

Executive

29 August 2019

Report of the Director for Economy and Place

Portfolio of the Executive Member for Economy & Strategic Planning

My City Centre project – establishing a strategic vision for York city centre

Summary

1. The British high street is experiencing an unprecedented period of change. The continued growth of internet sales mean the bricks and mortar retail sector is facing significant challenges that have led to the consolidation and closure of stores, restructuring of businesses, and, in many high profile cases, the complete collapse of high street institutions.
2. York city centre is performing comparatively well and has a strong independent retail sector, but areas such as Coney Street with medium to large floorplate stores have increasing and persistent vacancies resulting from the closure of national retailers. Whilst footfall remains high due to tourism, and overall vacancy rates low due to conversions to food and beverage outlets, this thriving early evening and leisure economy also brings other challenges. In response to these major structural challenges facing the city, and wider issues relating to city centre access and security, £100k was set aside in the February 2019 budget to devise a strategy to respond to these concerns.
3. This report sets out the proposed expenditure of that budget to create the My City Centre project. This will provide a long term strategic vision for the future of the city centre that responds to these social, economic and environmental challenges. The project will seek to adopt the successful My Castle Gateway approach to engagement, placing the public and stakeholders at the heart of defining the challenges and establishing the vision. This collaborative strategy will provide a framework to guide future council investment decisions and provide a platform for securing external funding and private investment to secure a sustainable future for the city centre.

Recommendations

4. The Executive is asked to:

1) Approve the aims and outcomes for the My City Centre project.

Reason: *To provide a strategic vision for the City Centre that reflects stakeholder and public views and can guide development, regeneration and investment decisions.*

2) Approve the approach, scope, and governance for the My City Centre project.

Reason: *To ensure the aims and objectives for the My City Centre project are delivered.*

3) Approve the proposed spend of the £100k budget that has been previously allocated for the project.

Reason: *To allocate the resources required to deliver the My City Centre project.*

4) Approve the carrying out of the procurement of a contract for the identified public engagement support required to deliver the project, and delegate to the Assistant Director for Regeneration and Asset Management (in consultation with the Assistant Director of Legal and Governance or his/her delegated officers) the authority to take such steps as are necessary to award and enter into the resulting contract.

Reason: *To provide the necessary external support to deliver the public engagement that will sit at the heart of shaping the strategic vision.*

Background

5. Britain's high streets and city centres are facing unprecedented challenges. The rise in digital technology is resulting in fundamental changes in how and where we shop, bank, access services and spend. The ease, speed and choice offered by internet shopping, often at prices that undercut the brick and mortar shops of the high street, is having a huge impact on retail. In the last couple of years some major high street institutions have disappeared entirely from city centres, either ceasing to exist, consolidating to out-of-town locations, or to fewer stores serving

larger regional areas. There is a growing acceptance within the sector that there is too much retail space in our town centres for the future level of demand.

6. The pace and impact of technological change is difficult to comprehend and predict. Cashless payment, self-checkouts, automated vehicles – coupled with social and environmental changes driving demand for locally grown produce – will affect jobs, property and how and when people use the high street. Online banking and cashless payments has led some commentators to predict that high street banks could disappear within a decade, leaving behind difficult to convert buildings. Traditional service providers are trying to remain viable, with, for example, Post Offices co-locating within existing retail stores, hopefully securing their long term future but again leaving behind often complicated purpose-built buildings.
7. Although York's unique heritage environment and cultural attractions have protected it from the scale of decline and market failure that has affected other areas in the UK, it is not immune to this change. The pressures of internet shopping, economic changes and nationally set business rates are leading to persistent city centre vacancies. Many of these issues relate to medium to large floorplate retail which are not attractive to York's buoyant independent retailers who have smaller store footprint requirements. The prevalence of distant institutional investors who own the larger floorplate units and often have over-inflated value expectations, coupled with difficult to convert historic listed buildings, make local authority intervention challenging.
8. To an extent the challenges in York have been masked as retail vacancies have remained comparatively low as the city's successful evening and leisure economy drives many conversions to bars and restaurants. These have helped maintain the vibrancy of the high street but are not without social impacts, particularly the conflict between leisure visitors to the city and traditional family shoppers. These, and wider issues, have been captured through early conversations with stakeholders and the community (set out in Annex 1) and can be summarised at this stage as:
 - Conflicts between users of bars/ restaurants and the traditional family shopping centre
 - Balancing needs of visitors and residents (types of facilities, peak visitor numbers)

