

<b>Meeting:</b>	Executive
<b>Meeting date:</b>	4 November 2025
<b>Report of:</b>	Garry Taylor, Director of City Development
<b>Portfolio of:</b>	Councillor Kilbane, Deputy Leader and Executive Member for Economy and Culture Councillor Lomas, Executive Member for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion

## **Decision Report: Major Projects: Castle and Eye of York Update Report and Next Steps**

### **Subject of Report**

- 1) The Castle & Eye scheme offers a major opportunity to transform a prominent and important part of York City Centre, replacing the current poor quality surface car park with a vibrant and community facing asset with significant amenity benefits, whilst also improving biodiversity and climate performance. Children's play facilities provided within the scheme will improve the draw to the city centre and dwell time for users, boosting the city economy and providing social return on investment.
- 2) The changes would help drive improvements to the city's long-term economy of place through improved functionality, enhanced visitor perceptions, supporting jobs through the construction and supply chain, and catalysing wider place-based improvements in the broader area. The scheme would also play a key role in weaving the historic fabric of the city together, and better framing nationally important heritage assets. Together, these improvements deliver significant non-financial benefits to the City and our communities and represent a significant investment in quality of place and futureproofing our social and environmental resilience as a city. The proposals are not without their challenges however, with the intrinsic risks that come with any major capital project, capital investment required, and

impacts on Council income, and city movement. These are set out within the report and members will be invited to consider these detailed and balanced issues in making a decision on the progression of the project.

- 3) Following previous Executive approvals relating to the comprehensive Castle Gateway Masterplan (April 2018), the composition of phase 1 including approval of the closure of Castle Car Park (January 2020), and reframing of the proposition to respond to policy and delivery changes (November 2023), the purpose of this report is to provide Executive with an update on the progress made on the Castle and Eye component of the masterplan, and to obtain approval for the next steps including delivery for this specific element.
- 4) Building on previous delegations from Executive, the report sets out additional detail and business case for the delivery of:
  - a. Castle car park and Eye of York - public realm scheme as outlined in the report, including the closure of Castle car park as previously approved.
  - b. Improvements to Coppergate Car Park.
- 5) The report sets out the costs and funding package for the relevant works and/or services and seeks delegations to allow such works and/or services to be procured.

## Benefits and Challenges

- 6) The **Castle & Eye of York (EoY)** scheme will deliver transformative public benefits including enhanced quality of place, amenity and accessibility in an important and central historic area of the city. It will also serve as a catalyst for the wider masterplan area and further private investment.
- 7) The key benefits of progressing the scheme's delivery as recommended, and in line with previous executive approvals, are:
  - a. Progressing a realistic, deliverable and viable proposition within available funding parameters, through the changed design and phasing approach.
  - b. Establishing the public benefits and catalyst effect as described above in a timely manner, whereby the outputs and outcomes can be achieved early in programme.

- c. Delivering these scheme components now to avoid further inflationary impacts and consequent erosion of project quality and outputs in the current inflationary environment, and;
- d. Utilising available external grant funding to achieve this within available timeframes.

8) Challenges of the proposed approach include:

- a. Whilst overall the new design has received wide ranging support for its principles and delivers many elements of the original master plan for the Castle Gateway, there have been challenges incorporating all elements of the new brief, to develop a scheme that meaningfully delivers these within budget. Appendix 1 – shows the differences in the revised scheme.
- b. Whilst the Castle/EoY delivers significant benefits to this important area of the city, the previously approved approach of closing of the Castle car park will result in some loss of revenue to the Council. Mitigations toward the loss of revenue are explained in the Financial Strategy Implications section of this report and explored at Appendix 2 of this report.
- c. There is a risk that the revised proposals will not be seen as delivering against the project expectation that has been built up through community engagement. However, by realigning the schemes with current Council priorities and ensuring that the underlying principles have not changed this risk has been minimised.
- d. Accessible car parking is an important factor in retail health and city centre function. Retaining blue badge parking will support this, and technical assessment shows that broader impacts can be managed, and risks mitigated through looking at broader assets in this part of the city and alternative modes of transport.

## **Policy Basis for Decision**

- 9) This section sets out how the proposals contribute to the delivery of the commitments in the Council Plan (2023-27), to bring family friendly sustainable, accessible, spaces into the City Centre, increasing biodiversity and supporting health and wellbeing with

access to more green spaces. 'Our City Centre' Vision the Local Plan and other relevant policies, as summarised in previous reports.

