

Decision Session – Executive Member for Economy and Strategic Planning

27th April 2021

Report of the Director for Housing Economy & Regeneration

Annex 3: My City Centre Project: Recommencement of Project & Engagement Approach

Summary

1. This report sets out proposals to recommence the paused My City Centre project, to establish a high level vision for the future of York city centre. The project initially began in March 2020 but shortly afterwards the country was placed in to lockdown due to Covid-19 and the project was put on hold as staff were redeployed to the emergency response, public engagement became impractical, and the uncertainty created by the pandemic meant it was the wrong time to develop a long term strategy for the city centre.
2. However, with a roadmap out of Covid lockdown and greater clarity on the impact of the pandemic on the city centre, it is timely to now consider restarting the project. The impacts of the pandemic have meant the need for a strategic vision is greater than ever - to both capture new opportunities to ensure the ongoing vibrancy of the city centre, and help mitigate the wide ranging challenges exacerbated by Covid-19. Public funding opportunities which the project would be well placed to feed into and benefit from are also starting to emerge.
3. To reflect the changed circumstances resulting from Covid-19 the scope and thematic approach to developing the vision has been revised and updated, and the proposed form of public and stakeholder engagement has evolved to reflect the new methods that have developed during the pandemic.
4. The project has key relationships with wider strategies being prepared and consulted on over a similar timeframe, including the 10 year Council

plan, strategic review of city centre access and parking, economic strategy and Local Transport Plan 4. A co-ordinated and structured approach to engagement across all of these workstreams will be taken. Further detail is set out in the 'consultation' section below, and in the Executive paper 'Resident Engagement Strategy' being considered on 22.4.21.

Recommendations

5. The Executive Member is asked to:

- 1) Approve the recommencement of My City Centre project from May 2021.

Reason: *In order to generate a strategic vision for the City Centre through public engagement, to respond to place-based challenges and opportunities*

- 2) Approve the revised project scope and thematic approach in response to the changes brought about by the Covid-19 pandemic

Reason: *To ensure that the project responds to the pandemic's impacts and prevailing (updated) challenges and opportunities*

- 3) Approve the amended project engagement plan set out at annex A, which responds to changes brought about by the Covid-19 pandemic

Reason: *To ensure effective and inclusive engagement, particularly during the period where some form of lockdown will still exist.*

- 4) Approve the budget proposals set out at paragraphs 26-28

Reason: *To ensure that project activity is resourced appropriately to delivery project outcomes*

Background

6. Inception of the My City Centre project was approved by executive on 29th August 2019, with the aim:

"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"

7. The Project Initiation Document proposed a 4 month 'open conversation' with public and stakeholders, to shape a strategic vision that would be drafted internally by the project team, and then further refined through a further 2 month engagement process.
8. Consultants (Social Communications) were procured through a compliant Request for Quotations process under the Council's Contract Procedure Rules to support the engagement process, and a stakeholder group of key city partners was established to guide the process. The engagement gained good traction and was operated both electronically (webpage and social media) and with a physical presence (exhibitions and pop-up events) using a variety of bespoke tools. The first round of engagement commenced on 2 March 2020, but following the Covid-19 outbreak, was officially paused on 3 April 2020. A summary of the engagement and findings to date at April 2020 is provided at annex B.
9. The project team's principal focus since the pausing of the project has been in responding to the pandemic, including developing and implementing the one year Covid-19 transport and place strategy and preparing the city centre for re-opening from various lockdowns. This activity has strengthened relationships with key partners such as the BID, highlighted inter-dependencies within the city centre economy, and led to new and innovative forms of public engagement. More recently the team has also started to review current and emerging socio-economic impacts – with a great deal of change and acceleration of existing trends evident over a very short 12 month period, as well as new opportunities arising.
10. We are now at a critical juncture in the future of our city centre, with the scale of behavioural change and economic restructuring as a direct result of the pandemic already being felt, but much more anticipated to come. This will present opportunities, as well as some challenges for the centre. *How, Why, What for, and When* people use the city centre will have altered significantly and will continue to evolve, and the institutions who occupy, own and service it are already going through major change. As well as the many challenges which this will bring about, there are also opportunities to re-imagine, re-use, and re-define the centre as a result. Having been locked-out of the city centre (and usual patterns of behaviour) for a significant period, people's appetite for change is also high, and recognising the upheaval, government has identified several funding streams to support the adaptation and sustainability of our high streets. Strong leadership from the council will be required over this period, to navigate it in a way which optimises benefits for the city,

secures long term vibrancy and enables a sustainable and inclusive economic future.