- Servicing of commercial units (deliveries waste and refuse)
 - Parking, accessibility and sustainable travel
 - Condition of public realm and pedestrian areas
 - Underuse of existing floorspace and migration of employment and residential uses away from the city centre
 - Empty or underused upper floors of buildings
 - Suitability of existing stock for future uses
 - Counter terrorism measures
 - Heritage and planning issues
 - Climate resilience, carbon and sustainability
9. Over the past year a number of events have served as a catalyst to create a consensus that a long term strategic vision to respond to these challenges is required, with industry figures being clear that the Council, as principle custodian of the city, should take the lead. As a response the Executive allocated £100k in February's budget to develop this strategic vision. The vision will then be used as a framework to guide future investment and development, focusing and co-ordinating public and private investment to ensure the resilience and vibrancy of the city centre. Following the successful and innovative approach to public and stakeholder engagement developed through regeneration proposals at Castle Gateway, the project will seek to follow this approach, and will be entitled My City Centre. The project is detailed at length in the Project Initiation Document (PID) attached as Annex 2, but the following section of this report provides an overview of delivery.

My City Centre – Aim and outcomes

10. The aim of the My City Centre project is:

“To engage the public and stakeholders to develop a long term social, environmental and economic strategic vision for a sustainable future for York city centre”

The vision won't offer definitive physical interventions for buildings and public spaces; it will establish objectives for development, a direction of travel, a framework to guide future activity, and establish the broad scope for specific physical interventions to be developed further as future specific projects.

11. The principal project outcome will be for the city to have a long-term shared strategic vision in place that has been fully developed through public and stakeholder engagement. This vision will help to ensure the economic, social and environmental performance of the city centre is maintained and improved through:
- Responding to the current challenges facing the high street and being prepared to respond to future and emerging trends
 - Making informed and targeted investment decisions to maintain a successful city centre
 - Being best placed to access public funding by having an approved, community owned strategy and vision
 - Encouraging inward and private investment and lending confidence to existing investors and occupiers
 - Ensuring the city centre meets the needs of both residents and visitors
 - Creating a supportive environment for local businesses to thrive
 - Maintaining and enhancing York's reputation and role as a driver of regional growth
 - Maintaining a robust historic city centre that thrives and compliments York Central and other regeneration projects
 - Balance the need for counter-terrorism measures with good accessibility to the city centre
 - Promote resident and public use of the city centre

My City Centre – approach, scope, procurement and governance

Approach

12. The project will be led by the Major Projects and Regeneration Team, and will explore using the principles of the successful My Castle Gateway approach to public and stakeholder engagement. My City Centre will be an open conversation with a range of stakeholders including residents, businesses, and visitors to shape a preferred strategic vision which will be taken to the council's Executive for approval. This will be achieved by applying the following principles:

Build a brief: Use a variety of engagement tools to gain an understanding of a diverse range of people's needs and ideas. Make these ideas and differing perspectives visible.

Explore Challenges: Cultivate an open public debate about complex issues. Share and explain challenges, decisions and compromises throughout.

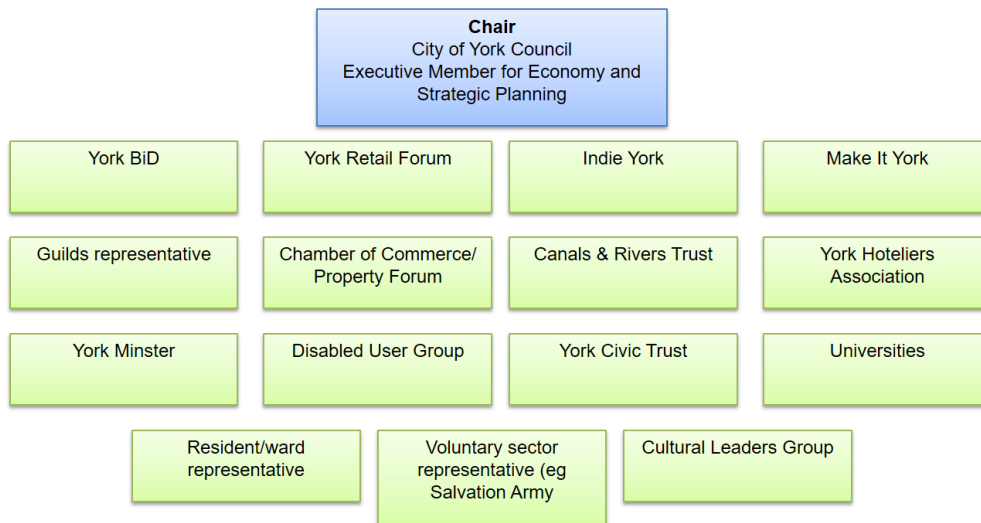
Make change together: Build ongoing networks to retain involvement, as well as long term community influence in decision-making, design and delivery.

Meaningful, thorough and in-depth engagement must form the cornerstone of the project approach in order to create a transformative, deliverable and fit-for-purpose long-term vision.