10) The Castle Gateway and EoY project will contribute to the delivery of the four core 'EACH' commitments in the Council Plan 2023-27 – One City, for all by:

- a. **Equalities and Human Rights** – by re-purposing the Castle car park and redesigning the proposals, blue badge parking will be retained close to the city to aid accessibility, also aligning with the emerging Local Transport Strategy's Policy Focus Area 1 - shaping a city centre that is accessible for all.
- b. **Affordability** – Creating high quality and free to access amenity and play space in a highly accessible location for residents.
- c. **Climate & Environment** - Providing a new green space within the city centre will help enhance biodiversity, also aiding urban cooling for climate resilience. Detailed Ecological, Green and Blue infrastructure technical work has shaped the development of the planning proposal. The scheme will also support active and sustainable travel through provision of high-quality connectivity and public realm infrastructure. The public realm improvements will consider climate adaption features for example passive shading/cooling, rest areas and water refill stations.
- d. **Health and Wellbeing** – by creating a free amenity and play space for families to encourage healthier lifestyles, coupled with improved connectivity and travel opportunities across the site. Improving walking and cycling routes will contribute to active travel and help improve air quality

11) The Castle Gateway projects will also help deliver the 'Our City Centre' Vision, approved by Executive in October 2023, as set out below:

#### **Theme 1 – Family friendly and affordable city centre**

- The new public realm around Clifford's Tower will create valuable new play space in the city centre and create a space that can be used by people of all ages.

#### **Theme 2 – An attractive, active, and healthy city centre**

- The creation of the new public realm space delivers investment in public space and squares.

- Deliver active travel options for getting into and around the centre of York.

### **Theme 3 – A sustainable city fit for the future.**

- New green space will increase biodiversity in the city and improve climate resilience and reduce surface water run-off.

### **Theme 4 – Embracing our riversides.**

- The Castle and Eye of York designs will celebrate the cultural and environmental benefits of the River Foss, providing a new river edge and walkway linking to the new river park behind the museum.

### **Theme 5 – A safe and accessible city centre.**

- Blue badge parking will be retained close to the city to aid accessibility.
- The new public space at the Castle and Eye of York will provide open space and facilities for residents and will be specifically designed to improve accessibility. This supports the Health and Wellbeing strategy, “Creating an age friendly city for older adults.”

### **Theme 6 – Celebrating heritage and making modern history.**

- The new public realm development in the Castle and Eye of York will enhance the setting of the heritage assets surrounding the spaces by, repurposing the car park, enhancing the Eye of York, and transforming the connectivity to this area.

12) In the Local Plan, **Policy SS5 – Castle Gateway** is allocated as an “Area of Opportunity.” It is identified as a major regeneration area of the city centre. This project is key to delivering this policy.

13) The project also contributes to deliver of the three 10-year City strategies approved in 2022:

- Economic Strategy (2022-2032).
- Health and Wellbeing Strategy (2022-2032).
- Climate Change Strategy (2022-2032).

14) The project also supports the Local Transport Strategy (which references it directly), promoting accessibility for the most vulnerable,

and use of active and sustainable travel modes. The scheme has an important impact on city car parking levels and relationship with car-parking strategy, and wider sustainable transport improvements. Further evidence on the impact and implications of the reduction in car parking levels are set out in the report and Appendix 2, however the decision to provide a major new city public realm and greenspace asset is driven principally by place making as opposed to parking strategy agendas.

## **Financial Strategy Implications**

- 15) The decision already taken in principle by the Executive to close Castle car park comes with financial implications to the authority as noted. Whilst there will be an immediate direct loss of income from the car park facility closure, an analysis presented at Appendix 2 identifies significant current and forecasted residual capacity within other car parks in the local area, including Council owned facilities, which will be available.
- 16) Whilst not all car parks are owned by the Council, improvements are also now proposed to wider Council assets as part of this report, to improve availability and attractiveness of the parking offer and help mitigate direct financial and broader impacts of the loss of the Castle Car Park. The change will also result in a degree of shift to alternative modes, which, as well as being aligned with broader policy objectives, will help support sustainable travel services and the viability of their operation. Residual financial impacts have been allowed for by the Council in financial planning from 2026 onward, with budgetary allowances of £0.5m per annum. Staged delivery of works may also be achievable over the delivery period to retain parking facilities and income for as long a period as feasible.
- 17) A 'do nothing' option of retaining the existing Castle car park would itself incur capital costs due to the poor condition of the asset, which has not been invested in for some time due to being held pending redevelopment. As noted in Appendix 2, these costs would stand in the order of £750k. Additionally, as part of any works, the current/historic car parking configuration would be upgraded to meet current access standards, resulting in the loss of 60 spaces, or 20% of the existing capacity (see Appendix 2), with a commensurate reduction in income in this option.
- 18) To mitigate car parking impacts and loss of Council income resulting from the planned changes, work has been undertaken to explore

improvements that could be made to the existing Coppergate Car Park, to make it a more usable and attractive proposition to car drivers in this part of the city and best utilise its residual capacity. These capital works include the provision of physical infrastructure which may also make the car park accessible over longer operating hours (including VNPR, CCTV etc.), as well as improved signage/digital information and cosmetic improvements. A capital allowance for these works of £200k is proposed.

