objectives delivering a wide range of benefits for residents and businesses in York.

Recommendations

8. Executive is asked :-
 - I. To support the YCP masterplan and to note that this will inform and regulate future planning application submissions.
 - II. To endorse the draft parameter plans and development schedules for York Central to enable the completion of the Environmental and Transport Impact Assessments and form the basis of planning submissions by the partnership.
 - III. To delegate the final sign off of the York Central Design Guidelines to the Leader and Deputy Leader prior to the submission by the York Central Partnership of an outline planning application
 - IV. To agree the Memorandum of Understanding with YCP

- V. To delegate the approval of the layout and the submission of a detailed planning application for the first phase infrastructure of the York Central scheme to the Executive Member for Transport and Planning
- VI. To receive further reports from Autumn 2018 setting out :-
 - a. A partnership agreement
 - b. Funding arrangements

Reason:- To ensure the delivery of the York Central scheme

- VII. To instruct officers to undertake further work to bring forward proposals to support and enhance the delivery of affordable housing on York Central
- VIII. To instruct officers to bring back a detailed business case for the early investment in office accommodation on York Central as part of the council's commercial portfolio
- IX. For officers to continue to work with city partners and community groups to identify early community facilities to be developed on York Central
- X. To work with YCP to support the delivery of high sustainability standards on the site
- XI. to encourage the YCP to continue their community engagement approach throughout the delivery of the scheme
- XII. For officers to work with YCP to develop proposals for the detailed design of public spaces on York Central
- XIII. To undertake further engagement with businesses to focus the occupier strategy and integrate the commercial spaces within the broader area

Reason: - To ensure the York Central scheme delivers the economic and social benefits described.

Background

- 9. The delivery of York Central is essential to the growth of York, contributing significantly to the growth of the regional economy. Through the provision of high quality office space and mixed tenure homes, York Central will both support economic growth and meet housing needs in the city. Though the site has been earmarked for regeneration for many years, previous attempts to deliver the scheme have failed. We are now poised to seize this once in a lifetime opportunity to make this iconic development a reality.
- 10. There have been several developments which have finally enabled the scheme to successfully progress :-
 - i. The establishment of the York Central Partnership bringing together all the public sector land owners
 - ii. Assembling the land for redevelopment and clearing it of operational rail use

- iii. Establishment of Housing Zone Status which has brought investment from Homes England to support the delivery of housing on the site.
 - iv. Establishment of the Enterprise Zone which brings with it the potential to retain the additional business rates generated from part of the site to allow investment in delivering economic growth on the site.
 - v. Securing significant enabling funding from a range of government agencies including the WYTF, YNYER LEP, Leeds City Region LEP, the One Public Estate Programme, Homes England and potentially the Housing Infrastructure Fund (HIF) from the Ministry of Housing, Communities and Local Government (MHCLG).
 - vi. Learning from the successful engagement of My Castle Gateway, comprehensive ongoing public engagement and consultation to shape the vision and the spatial masterplan and encourage an ongoing public conversation.
 - vii. Significant design work to develop an illustrative masterplan approach that is responsive to stakeholder input
11. The site does, however, have significant infrastructure challenges. It is entirely circumscribed by rail lines, with the rail station at the bottom of the teardrop of land, the East Coast Main Line (ECML) forming a barrier to the north and east, and the Freight Avoiding Lines (FAL) to the south and west. See site plan annex 1. Current access roads onto the site already run through minor residential streets in the Salisbury Terrace area, or under the Leeman Road tunnel and have limited capacity and low bridges, limiting access for high vehicles. They are not suitable to serve a comprehensive re-development of York Central. It is therefore necessary to construct a new access route into the site.
12. In November 2017, Executive agreed the York Central Partnership recommendation that a Western access option be developed for inclusion in the York Central Masterplan. They agreed to undertake further design and legal work to ensure the final alignment will seek to mitigate the effects of such a route on Millennium Green and to control costs to ensure deliverability. In March 2018 Executive also agreed the council would begin the procurement of a construction partner to build the core highways infrastructure. This work is progressing. Progress on the final alignment is covered later in the report.