13. The project proposes a comprehensive and innovative approach to engagement through two main strands. The first will be to engage the public through an extensive consultation to understand and identify the issues and challenges, and establish how residents and visitors want to use the city centre in the future. This will involve themed engagement and targeted activity to engage particular and more impacted communities of interest including the disabled and elderly. To deliver this process external public engagement resources will be procured. As the project progresses, ward councillors will also be kept regularly up to date. The consultation will operate in a clear and transparent manner, with a legible consultation roadmap, regular feedback mechanisms, and clarity around how decisions are made and engagement outputs have been incorporated and dealt with.
14. The second strand is to establish a Stakeholder Group to meet on a monthly basis to help shape and sense-check the emerging vision throughout the process. The proposed stakeholder group is set out in Figure 1 will have one representative from the following, and membership can evolve with the project:

Figure 1 – proposed My City Centre Stakeholder Group

My City Centre – Stakeholder Group



Procurement

15. To support this work external resources will be procured to run the engagement based on the Council's brief of an open conversation approach. The first stage of the project will be to prepare the Communication and Engagement Plan to define the scope of the support required to deliver the project. A procurement exercise will then be undertaken to appoint external support to assist in the delivery. The detail of the approach will be shaped with the successful consultants but it is envisaged to include a multi-platform format, utilising digital and social media channels as well as face to face engagement.
16. Whilst the strategic vision will be devised by Council officers based on the outcomes of the public engagement and support of the stakeholder group, an external 'critical friend' resource with experience in strategic visioning for city centres may also be procured to guide and sense-check the proposals as they emerge.

Scope

17. Due to the open conversation nature of the project the scope will remain fluid throughout as the approach is predicated on the public and stakeholders identifying the challenges to which the vision will need to respond. At this stage the assumption is that the city centre will be

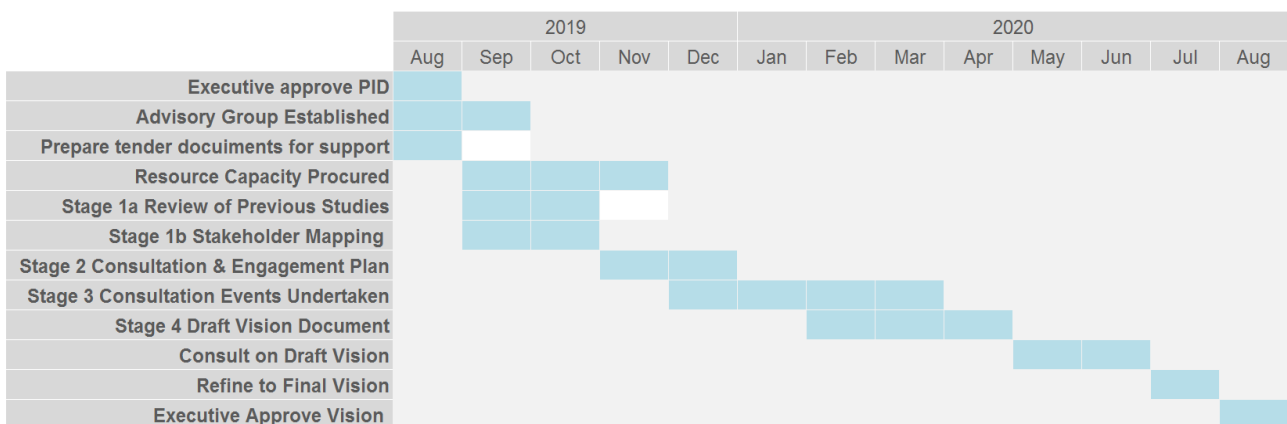
defined as the area covered by York’s Business Improvement District, which is principally the area within the inner ring road (see annex 3). It should also be noted that the vision will not establish specific solutions or designs; rather it will form a framework within which these can develop. Any specific capital or delivery projects that emerge from My City Centre will need additional resources and/or funding.

- In addition to this project there are a number of significant and inter-connected workstreams and strategies that relate to the city centre. These are mapped out in full in annex 4 and the project will need to be fully engaged with these to ensure there is no duplication of work or contradictory outcomes.

Governance, timescales and budget

- Anticipated timescales for the project are set out in Figure 2 below. These allow for the consultation to be undertaken between December 2019 and March 2020, capturing the views of a broad range of stakeholders over the busy Christmas period and also covering a quieter subsequent period where residents will have the time to engage. The consultation on the draft vision is programmed for May-June 2020, ahead of school holidays. This will allow reporting of a final vision to Executive in August 2020 Executive.