- 19) Previous executive decisions on the project have also included the commitment for the authority to invest alongside partners West Yorkshire Combined Authority (WYCA) to realise the regeneration scheme. A council capital contribution of £3.911m has been made available to the project, alongside £4.523m from WYCA. Spend to date in progressing the scheme against these allocations leaves a current residual budget of £8.434m.
- 20) In 2022 the scheme that was taken to executive was estimated to cost in the region of £15m, with the assumption that funding could be sought through the then Levelling Up programme and a proportion of capital borrowing as outlined in the report, however Levelling Up funding was not secured for the project.
- 21) Following these previous executive approvals, significant work has been undertaken to value engineer the delivery proposition to better meet available funding parameters whilst maintaining scope and quality outputs as far as possible. Whilst this work is still underway as part of the RIBA design development and planning processes, a current 'snapshot' places the capital costs of the scheme at £7.634m including inflation to mid-point of construction and contingency costs. Incorporation of Hostile Vehicle Mitigation (HVM) measures within the scheme is currently being discussed as part of the planning application process, and an indicative additional cost allowance of between £0.4-0.9m is recommended at this stage. Dependent on the detailed approach taken, HVM may result in increased revenue costs for the authority but also gives potential to generate social value and income from the site, through the protected area being used for community and other events.
- 22) The scheme will incur additional revenue costs associated with its maintenance and operation (particularly green infrastructure elements), though as noted in paragraph 17, a 'do nothing' option of retaining the Castle Car Park asset, would itself incur large scale

capital renewal costs which would significantly outweigh these, and be required imminently.

- 23) Setting aside the currently undetermined costs of HVM measures, these changes represent a reduction of £7.366m against the original scheme costs of £15m - achieved against headwinds of inflation running at its highest point in decades within the intervening period. Design, delivery and project management costs would be in the order of £1.2m in addition to this.
- 24) Total scheme costs are therefore £9.934m (including works to Coppergate Car Park and HVM of £0.4-£0.9m), meaning that additional borrowing or funding of £1-1.5m is required for the project to be deliverable against current funding availability. Additional external funding is being sought in the York prospectus (Executive Agenda item 15) to meet this requirement, though in the instance of this not being confirmed, a fallback position of managing the pressure within the existing highways Capital Funding is set out at recommendation b, and from paragraph 56 of this report.

## **Recommendation and Reasons**

- 25) The Executive is asked to:
  - a. Note the evolution from the original masterplan scheme to the proposed scheme as summarised in Appendix 1, and the progress to date around planning submission and scheme development.
  - b. Approve the total project funding package of up to £9.934m, to deliver the Castle & EoY and Coppergate car park works, comprised of both Council and external funding as set out from paragraph 56 of the report.
  - c. Approve the inclusion of the scheme in the York Prospectus (Executive agenda item 15) to seek additional external funding. In the event that the bid is not successful, approve the virement of £1.5m from the highways programme to the Castle Gateway scheme across the years 2026/27 to 2028/29.
  - d. Approve the improvements to be made to Coppergate car park to ensure that it is an attractive, safe and convenient alternative parking option for all users, including potential to extend hours of



operation at an estimated cost of £200k (included in the £9.934m).

- e. Approve the procurement of contractors and specialist support services to enable timely completion of the scheme (pending Planning ref 22/00209/FULM with further details submitted on 4<sup>th</sup> July 2025). The works are subject to the granting of planning permission.
- f. Delegate authority to the Director of City Development, in consultation with the Director of Governance, Head of Procurement and the Director of Finance, to procure such contractors and/or consultants and to take such steps as are necessary to award and enter into any resulting contracts for works and/or services for the completion of the Scheme and the proposed works at Coppergate car park (including (where applicable) any and all planning agreements and/or highways/land agreements as required and any grant terms and conditions relating to any external funding bids as may be necessary) as well as any subsequent modification and/or extension to any such contracts post-award); (however for the sake of clarity this delegation is not for any requirements of either the Local Planning and/or Highways Authority). The delegations given in this recommendation must be exercised within the budgets approved within this report.
- g. Agree the permanent closure of Castle Car Park to non-blue badge parking, from 2026 and accept the associated loss of income and unavoidable growth pressure in future revenue budget processes. Approve the associated package of mitigation (to include works to Coppergate Car Park and exploring potential future works to St George's Field Surface Car Park- to be considered as part of the wider Movement & Place workstream both subject to the granting of any necessary planning permission). To note that during the construction period the car park will very likely be closed to all users, including blue badge holders, though the extent and impact of such closures on blue badge holders will be sought to be mitigated.

**Reason:**

- h. To allow the progression of the Castle & Eye of York scheme to deliver this project which has been a longstanding development ambition of the city and partners. This will deliver transformative benefits across a range of outputs and outcomes. To finally

realise key city benefits, with mechanisms in place to ensure appropriate management of budget and project risk profile, and to do so in a manner which mitigates any potential adverse impacts on Council revenue, transport networks and local businesses.