City Objectives from York Central

13. York Central presents a once in a life time opportunity to create a modern urban extension to the city. Unlike any other development, the central location, historic context, and proximity to the station and connections across

the country will mean it is ideally placed to help deliver the ambitions of the city for economic and residential growth. It will also improve the wellbeing of residents, connecting communities to the city and beyond. York Central will contribute to the revitalisation and invigoration of our economy, reduce social isolation, improve health and wellbeing and whilst recognising our unique heritage, build innovative and exciting spaces that are fit for the future, significantly reducing inequalities across the city.

14. As democratically elected representatives of York's diverse communities, the council has a very specific leadership role in helping city partners, stakeholders and communities to actively, sensitively and intelligently develop solutions to the economic social and environmental challenges faced by the city.
15. The community engagement activity undertaken to inform the development of the York Central scheme has positively engaged public debate in the future of York and many of the themes emerging from that consultation relate to broader aspirations for the city and a call for a more discursive form of public debate.
16. This emerging thinking suggests that there is an immediate desire within the city for the council to take an active role in enabling the development of the social as well as the physical infrastructure of the site.
17. Below is a list of some of the emerging themes and opportunities for delivering added value that the council could support :-

Housing

- i. The development of mixed tenure affordable housing that is integrated and affordable in perpetuity and to seek to deliver council owned social housing as part of the affordable provision.
- ii. The creation of accessible, sustainable housing that meet the needs of residents throughout their lives through the adoption of high quality build standards that reduce carbon and prevent fuel poverty
- iii. To explore the potential for exemplar community led housing schemes that harness social and financial investment to deliver targeted housing need e.g. intergenerational or LGBTQ housing.
- iv. To facilitate increased supply of accommodation for older people, both residential & nursing care home provision, independent living accommodation and age restricted housing

Public Realm

- v. The absolute commitment to creating quality new places that integrate with existing communities
- vi. The creation of exciting, vibrant, public spaces, both landscaped and green, that promote health and cultural creativity for all ages whilst ensuring ease of maintenance

Sustainability

- vii. The creation of a multi- modal transport strategy that augments the existing pedestrian and cycle networks, improves public transport provision whilst mitigating the negative impacts of additional traffic on our roads
- viii. To trial a new waste management supplementary planning document that ensures effective waste and recycling facilities are built into the fabric of all developments
- ix. Exemplar green infrastructure that is future proofed for climate change
- x. Aspiration for an exemplar approach to water management to respond to climate change and manage and mitigate the impact of flooding and enable us to live well with water

Community

- xi. The creation of community facilities on the site that meet the need of the new and surrounding communities which are shaped and possibly delivered and/ or managed by those communities.
- xii. Explore opportunities for on site primary health care facilities to meet the needs of new and existing communities
- xiii. The exploration of the potential for on site primary school facilities to meet the needs of the site and supplement places in the city with the potential for specialist provision for children with special educational needs

Economy

- xiv. To undertake further engagement with businesses to focus the occupier strategy and integrate the commercial spaces within the broader area
- xv. To develop a business case to undertake direct investment in the development of commercial property that delivers affordable work space and growth opportunities for developing businesses

- xvi. Support for inward investment
- xvii. Work with city partners to develop growth opportunities for city businesses and education partners.

Culture

- xviii. To support the expansion of the NRM to improve their visitor offer and integrate with the broader scheme and showcase the rail heritage of the site
 - xix. To create active public realm and suitable commercial and community spaces to support cultural innovation, events and businesses.
 - xx. To facilitate the use of great public art in the development of public spaces.
18. These ideas need further development and engagement with city partners. Some of these ambitions may be achievable using statutory powers or the facilitation of partnership opportunities where others may require direct investment and could ultimately form part of the YCP partnership agreement. Executive are asked to approve further work to bring these ideas and propositions forward.

Community Engagement

19. In November, Executive requested an expansion of the proposed community engagement. In response to this, YCP has fundamentally reshaped the consultation and engagement to provide a wide range of opportunities for meaningful debate with a broad range of communities of interest, in addition to the more structured consultation approach to support the planning process. This is set out in a Community Engagement Framework which was developed in collaboration with the York Central Community Forum and underpins all activity for York Central.
20. In addition to the YCP advisors, YCP also appointed My Future York to deliver a broader community engagement approach 'My York Central' to capture the issues that people are most interested in, in a manner that facilitates meaningful debate, exploration and thoughtful consideration of problems and solutions and establishes a long a term community dialogue. This approach was successfully used on the Castle Gateway project.
21. The combined team undertook a large scale Festival of York Central that ran over a 6 week period from March to April 2018. The response to the Festival of York Central has informed the development of the illustrative masterplan but will also inform the ongoing work on design guidance as well as the vision

for the site, and strategies beyond the planning application's remit such as the delivery strategy.