Figure 2 – Proposed My City Centre delivery timescales



- To deliver the project it is proposed that the £100k budget will be broadly evenly split between the internal resources to manage the project and develop the vision, and the external support set out in paragraphs 15 and 16 (see the PID in annex 2 for a detailed breakdown). The project will be led by the Head of Regeneration and project managed by a dedicated Regeneration Project Officer. Due to the relatively small scale of the

budget it is not proposed to form a project board, but it will be overseen by the Assistant Director for Regeneration and Asset Management with regular update reports to the Executive Member for Economy & Strategic Planning, principally through decision sessions.

Conclusion

21. The My City Centre project will provide the city with a long term vision to allow strategic responses to the challenges facing York city centre. The £100k identified in February's budget will be used to procure external public engagement resources to support officers in delivering a vision that responds to existing workstreams and strategies, and is developed by stakeholders and the public through an open conversation approach to engagement. This will ensure that there is broad support and city-wide ownership of the strategy, which will provide a framework to guide future public and private investment and ensure that we are best placed to secure external funding opportunities. Approval of this approach will allow the My City Centre project to ensure that the city is best placed to respond to the challenges and maximise the opportunities of the changing nature of our city centres.

Consultation

22. The project proposes a comprehensive and innovative approach to engagement which places the public and stakeholders at the heart of the process to develop the future vision for the city centre. The challenges that have been identified to date (set out in annex 1) have been defined through engagement with key city centre stakeholders including York Retail Forum, York BiD, Make It York and Indie York. Internally, specialist officers across the council and those whose service areas are affected by the proposals have contributed to the development of the PID contained in annex 2.

Council Plan

23. The 2015-2019 Council Plan has now to come to an end. The following section is based on the draft future Council Plan for the next four years. This project will assist in achieving the council plan objectives through the creation of a strategy that corresponds to and sets a vision that takes account of:

- Good Health and Wellbeing
- Well-paid jobs and an inclusive economy
- Getting around sustainably
- A Better Start for Children and Young People
- A Greener and Cleaner City
- Building homes and World-class infrastructure
- Safe Communities and culture for all
- An open and effective Council

Implications

24. The following implications have been identified:

- **Financial** – Budget Council identified a one-off budget of £100k to fund the My City Centre project. The proposals set out in this report can be funded within this overall budget.
- **Human Resources (HR)** – considered to be no impact
- **One Planet Council / Equalities** – The completed One Planet Council Assessment can be found as Annex 5.
- **Legal** – The procurement of the external resources to run the engagement based on the Council's brief of an open conversation approach will be carried out in accordance with the Council's Contract Procedure Rules.

The Council's Legal Services Projects team will provide advice to the My City Centre project team on legal matters throughout the project.

- **Crime and Disorder** - considered to be no impact
- **Information Technology (IT)** - considered to be no impact

- **Property** – The Council is the owner and landlord of property within York city centre of over 180 freehold and leasehold interests. The Council has always focused its commercial estate in York in order to promote and support economic vibrancy and ensure the preservation of historic buildings. Through its ownership of the estate the council therefore, provides accommodation which helps in developing and maintaining the city's economy, serving a broad role in meeting social economic and environmental objectives such as regeneration and ensuring the sustainability and vibrancy of the city centre.

Whilst vacancy levels are low across the Council's estate, the My City Centre project's aims to maintain and improve the prosperity of the city centre will aid the future prosperity of the estate.

The Council's Asset and Property Management team will provide advice to the project team, in conjunction with legal services, on property related matters throughout the project.

- **Other** – considered to be no impact

Risk Management

25. The main risk to the project is that the vision is not supported by key stakeholders or the public, and is seen as a response imposed on the people and business of the city. Consequently the proposed approach is for the vision to be developed through an open conversation methodology that has proven successful in building public support for the regeneration of the Castle Gateway. To ensure that sufficient time and resources are applied to engaging the public and stakeholders approximately half of the budget has been set aside for external resource to assist in the delivery of the public engagement. Should officers feel further specialist advice is required in sense checking the proposed vision, a critical friend role may be appointed on a short term oversight basis. Budget, timescale and risk will be managed by a dedicated council project manager, with regular update reports to the Executive Member for Economy & Strategic Planning.

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Report ✓ 9/8/19
Approved

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Wards Affected:

All ✓

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Annexes

Annex 1 – Summary of York City Centre challenges identified through early Stakeholder engagement

Annex 2 – My City Centre Project Initiation Document

Annex 3 – Area covered by the My City Centre project

Annex 4 – My City Centre Strategic Relationships diagram

Annex 5 – One Planet Council Better Decision Making Tool Impact Assessment

Annex 6 – Letter in support of the project from Make it York

Annex 7 – Letter in support of the project from York BID

List of Abbreviations Used in this Report

BID – Business Improvement District

k - Thousand

m - Million

PID – Project Implementation Document

Sqft – Square Feet