## **Background**

- 26) In November 2023, the Executive approved a revised approach to the Castle & Eye of York Scheme to reframe as a viable and deliverable proposition within funding envelopes as well as making key changes to the project including retention of blue badge parking and provision of flexible greenspace which includes children's play provision. The changes were made to ensure the continued delivery of positive outcomes for the regeneration of this part of the city, in accordance with both the original master plan principles, and the approved Council Plan and "Our City Centre" Vision. They also ensure that the scheme delivers against the three key city strategies (Climate Change, Economy, Health, and Wellbeing) that were approved in December 2022.
- 27) Since the last report to Members, the Castle & Eye of York scheme has been progressed in accordance with Executive approvals. This has included further design work, engagement with key stakeholders and the public to shape and influence the revised scheme, cost planning and value engineering activity to achieve a deliverable scheme, technical assessment work to prepare business case and planning submissions, and resubmission of revised planning details. Separately, work has also progressed in line with the Executive approvals and delegated authorities on wider areas of the Castle Gateway masterplan.
- 28) This report updates on the Castle & Eye of York project and sets out the next steps and decisions required to progress to delivery.

## **Update and Next Steps**

- 29) In response to the Executive decisions around key project changes in 2023, the project design team have undertaken further technical and design development work to iterate and develop the project. This also draws on the existing wealth of engagement feedback to date, and work already undertaken, to develop revised concept design ideas. This resulted in high-level optioneering designs, which were

tested with key stakeholders and the public between May and September 2024.

- 30) Working with My Future York, a formal public consultation ran from the 15<sup>th</sup> of August until 20<sup>th</sup> September 2024. The consultation used several vehicles to engage communities and develop proposals, including:
- Four on site tours and one online tour 7<sup>th</sup> - 9<sup>th</sup> Sept – total 70 participants
  - Pre-recorded YouTube video – 1,358 views
  - Guildhall Ward Committee 12<sup>th</sup> Sept – 10 attendees
  - Blog posts through the project website
  - Social media posts
  - Press and media coverage, including York Mix York Press, YO1 Radio and That's TV.
- 31) The Castle Gateway Advisory group (a group of external stakeholders in the city including the Civic Trust, York Museums Trust, York Bid, Make it York, Environment Agency, English Heritage, Historic England, York Crown Court), as well as other key stakeholders including the Bid Board, Liberal Jewish Community, the York Access Forum and the owners of the Coppergate Centre, were also consulted.
- 32) This extensive engagement received widespread positive response and helped to develop the design proposals further. Feedback is summarised on the My Castle Gateway Blog:  
<https://mycastlegateway.org/2024/11/21/revised-concept-proposals-for-castle-and-eye-of-york-summer-2024-responses-via-all-engagement-routes/>
- 33) Building on this activity, the Council submitted revisions to the pending Planning Application on 4<sup>th</sup> July 2025, in-line with the brief set out above, and statutory determination is now underway.
- 34) As an intrinsic part of this design development work, value engineering and cost plan iteration work was undertaken by consultants Turner and Townsend to ensure that, in line with the Executive decision, the scheme is viable within funding parameters and capable of being delivered. The cost plan currently indicates that the core scheme can be delivered at a cost of £7.634m plus HVM to be added. This is a significant reduction from the previously £15m scheme submitted for planning but retains most of the scope and quality aspirations from the original Masterplan.

- 35) The re-purposing of Castle car park will bring significant nonfinancial benefits to the city: it will retain blue badge accessibility close to the city: provide a central amenity and green space that will benefit families' health and wellbeing and increase connectivity and promote sustainable transport modes. The proposals represent a more socially equitable and 'place-based' approach to use of prime City Centre land and dramatically improve the setting for the nationally important historic buildings and heritage assets in the area.
- 36) This part of the development supports the aims of the York Public Health physical activity strategy which champions inclusive spatial design, thus having a direct and positive impact on physical and mental wellbeing and improving sedentary behaviour in the population through free well designed play spaces, cycling routes and walking. The scheme supports an accessible city and directly impacts on the ambition of the York Health and Wellbeing strategy to create an accessible and age friendly city. The proposed scheme will help to increase footfall to the city centre and help draw footfall into this part of the city, boosting the number of residents and visitors to the area, attractions, and benefiting local businesses. It will also provide biodiversity net gain through new planting and will improve water management and transform the riverside.
- 37) Following previous executive approvals, a formal decision to close the Castle Car Park is required before further work on procuring and delivering the scheme can commence. As stated in the financial strategy implications section of this report, the closure of Castle Car Park will result in an estimated loss of revenue to the Council, an estimated net sum of up to £0.5m per year.
- 38) This is informed by further technical assessment work undertaken around car parking in the local area and summarised at Appendix 2. The work gives confidence around the impact of the proposals, with residual capacity identified in other local parking facilities. The estimated revenue loss is calculated taking into account the potential displacement of car parking to alternative facilities including other Council car parks, modal shift, and new parking prices.
- 39) Car parking prices in the city have also recently increased, and it is predicted that this will see a general reduction in city centre car park demand and usage, with users opting for more sustainable/cheaper modes, such as park and ride, cycling or walking. These alternative measures link into the longer-term ambition of the Council to reduce