Analysis of the Engagement and Consultation

22. The results of the consultation work are attached in two parts.

My York Central

23. My York Central feedback is attached at Annex 2.

This captures the 3500 Post-its, all tagged on Flickr and over 46 events including workshops, walks, rides, talks, film screenings and Q&A events. The feedback provides a qualitative analysis of the topical feedback on a wide range of subjects and summarises the key principles that emerged from their discussions which should underpin future engagement as the scheme develops out. These were:

- i. Ongoing Community Engagement
- ii. Identify issues and co-design solutions
- iii. Shaped by future aspirations not current norms
- iv. York Central as the lever for city wide change
- v. A social contract for York Central

24. The Big ideas which emerged from the engagement were:-

- i. **Homes for living** – not investment – York Central should address York's housing inequalities, make a mixed community and build homes not investment properties.
- ii. **Exploiting the benefits of higher density** – high density should bring walkable access to shops, gyms, culture, entertainment, public transport and incredible roof top views. Identify these benefits collaboratively and design for them.
- iii. **Build in low running costs through high standards** – Link low fuel bills and environmental sustainability through high build standards.
- iv. **People not cars** - Whether people love and rely upon their cars or want to see a car free York, there is one shared point of agreement. York Central cannot add 2500+ more cars to York's roads. York Central should provide liveable streets and safe neighbourhoods for children to grow up, keep cars to the periphery, plan for quick and reliable public transport and prioritise direct routes for those on foot, bikes and with mobility aids.
- v. **Beyond Zoning** – Work is changing. Work and life are often no longer zoned into 9am-5pm so why should our cities be? Plan for creative vibrant urban space by mixing up work, living and cultural buildings and spaces.
- vi. **A community made through exchange** – York has enormous wealth, socially, culturally and financially. Use York Central to build a community

that can build links between people to address inequalities through sharing and exchange

- vii. **A hub that catalyses York's creativity and innovation** - Amazing things are happening in York, from media, science and technology and heritage. Develop a showcase and learning hub that challenges perceptions and fuels new ideas and networks
- viii. **Public Spaces that enable people to be collectively creative** – Design indoor and outdoor public space and forms of collaborative governance that enable communities to take ownership and to cultivate lots of different activities

Masterplan Consultation

- 25. The analysis of the feedback on the specific elements of the master plan was collected through the Commonplace website and paper forms and the overall analysis of the Festival of York Central is attached as Annex 3.
- 26. The general response to the masterplan vision and all the key elements of the indicative plan itself was generally very positive with on average 56% of respondents in support of the proposals and only 9% of respondents disagreeing with the proposals. There are large numbers of people who remain neutral particularly on subjects where there was most comment from the My York Central dialogue, suggesting that people wanted more detail before making a judgement.
- 27. There was particular support for the following areas of the York Central vision
 - i. Affordable Homes that meet local need with range of housing types
 - ii. Prioritisation of walking and cycling
 - iii. Well connected and sustainable neighbourhoods
 - iv. Public park for events and recreation
 - v. Sustainable and low carbon living
 - vi. High quality buildings that respond to the setting
 - vii. A range of community spaces
 - viii. New jobs and businesses with space for creative industries
- 28. On specific movement design proposals there were mixed views on the alignment of an improved southern cycle and pedestrian access but a clear preference for segregated cycling provision through the Leeman Rd tunnel/Marble Arch.
- 29. There was significant support for the following design and heritage principles. Respondents supported the idea that building heights should respond to the heritage of the site and that York Central should feel like an extension of the

city with high quality streets and safe accessible spaces and convenient inclusive and safe through routes

30. With regard to leisure opportunities there was an aspiration to transform the arrival experience into York Central with opportunities for cultural activities, particularly a transformed NRM experience with supporting food and drink and retail offer to complement the city centre and an ambition for community led pop-up spaces to create an early sense of excitement and activity.
31. Respondents were supportive of a landscape strategy which made provision for storage of water after high rainfall, encouraged biodiversity, connected through to the Ouse, reflected the railway heritage of the site and provided a range of open public and play spaces across the site. There was support for a new station entrance onto a new public square with flexible event spaces, an improved entrance to the NRM and with generous pedestrian crossings and traffic calming.