11. Covid-19 has accelerated challenges and trends that existed before the pandemic and brought additional threats to the centre, alongside new opportunities. Additional threats include:

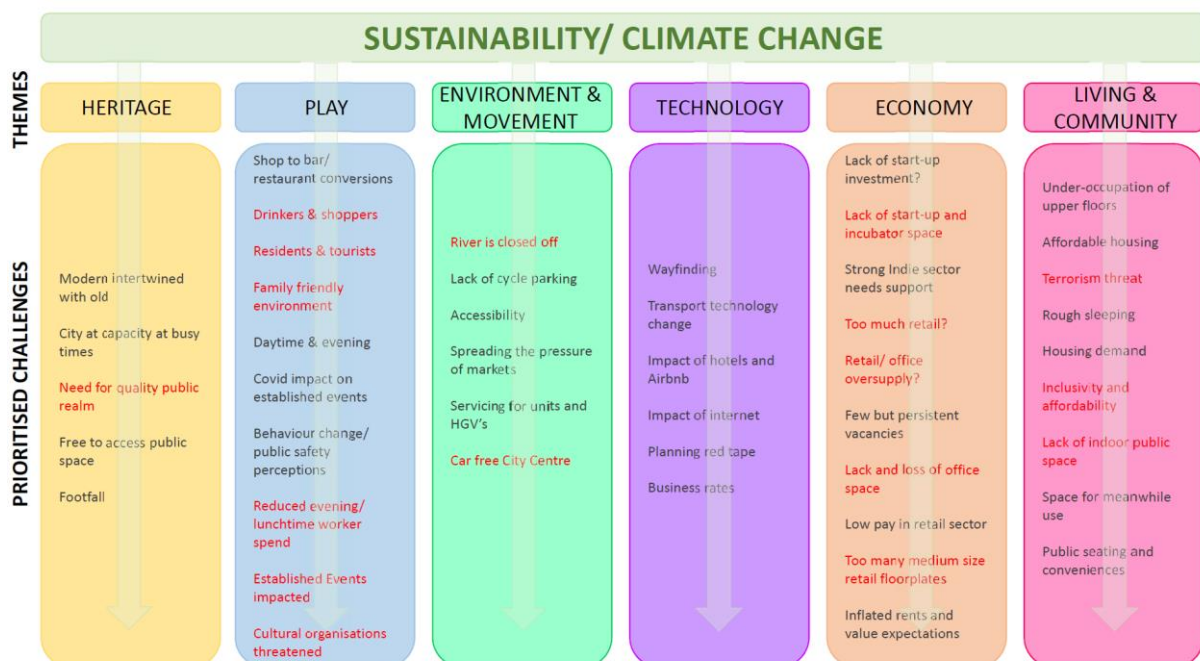
- Retail and leisure business closures, leading to empty property (potentially attracting anti-social behaviour), job losses, and reduced rental/ property values and business rate income.
- Reduced demand for office space due to increased home working, alongside outdated office layouts and operating models, and an absence of city workers and associated spend.
- Macro-economic contraction, with changed investment focus, increased risk and uncertainty, and public finances impact
- Significant disruption to international tourism over the short to medium term (although noting that only 4% of our 8.5m annual tourists have typically been from outside of the UK)
- Pressures on public transport from reduced critical mass of passengers

12. Many of these threats present a corollary opportunity, for example rebasing property rental and values opens up the centre for new use types, owners and occupiers which may previously have been precluded, and will encourage landlords to invest and diversify/ intensify use of their assets. In some areas too, the changes are simply a rapid acceleration of pre-existing trends (eg high street retail decline), and the speed of change presents an opportunity to respond in a more comprehensive and co-ordinated way than would otherwise have been possible with a long, slow decline. Additional opportunities highlighted through the analysis include:

- Increased home working enables a broader economic geography and a wider access to a national and international skills pool, with attractiveness of place (strong for York) a key driver of popularity. City living with amenities and services on the doorstep is likely also to increase in popularity.
- New ways of working including touch-down and collaboration space will drive new demand in highly accessible locations such as the city centre. A more collegiate approach to working in the city should drive further growth, productivity and innovation.

- York was a net exporter of commuters prior to the pandemic, therefore increased home-working presents a new audience of home workers to draw in to the city centre during the week.
- Service businesses have adapted their operating models and diversified, some of which is likely to become bedded in as part of a new-normal.
- An opportunity to reset the city’s relationship with tourism, and the pandemic has served to highlight the interdependency between tourism and other economic sectors.
- Changed work and leisure patterns should support greater evening opening in the city centre and key spaces such as Shambles Market
- Changed travel patterns could lead to physical environment improvements, sustainability gains, and re-allocation of vehicular space to alternative uses.