traffic within the city centre as set out in the Local Transport Strategy, Climate Change Strategy and which will also be progressed through the Transport Movement and Place plan. Options to use park and ride services for overnight stays are also being implemented through the Bus Service Improvement Plan, and these would offer residents and visitors a more cost effective and sustainable way of staying in the city without the need to park within the city centre – another option that currently doesn't exist, and a way of accommodating displaced demand from Castle Car Park.

- 40) The tables below illustrate the existing number of parking spaces within the Castle Gateway car parks. It includes the proposed number of car parking spaces following the closure of the Castle Car Park in accordance with the decision at the November 2023 Executive.

#### Existing Parking Provision

<b>Car Park</b>	<b>Standard Spaces</b>	<b>Blue Badge Spaces</b>	<b>Total</b>
Coppergate	248	28*	276
St Georges Field	260	6	266
Castle	268	30	298
Q Park Shambles	248	3	251
Peel Street	77	0	77
<b>Total</b>	<b>1101</b>	<b>67*</b>	<b>1168</b>

\*Inc 10 shop mobility

#### Proposed Parking Provision

<b>Car Park</b>	<b>Standard Spaces</b>	<b>Blue Badge Space</b>	<b>Total</b>
Coppergate	248	28*	276
St Georges Field	260	6	266

Castle Car Park	0	30**	30
Q Park Shambles	248	3	251
Peel Street Car Park	77	0	77
<b>Total</b>	<b>833</b>	<b>67*</b>	<b>900</b>

\*Inc 10 shop mobility

\*\*Including 3 Electric Vehicle spaces

- 41) The closure of Castle car park would lead to a loss of 268 parking spaces within the Castle Gateway Scheme. Through analysis of parking data there is the potential to accommodate much of this within the Coppergate car park which runs below occupancy for the majority of the year. To optimise use of this residual capacity, a variety of measures are proposed to be employed, including measures to improve access and allow longer hours of operation (this would potentially lead to additional security resource cost – discussions with parking services are ongoing), better signage and access to the car parks, improvements to security at the facility (including emphasis on the safety of lone women and vulnerable users over extended operating hours) and cosmetic improvements. A budget of £200k has been allowed for this package of works, the works may incur additional revenue costs in operating the car parking facility.
- 42) Concerns have previously been raised around the potential impact of loss of Castle car park on City Centre businesses. Dialogue with the BID, Highstreet Forum and Federation of Small Businesses amongst others has been maintained throughout the project's development, including specific conversations about car parking changes and evidence base. Whilst some concerns remain, the additional analysis and impact mitigations have been welcomed, with a positive ongoing dialogue in place. A sector-based approach to car parking demand assessment has been taken as set out in Appendix 2, looking principally at the Council operated facilities in this sector of the city – Castle, Coppergate, and St Georges Field Car Parks. The work identifies that collectively these assets operate at 57% of their capacity in average months of the year, and 78% of their capacity in peak months of the year. With the removal of Castle Car Park, this combined capacity could be exceeded (resulting in an increased reliance on non-Council operated assets and on street parking in this

sector), however as noted at paragraph 39, car parking prices in the city have also recently increased, and it is predicted that this will see a general reduction in city centre car park demand and usage, with users opting for more sustainable/cheaper modes.

- 43) Modelling at Appendix 2 indicates that once the reduced demand for car parking flowing from the changes to parking prices is fully realised, the two remaining council owned parking assets would operate at 66% of capacity in average months and 91% of capacity in peak months (against 57% and 78% respectively currently, with all three council car parks open). This is before even looking at on street parking and third-party assets in the local area (with Peel Street Car Park and Q Park Shambles having a combined capacity of 328 spaces), which provide further capacity beyond the three core council assets analysed. Significant capacity also exists in the Council's Park & Ride systems, augmented by the 24hr parking at key sites previously referenced, though it is not currently possible to quantify this unused capacity.
- 44) Given the evidence above and in Appendix 2, and the additional works proposed - including to Coppergate Car Park, and overnight Park & Ride services, it is considered that impacts on footfall and businesses are capable of being adequately mitigated. In addition, options to improve the quality and capacity of surface car parking at St Georges Field are currently being explored and will form part of the forthcoming Movement and Place Strategy, which will consider works in a strategic city-wide context, and as part of a joined-up approach to strategic transport across all modes.
- 45) As already noted, and summarised in Appendix 2, any alternative decision to retain Castle Car Park would also result in a need for significant capital investment of upwards of £750k due to its poor condition alongside a significant reduction in car parking spaces to ensure that the new layout meets current car parking standards.