The York Central Master plan

32. A huge amount of work has been done to incorporate the consultation feedback into a comprehensive suite of parameter plans and an illustrative masterplan for the site. The parameter plans, Illustrative Masterplan and development schedules were agreed by the YCP partners on May 25th and are attached at Annex 4.
33. Parameter plans establish the framework for the development and will be accompanied by a set of design guidelines which will be used to inform and determine future detailed planning applications. The illustrative masterplan sets out YCP's indicative scheme within these parameters. It is a plan of what the site could eventually look like. This will form part of the outline planning application and will be supported by a wide range of documentary evidence setting out such matters such as the environmental and transport impacts of the scheme.
34. Future detailed applications will be submitted for further site infrastructure works and individual plots/ phases of development and these will be assessed in the context of the outline planning application and the design guidelines. Any changes to these overarching documents would require a revised planning application to be submitted.
35. York Central is a unique opportunity at significant scale to transform this part of the City with new jobs, homes, community spaces and facilities which respond to the strong housing and economic growth ambitions of the City. The masterplan responds to this by setting out a mix of uses, with homes to

meet a range of needs and high quality commercial spaces that meet a need not provided elsewhere in the city which will create high paid employment opportunities and transform the York business offer.

36. This includes not only office space, but also smaller, more flexible work spaces, cafes, restaurants and a hotel clustered around a central commercial area, adjacent to the station, but with the potential to mix live and work spaces across the site. Complementing this will be community and potentially educational spaces which will enhance the city wide facilities and help integrate and unify existing and new communities.
37. The issue of housing on the site is a particular priority for the city. Given the city centre location and viability challenges York Central will be a comparatively high density development compared to the residential areas of York, with a greater number of apartments than houses. With a probable maximum residential height of 6 storeys this is not what we would traditionally think of as “high rise living” and the scheme must embrace the positive potential of an urban residential area in this sustainable location. Good design and careful planning will ensure that York Central provides excellent homes for a wide range of people, both young and old and including families.
38. Using international comparators of excellent community living and urban placemaking in cities such as Freiberg and Toronto, York Central can create “vertical villages” with well designed communal and green spaces, both within and outside buildings and supported by near-by community facilities.
39. The creation of the Great Park and public square will also create opportunities for recreation and culture, with the park providing a unique landscaped and wildlife environment with the Railway Museum’s steam train running alongside it. The Railway Museum itself will be enhanced, bridging the existing Leeman Road to enable them to tell the epic stories of how rail has changed the world, attracting significantly more visitors to the city.
40. It is proposed that Leeman Road will be diverted to facilitate the expansion of the NRM and new vehicular, pedestrian and cycle routes will be created to the west of the site from Water End, running through the site, alongside the Great Park, through to Marble Arch, with new connections through to the existing communities off Leeman Rd and Salisbury Terrace and permeability of the NRM for pedestrians during Museum opening hours. The stopping up and diversion of Leeman Rd will require a separate statutory process that will need to be undertaken by the Highways Authority that would accompany any future reserved matters application for the expansion of the NRM. This process requires detailed public consultation which would consider all the impacts upon road users.

41. The new spine road will remove a large volume of through traffic from the existing “island “ community on Leeman Rd, Salisbury Terrace, Garfield Terrace and Livingstone St and facilitate the expansion of the NRM.
42. The parameter plans prioritise pedestrian and cycle travel, creating safe routes through the site and improves connections to the surrounding network with improved access to public transport and the creation of a new Western entrance to the railway station. The site will take inspiration from its rail heritage but will also look to the future and ensure high quality digital infrastructure is part of the transformation of this regionally and nationally significant site.
43. The main elements of the scheme are :-
 - i. Between 2000 and 2500 homes with a minimum of 20% affordable housing
 - ii. Between 67k sqm and 113k sqm of commercial space or which between 44k sqm and 88k sqm will be grade A office space
 - iii. A Great Park of 3.5 ha
 - iv. 3.35ha of public space (additional to the great park) including 2 new public squares
 - v. 348 sq m of community space
 - vi. Between 2336 and 2407 parking spaces to serve the residential commercial spaces and the NRM and rail station with provision for car share facilities and electric car charging points
 - vii. Dedicated and segregated cycle and pedestrian route through the site west to east and north to south
 - viii. A new western entrance to the railway station providing a gateway to the site
 - ix. Bus routes for Park and Ride and local bus services
 - x. A new central gallery for the NRM with a steam train ride through the park and space for locomotives to be displayed in a new Museum Square
 - xi. A Western access road and statement bridge which aims to minimise impact upon the Millennium Green
 - xii. Improvements to the Marble Arch and Leeman Rd tunnel areas
44. Site constraints mean that the upper quantum of development referred to in (i) and (ii) above cannot be delivered at the site in conjunction with one another. The higher levels of residential space would require a lower level of commercial space and vice versa. The ranges are established to provide flexibility for the site to respond to prevailing market and other conditions over the lifetime of the development.
45. The residential and commercial floor space quanta referred to above are consistent with the Draft Local Plan submission for York Central. It should be