## **Consultation Analysis**

- 46) The Castle Gateway Masterplan has been shaped through extensive stakeholder and public engagement on both the masterplan and subsequent sub-projects in the form of My Castle Gateway. Over 8,500 comments have been recorded to date:  
<https://www.flickr.com/photos/149815510@N05/tags>

- 47) The last intensive period of engagement related to the proposed revised concepts designs for the public realm space at Castle and the Eye of York. This ran over the summer of 2024 and included a programme of activities to help inform the final revised design which was submitted to planning on 4<sup>th</sup> July 2025. Full details are set out in the Statement of Community Involvement which accompanies the planning application.
- 48) The redesign of the space has drawn on the wealth of engagement that already exists and the latest engagement. The Council remain committed to ongoing consultation on the Castle Gateway project. The business community have been engaged on the proposals throughout their development, including dialogue with the BID, Highstreet Forum and federation of Small Business.
- 49) A version of this report was discussed at Corporate Scrutiny Committee on the 1st of October 2025 and this report has been updated to reflect comments received from both meetings.

## **Options Analysis and Evidential Basis**

### **Options**

- 50) **Option 1 - Castle & Eye of York Scheme Delivery** – is to approve the recommendations in the report which clearly set out the next steps for the timely delivery of the Castle & Eye of York proposal.
- 51) **Option 2 – Castle Gateway Delivery** - to undertake more comprehensive delivery across a wider portion of the Castle Gateway Masterplan area, or a less light touch treatment of the Castle & Eye of York area. This would increase capital cost, requiring additional borrowing or the seeking of additional external grant funding (source not currently clear), also delaying the scheme and introducing inflationary pressure.
- 52) **Option 3 – Retain Castle car park** - do not approve the closure of Castle car park due to revenue loss for now, therefore halting the delivery of the Castle & Eye of York scheme and wider masterplan. It should be noted that this would need to include a cost of £750k to resurface the castle car park to current standards and would result in



a loss of a significant proportion of spaces with commensurate impact on revenue from this car park.

## Analysis

- 53) **Option 1** offers a clear way forward following the most recent decisions at the Executive in November 2023, reflects the Council Plan and Our City Centre Vision; as well as responding to the reality that there is significantly less funding available to deliver the Castle Gateway projects. The recommendations allow the regeneration of the area to progress, see the projects aligning to reflect the Council Plan and deliver the centre of the masterplan at a more affordable cost.

Unlocking the regeneration of the Castle Gateway has always presented significant challenges to overcome. The previously agreed delivery approach which breaks the inter dependencies between the Schemes and through careful redesigns, reduces capital costs to secure early delivery has been progressed and can be achieved. Clearly the loss of car parking and its revenue needs to be carefully considered, whilst considering the wider benefits of regenerating the Castle gateway, potential mitigations, and other aims and ambitions of the city as set out in the Local Transport Plan.

- 54) **Option 2** incurs additional expenditure and delay, with no clear route to delivery at this point in time, and risks jeopardising the near-term realisation of tangible scheme benefits and transformation which are achievable in option 1.
- 55) **Option 3** undermines our strategic approach to transforming this area of the city to benefit residents and make best use of its prime location for the benefit of all. The area would still require significant capital investment, and our strategic transport objectives would be undermined through the promotion of unsustainable modes. Significant levels of external grant funding would also need to be handed back. The Council's revenue position would however be protected.

## Organisational Impact and Implications section

### Financial

- 56) Current spend on Castle and Eye of York to 31.03.2025 is £1.55m, with the cost of further work from 01.04.2025 estimated to be £9.934m, detail shown below.

<b>Estimated spend from 01.04.2025</b>	<b>£'000</b>
Cost Plan	7,234
Estimated Inflation, based on June 2026 start date (*)	400
Design, delivery and project management costs	1,200
Hostile Vehicle Mitigation (range £400k-£900k)	900
Works to Coppergate Car Park	200
<b>TOTAL estimated spend from 01.04.2025</b>	<b>9,934</b>

(\*) This start date is subject to consent and procurement approvals

- 57) The recommendation of the report is to use Current Funding available for the project as follows.

<b>Available Funds from 01.04.2025</b>	<b>£'000</b>
WYCA grant (**)	4,523
CYC approvals	3,911
<b>TOTAL funding available from 01.04.2025</b>	<b>8,434</b>
Shortfall in Funding	1,500

- 58) There is currently no external source for the funding shortfall. In the first instance, additional external funding will be sought from partners including through the York Investment Prospectus (being considered under executive agenda item 15), and North Yorkshire Mayoral

Combined Authority's transport funds. It is necessary to identify a fallback position should external funding not be secured. To avoid any new borrowing, it would be necessary for existing schemes in the Capital programme to be de-prioritised to transfer funding to the Castle Gateway scheme. A provisional package of works and approach to this for financial years 26/27, 27/28 and 28/29 has been identified within the Council's Highways Renewals Programme.