noted that the Local Plan red line boundary is larger than the YCP outline planning application red line boundary, and includes land to the east of the station and to the south of the teardrop site. There is the potential to develop further residential and commercial floor space in these areas in line with the Local Plan allocation.

46. The red line for the masterplan contains land to the north of Leeman Rd that is outside the ownership of the YCP partners. This is to ensure the potential for comprehensive development and to preclude piecemeal and incompatible development within the site.
47. YCP has developed an action plan that illustrates how the masterplan responds to the feedback from the comprehensive engagement and consultation. This is attached as part of Annex 3. The main changes that have been incorporated or will be developed are :-
 - i. A western access with a minimum impact upon Millennium Green
 - ii. Changes to the massing and roofscape of both the central business district and the southern edge of the site to ensure the site sits comfortably within the important historic setting and respects key views in and out of the site
 - iii. A less zoned approach to building uses
 - iv. Undertake further work to set the character and quality of local streets, and spaces
 - v. Undertake further work to identify a spectrum of spaces and places internal and external which could accommodate public activity at both ground and roof level.
 - vi. Development of a clear articulation of the different types of businesses that could be accommodated within the masterplan including opportunities for affordable business space
 - vii. Development of a clear sustainability strategy
48. Annex 4 sets out a series of parameter plans which outline
 - i. Site boundary
 - ii. The development zones – above and below ground
 - iii. Ground and upper floor uses
 - iv. Retained and demolished buildings
 - v. Development plots and building heights
 - vi. Open space
 - vii. Railway additions
 - viii. Access and circulation routes
 - ix. Existing and proposed site levels
49. An illustrative masterplan of a development scheme which conforms to these parameters is also provided, alongside development schedules.

50. Members are asked to endorse these plans and for this to form the basis of an outline planning application for the site, which will be submitted by Homes England & Network Rail. The following work will now be undertaken prior to a planning application being submitted in August 2018.

- Design Guidelines – these will set out the design criteria which will be applied to future reserved matters planning applications. This will include things such as the building typologies and appearance, the palate of materials, the preserved views, public space etc. This is a work in progress and will need to be signed off before the submission of the outline planning application. It is recommended that this is delegated to the leader and the deputy leader in a public decision session to prevent unnecessary delay in the submission of planning application.
- Completion of the Environmental Impact Assessment
- Completion of the detailed Transport Assessment
- Further detailed survey work on topography/drainage.
- Further engagement and detailed consultation upon the proposed alignment of the Western Access, landscape proposals for Millennium Green, and feedback of masterplan changes responding to earlier engagement.
- Further definition work as part of the action plan set out in Annex 3

Millennium Green

51. In November Executive agreed to proceed with the YCP recommended western access alignment which enters the site from Water End but with the requirement to undertake further design work and assessment to mitigate the impact upon Leeman Road and Millennium Green(MG) and seek legal advice on the route to achieve this. The YCP provided a financial undertaking to the Trustees of the MG to enable them to consider their legal obligations. Detailed consultation has also taken place with the MGT Trustees and their views have informed the development of the road and bridge designs. This has given rise to a proposed landscaping approach for the MG, and a draft access road/ bridge design which has been positively received by both the MG Trustees and the YC Community Forum. Further public consultation will now follow when the proposed road alignment has been better defined.

52. Further legal review revealed that whilst CYC is able to repossess the small area of the Millennium Green land reserved under the terms of the lease (on condition that CYC uses reasonable endeavours to provide a suitable replacement parcel of similar size), the Trustees could not relinquish any further land without the agreement of the Charity Commission. The Charity Commission's determination would be based purely upon the terms of the Trust Deed and whether any land disposal would be 'compellingly in the best interests of the Trust's beneficiaries' not upon broader social or economic arguments. An offer of suitable replacement land and financial compensation could be considered in mitigation by the Charity Commission, but the process is lengthy and represents a significant risk to the project delivery programme timescales.
53. It may be possible to CPO the land required where there is a robust argument and it can be demonstrated that there are no other viable alternative routes onto the site. However, this could delay the vacant possession of the site and hence the construction of the bridge to March 2020.
54. Work has subsequently been undertaken to determine an alignment that avoids any highway construction on MG land other than on the reserved land. This design option only takes land reserved in the MG lease, but does necessitate the construction of a new bridge deck adjacent to the existing Severus Bridge for pedestrians and cycles, allowing the existing bridge deck to provide a wider carriageway to accommodate the junction into York Central.
55. This design option can accommodate a landscaped embankment that impinges onto MG, but where this work could be undertaken under a construction access licence and would not require the permission of the Charity Commission. The MG Trustees are able to grant such a licence, following consultation with local residents.
56. A full appraisal of the detail of each identified option together with, risks and costs will be carried out by the YCP legal and design teams to confirm the preferred route alignment to take forward into detailed design and the preparation of a full planning application.
57. This proposed alignment will be the subject of further community engagement and consultation which will be brought back to the Executive Member for Transport to agree the submission of the planning application

by September 2018. Work on site could still commence in early 2019, subject to all necessary consents being in place.

Viability Assessment

58. Along side the masterplanning work YCP has also progressed proposals for ensuring the viability and delivery of the scheme. This work includes :-

- Detailed costings of enabling infrastructure
- Financial viability assessment work has been undertaken to inform and iterate the master plan and identify potential development values and residual land values.
- Financial modelling of potential future EZ income.
- Securing external Funding (grants and loans). This includes c£40m which has been provisionally secured from West Yorkshire Transport Fund, York and North Yorkshire Local Economic Partnership (LEP) Leeds City region LEP, the One Public Estate Programme and the Homes England to support the delivery of the project. A further grant of £57m Housing Infrastructure Funding is under second round consideration with a decision to be made from November 2018.

59. Without significant public sector funding support the scheme would not be economically viable and even with a potential for c£90m of grant funding the scheme still has a very modest financial return for landowners on the investment they have made and will need to make to bring the scheme forward. The final viability assessment will only be known when the infrastructure costs are finalised (with the definition of the Millennium Green route) and when decisions have been made regarding the HIF fund. The financial plan for the delivery of York Central that will underpin the York Central Partnership Agreement will be developed in the autumn and brought back to Executive before any further financial commitment is agreed.

Partnership Agreement

60. The Memorandum of Understanding for the York Central Partnership is attached at Annex 5. This sets out a shared vision and a set of principles that will govern the delivery of the York Central site. Over the summer this will be developed into a legally binding agreement which will be signed when sufficient planning and funding certainty exists.

61. There is high level commitment in all partner organisations to bringing the York Central scheme forward. No decision has yet been taken about the land within York Central owned by the council. This will be considered as part of the future report on the Partnership Agreement.

Timetable

62. The indicative timetable for the project is set out below

Access consultation	June-July 2018
Early Contractor input into detail design for planning	June 2018
Sign YCP Memorandum of Understanding	August 2018
Submission of Outline planning application	Aug 2018
Submission of detailed planning application for road and bridge	Sept 18
Sign YCP Partnership Agreement	From Nov 18
Detailed RIBA stage 4 design for construction of access road and bridge commences	Nov 2018
Determination of Outline Planning Applications	Jan 2019
Determination of detailed road Planning Applications	Feb 2019
Phase 1 infrastructure (inc bridge and road) construction commences	April/May 2019
Phase 1 infrastructure (inc bridge and road) complete	March 2021

Funding

63. Network Rail has already spent £4.4m on land assembly and rail clearance. Homes England has committed £18.9m towards land assembly and has contributed a further £200k towards the planning costs of the site. Though some of this investment is backed by asset acquisitions these will not be realised unless the scheme is developed out so are “at risk” at this stage.