- 59) \*\*WYCA will need to give confirmation that the use of their £4.523m budget is eligible, i.e. covers only transport costs. Discussions with WYCA are currently taking place to confirm the approach to and process associated with this work. Use of the WYCA funding may be subject to the opportunity to swap up to £3.474m of approved CYC funding from the YORR project with this WYCA transport funding, see below. A dialogue has been commenced with WYCA in this regard.

	£'000
WYCA Funding identified for Castle Gateway projects	4,523
CYC approved YORR Funding	3,474
Minimum Transport related spend on Castle and Eye of York project	1,049

- 60) The report identifies potential additional new maintenance and operational costs associated with the project. These will have to be managed within the current revenue budgets.
- 61) Car Parking Revenue. The decision to confirm the re-purposing of Castle car park will have the impact of reducing car parking income across the Council estate. In 2024/25 £1.8m was generated at the car park and c£2m is forecast in 2025/26. There is significant capacity across neighbouring car parks (notably Coppergate and St George's Field) which would allow most car park users to relocate to other Council car parks. There are relatively few days (Saturdays and some school holiday / event days) where there would not be surplus spaces. Further analysis would be required to be undertaken once the impact of increased prices have been modelled through the year as there are fewer transactions and therefore increased capacity, whilst the Council does have capacity to accept dispersed parking

there is no guarantee that drivers will move to other CYC car parks as opposed to private sector car parks.

- 62) If Executive do agree to the closure of Castle Car Park, this decision will need to be reflected in the budget approval process and the income expectation will need to be reduced accordingly. Prior to further analysis it is recommended that the impact should be assumed for the purposes of budget setting at £500k i.e., 25% of revenue will be lost to the Council. There are opportunities to minimise this income loss as set out in the report, and the assessment of £86k net loss in Appendix 2 is noted. It is currently assumed that this will impact from financial year 2027/28.

### **Human Resources (HR)**

- 63) There are no HR implications contained within this report.

### **Legal**

- 64) In implementing the proposed Castle Car Park and Eye of York scheme, along with the proposed improvements to Coppergate car park, any proposed works and services, including those funded by the grant funding identified in this report, will need to be commissioned via a compliant procurement process under the Procurement Act 2023 and the Council's Contract Procedure Rules under Appendix 11 of the Council's Constitution.
- 65) Any contracts for the proposed works and services must be drafted by Legal Services. Further, as for any external grant funding arrangements, these will require Legal Service's advice and assessment with regards to compliance with the Subsidy Control Act 2022, ideally as early as possible during the application process for any such funding. Any grant funding terms and conditions will also need to be reviewed by Legal Services. Any associated contracts for works and/or services will also need to ensure that relevant terms and conditions under any applicable grant funding arrangements are passed on accordingly.
- 66) Regarding the closure of Castle car park, pursuant to sections 35 and 46A of the Road Traffic Regulation Act 1984, the Council has statutory powers to charge for off-street parking places. The proposed car park closure will necessitate a change to the Off -Street

Parking Order. In accordance with the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996 the Council is required to publish a notice of variation setting out the changes in a local newspaper for 21 days. The notice of variation is also required to be placed in prominent positions in the car park until the changes come into force. Subject to no objections being received, the car park closure will be reflected in the Off-Street Parking Order by way of formal variation.

## **Procurement**

- 67) Procurement will be a main tool used to deliver the priorities and projects set out within this report. All works and/or services must be procured via a compliant, open, transparent, and fair process in accordance with the Council's Contract Procedure Rules and where applicable, the Procurement Act 2023. Creative and innovative ways of procuring will be explored to ensure elements of the Council plan are captured within the procurements and to maximise social value and maximise public benefit. Further advice regarding the procurement process and development of additional procurement strategies must be sought from the Commercial Procurement team.

## **Health and Wellbeing**

- 68) These proposals align with a number of separate public health goals, outlined in the Council Plan 2023-7 and the Health and Wellbeing Strategy 2022-32. These include the aspirations to increase physical activity by enabling active transport routes, reduce car dependency and encourage walking, cycling and wheeling; improve air quality through similar means, invest in quality of life for children and young people by including green space and play areas, and improve mental health and wellbeing through access to green space.
- 69) The detailed design of this space will benefit from reflecting principles in the emerging Healthy Spaces Supplementary Planning Document, for instance considering healthy streets principles which enhance liveability, such as shade and shelter, providing things to see and do, incorporating places to stop and rest, reducing noise, prioritising public safety particularly for women and girls, and with safe places to cross.