64. In December 2013 Members agreed to earmark £10m towards the delivery of York Central. Currently £5,338k has been released to support technical work, masterplan development through to planning, land acquisition costs and site preparation works. There have also been other grant contributions from WYTF, Homes England, One Public Estate, Leeds City Region LEP and DCLG Enterprise Zone funding. These combine to total £7,459k shown in the table below:

	£'000	£'000
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CYC – (£10m Allocation)		
Land purchase approval	1,014	
NRM Masterplan contribution	200	
Other Approvals	<u>4,124</u>	
Total CYC		5,338
WYTF Contribution		947
OPE Grant		250
Homes England Grants		689
LCR LEP Grant		200
DCLG EZ		35
Total Funding Available		7,459

Table x York Central Funding

65. Actual expenditure to 31st March 2018 and forecast

	Expend £'000
2015/16	112
2016/17	1,565
2017/18	2,197
Estimate 2018/19	3,585
Total	7,459

Table y York Central Expenditure

66. There is a risk that should the scheme ultimately not be delivered that an element of these costs would be classed as abortive and need to be written off back to revenue. The estimated liability would total £3,324k.
67. CYC have progressed through to the next stage of the MHCLG Housing Infrastructure Funding process with a £57m capital grant bid to support the delivery of the project. The next stage is to undertake a green book based appraisal of the bid, working with the dedicated Homes England HIF team to co-develop a final proposal. This will be submitted by September 2018 at the earliest with an associated decision on funding from November 2018 at the earliest. HIF is an important part of the overall funding for the infrastructure and will fundamentally shape the final partnership agreement.
68. The NRM have spent £1.14m on the masterplanning of their museum development scheme supported by a CYC grant of £200k and they continue to fundraise. As an important cultural anchor they will continue to help shape the overall scheme and integrate their plans with the development of York Central but their role differs from the major land owners NR and Homes England and from the Council as the custodian for a new part of the city and an enabler of the future scheme. As a Charitable organisation, NRM cannot undertake any development activity on non-Museum land, so NRM will not

share in either the York Central development costs or receipts. The NRM have disposed of their surplus land assets to the Homes England in order to integrate them into the overall scheme and facilitate the early phases of their £50m development plans.

69. The NRM learned recently that its earlier HLF application is not going to be supported by HLF in the current funding round. But Science Museum Group (SMG), as the owner/ operator of the NRM, is still committed to delivering NRM Masterplan as the number one SMG priority. The HLF bid focussed on the refurbishment of the Great Hall rather than on the proposed new Central Gallery or the areas of the Museum that open out into York Central and will be essential parts of the new neighbourhood. The NRM have therefore refocused and re-sequenced their plans to deliver their Wonderlab (to give the transformational change) and South Yard first, whilst working up the Central Gallery for delivery (these were not part of HLF funding). They also intend re-refresh the Great Hall in the next 18 months. The focus will be on the areas that are seen and are part of the new neighbourhood and so will give a better look to the museum.

Council Plan

70. The project will assist in the creation of a Prosperous City for All, and be a Council that listens to residents particularly by ensuring that :
- i. Everyone who lives in the city can enjoy its unique heritage and range of facilities.
 - ii. Residents can access affordable homes while the greenbelt and unique character of the city is protected.
 - iii. Visitors, businesses and residents are impressed with the quality of our city.
 - iv. Local businesses can thrive.
 - v. Efficient and affordable transport links enable residents and businesses to access key services and opportunities.
 - vi. Environmental Sustainability underpins everything we do.
 - vii. We are entrepreneurial, by making the most of commercial activities.
 - viii. Engage with our communities, listening to their views and taking them into account.

Implications

71. **Financial** - Financial implications are set out at paras 63- 69 above

Human Resources (HR) – none

Equalities – Exploration of community impacts was an integral part of the Festival of York Central. A full One Planet York assessment is attached at Annex 6.

Legal – CYC has a wide variety of statutory powers available to it in order to carry out its proposed obligations under the envisaged York Central Partnership Agreement. CYC will of course need to ensure that it complies with all relevant legal restrictions and duties, including in relation to procurement such as the Public Contracts Regulations and State Aid requirements.

Information Technology (IT) - There are no IT implications.

Crime and Disorder - The detail design of any future scheme will require detail consideration of crime and disorder implications and there will be structured input from the Police Architectural Liaison Officer

Property – All property implications are covered in the report

Risk Management

72. The project is complex and high risk and until the scheme receives planning consent and a partnership agreement is formalised all investment from all parties is at risk. The EZ facilitates up front borrowing which would be repaid by future retained business rates and there is an inherent risk that the income is not generated or is slower to accrue. The partnership agreement therefore needs to identify how partners share this risk and ensure that the development of the scheme continues to focus on the delivery of business space. The project has multiple partners and funders and stakeholder management is essential to continue momentum and gain commitment to the scheme.
73. The primary risk is the potential breakdown of the delivery partnership between the partners with a consequent failure to unlock the site. This has been addressed by the establishment of a working group, project board and escalation procedures thus ensuring senior level collaboration across all the public sectors partners. It is expected that these will be embedded within the terms of a proposed partnership agreement.
74. This report does not seek any further financial commitment until the partnership agreement is agreed and the planning permission determined so the financial risk as is reported in March 18. If the scheme does not go ahead there is the risk that the cost of the development to date may not be fully recovered.
75. Costs spent on land acquisition would be recoverable but the costs of preparing a masterplan and planning applications without a partnership agreement in place are at risk and can only be mitigated by finalising a partnership.

76. Failure to obtain the necessary regulatory approvals to dispose of land on the site for development or to clear operational railway uses from the site is another significant risk – this would prevent the development of the site in whole or part. Mitigation plans to date include the acquisition and extinguishment of long-term rail industry leases on the site by Network Rail and development of a strategy that identifies relocation sites for the rail uses. In addition, a rail land use strategy for York is being taken forward and it is believed this meets operator needs and Network Rail's planned capacity improvement schemes. This issue is being mitigated by Network Rail prior to any infrastructure investment with a clear commitment under the proposed partnership agreement to remove rail uses from the site within a phasing plan to enable site development.
77. An obvious risk is of failure to secure planning permission – this is being mitigated by early engagement with CYC as local planning authority in the ongoing development plans and engagement of stakeholders and local communities at both concept stage and as detailed plans emerge.
78. There is a risk that the scheme may not attract development market interest or new occupiers. This risk has been mitigated by the proposed approach to infrastructure delivery, and further evidence gathering from our appointed advisors. In addition, the development of a delivery and marketing strategy and the award of EZ status will incentivise early business occupation.
79. There is a risk that CYC may not secure equity investment towards some of the costs of the enabling infrastructure. However, this will be mitigated by the EZ status and access to borrowing this brings. It will also be mitigated by early sign off of funding from Homes England and a comprehensive gateway process for release of West Yorkshire Transport Funds (WYTF).
80. The need to use Millennium Green land represents a risk to delivery where the release of land from the very specific purposes of lease to the Trust could be difficult to achieve. A revised alignment and design is being progressed to mitigate this risk.
81. A full risk register has been developed by the YCP and is regularly reviewed by the project board as the project progresses.

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Report
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Date

12/6/18

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Annexes

Annex 1 – Map of site

Annex 2 – My York Central consultation feedback

Annex 3 – Continuing the conversation – Outcomes of the Festival of York
Central consultation

Annex 4 – York Central Parameters Plans Pack

Annex 5 - York Central Memorandum of Understanding

Annex 6 – One Planet York assessment

Background Papers:

Consultation material for the Festival of York Central – available online at
<http://www.yorkcentral.info/engagement/>

List of Abbreviations

CYC - City of York Council

ECML - East Coast Main Line

EIA - Environmental Impact Assessment

EZ – Enterprise Zone

FAL - Freight Avoiding Lines

GEA – Gross External Area

HLF – Heritage Lottery Fund

HIF - Housing Infrastructure Fund

LCR - Leeds City Region

LEP - Local Economic Partnership

LGBTQ – Lesbian Gay Bisexual Transexual and Queer
MGT - Millennium Green Trust
MHCLG –Ministry of Housing Communities and Local Government
NRM - National Railway Museum
SUDS - Sustainable Urban Drainage Systems
WYTF – West Yorkshire Transport Fund
YC - York Central
YCCF - York Central Community Forum
YCP - York Central Partnership
YNYERLEP - York North Yorkshire and East Riding Local Enterprise Partnership