- 70) The ongoing management of the area as a public space would benefit from considering further public health gains the scheme could achieve by reducing the impact of the three biggest public health harms – tobacco, alcohol, and unhealthy food. This might include designating the space ‘smokefree,’ considering the suitability of alcohol sales especially in areas where children and young people will be, and taking measures to ensure the food environment is free from junk food marketing and enables people to access healthy food options.

## **Environment and Climate action**

- 71) The proposals set out within this Report are in line with the Council's Plans and support the Climate Change Strategy 2022- 2032. York's Climate Change Strategy identifies that 28% of emissions are from transport and that we should be seeking to reduce overall travel miles and increase uptake of active travel and public transport. The detailed Ecological Green and Blue infrastructure technical work which shaped the development of the proposal demonstrates the alignment with the transport objectives of the Local Transport Strategy approved at Executive in October in that the proposals support an inclusive, accessible, affordable and sustainable city, to contribute to both the Climate Change Strategy and the Economic Growth Strategy, improve health and wellbeing through healthy place shaping, improve the local environment by reducing air pollution and noise and protect the city's heritage and enhance public spaces.

## **Affordability,**

- 72) The improvements to the public realm will provide free spaces for all ages to enjoy.

## **Equalities and Human Rights,**

- 73) A full Equalities Impact Assessment has been completed and can be found at Appendix 3. It highlights the need for ongoing dialogue with groups who may be impacted by the schemes and there have already been some changes made to designs as a result of this engagement taking place.

## **Data Protection and Privacy**

- 74) The data protection impact assessment (DPIAs) screening questions were completed for the recommendations and options in this report and as there is no personal, special categories or criminal offence data being processed to set these out, there is no requirement to complete a DPIA at this time. However, following the approved recommendations and options from this report, a DPIA will be completed.

## **Economy**

- 75) York city centre is home to around a quarter of York's businesses and is a key attractor of inward investment and business growth. The measures set out in this report support the delivery of the York Economic Strategy 2022-2032 and the involvement of the York Economic Partnership in shaping future delivery of the Our City Centre Vision will ensure continued close alignment with city and business priorities.

## **Communications**

- 76) The communications team works closely with colleagues around the Castle Gateway project. This has involved supporting the engagement work and any project updates. Progressing the Castle Gateway Scheme will need continued communications support to deliver a comprehensive strategy covering before, during and after any potential construction work. Should Castle car park close, as well as project updates significant work will be required to forewarn people and to highlight alternative travel options to York city centre, including promoting sustainable travel and alternative car parking options.

## **Property**

- 77) The City Council holds a long lease of the Coppergate Centre car park and proposed improvement works would be carried out in consultation with the landlord of the facility.

## **Risks and Mitigations**

- 78) The principal risks associated with the Castle and Eye of York project at this stage are cost and contract management, reputational, non-

delivery, and loss of revenue. The phasing of the project in the manner proposed in this report is in direct response to some of these risks, so that the regeneration of this area can progress and is not further stalled.

- 79) The risks associated with cost and contract management are potentially significant but are mitigated and managed by the extensive cost planning work undertaken to date with professional consultants, by appropriate staffing and resourcing of the project - as proposed in the budget allocations, and through the undertaking of thorough Pre Market Engagement as part of the procurement processes. Whilst it is not the outcome wanted, if costs are too much and cannot be valued engineered to get a scheme that will deliver the outcomes proposed, the final option will be to not deliver the scheme.
- 80) There is a risk that having engaged extensively and raised expectations amongst the public, the change of approach will not fully deliver initial expectations. However, the bigger risk to the city is not to delivery anything and see the regeneration of the area continue to stall.
- 81) There is a risk that loss of Council revenue or impacts on local businesses will be more substantial than forecast, however a package of mitigation is proposed in this respect, and technical analysis reveals that the risks are low.
- 82) The additional initial HVM operational costs being requested is being reviewed as the extent that is required is more than originally allowed for. The works would protect the area from terrorism associated risks and the detailed extent, nature and cost of these works are currently being reviewed. A cost allowance range has been included in the project budget envelope.

## **Wards Affected**

- 83) All wards

## **Appendices**

Appendix 1 – Summary diagram: Scheme Development 2022 - 2025



## Appendix 2 – Castle Gateway Parking Options Paper

## Appendix 3 – Equality Impact Assessment

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### Background papers

Report to the Executive, Castle Gateway November 2023

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=13932&Ver=4>

Report to the Executive, 'York's Southern Gateway,' October 2015

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=>

Report to the Executive, 'York Castle Gateway,' January 2017

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=9309>

Report to the Executive, 'The Castle Gateway Masterplan,' April 2018

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=10197&Ver=4>

Report to the Executive, 'Castle Gateway phase one delivery strategy,' January 2020

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=11115&Ver=4>

Report to the Executive, 'Update on Castle Gateway and Business Case Review,' October 2020

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=12297&Ver=4>

Report to the Executive 'Castle Gateway Update' June 2022

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=13287&Ver=4>