13. These new and accelerated threats and opportunities brought about by the pandemic have been overlaid by the project team against the issues already identified within the project at the point of pausing. Annex C sets this out graphically – presenting an iteration of a summary diagram previously used in 2020. This refresh has impacted the thematic shape and weighting of the engagement topics, with greater emphasis now on the ‘economy’ and ‘transport & movement’ themes, as also illustrated in the annex. It is proposed that the engagement be restructured to reflect this new emphasis in its approach:



14. The pandemic is already bringing about the structural change to our economies and societies set out above, but the full impacts of this (including secondary and indirect change) will not necessarily be fully understood for some time. Indeed the 'new normal' has yet to settle, with, for example, service sector working norms (flexible working) yet to be established. For this reason, it is recommended that a review period be built into the project, to revisit assumptions and findings at a future point nominally set at 3 years from the adoption of the strategic vision.

Consultation

15. Consultation and engagement was a key component of the project as originally conceived, and will remain so moving forward. The original project envisaged a 4 month initial engagement, followed by 2 months to test and refine the emerging vision before approval.

16. The approach previously taken was based around the successful 'toolkit' developed for Castle Gateway, including the stages:

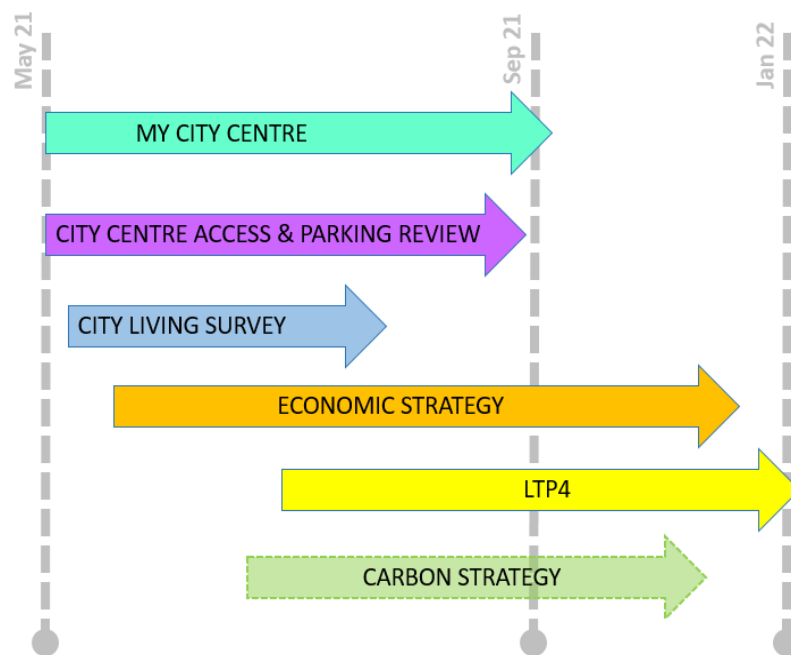
Build a brief: Use a variety of engagement tools to gain an understanding of a diverse range of people's needs and ideas. Make these ideas and differing perspectives visible.

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.

17. This will remain the strategic guide for engagement approach moving forward, but the detailed approach has been revised in line with the council's new city wide approach to engagement and to adopt the innovative methods that have emerged as a necessity of Covid restrictions. The updated proposed engagement plan and approach is set out in detail at annex A. This approach will draw and build on the feedback received previously, and the information gathered through the ongoing city wide "Our Conversation" during the pandemic. It also ensures all ongoing conversations are undertaken in Covid-safe environments, whilst ensuring an inclusive and representative approach.

18. The approach also coordinates activity with wider engagement being undertaken over the spring and summer, to both ensure an effective user pathway (and avoid consultation fatigue), and allow cross-fertilisation of findings and outcomes over separate projects. A ‘critical path’ of engagement and strategy development will be established, with an overarching consultation approach. Further detail on the approach is set out in the 22.4.21 Executive report ‘Resident Engagement Strategy’. The timing/ dependencies of projects is summarised diagrammatically/ indicatively below, with more detail in the annex A consultation plan.



19. The engagement plan proposed deployment of a wide range of tools and methodologies to ensure broad and effective influence on the development of the vision from a range of communities of interest. This builds on the previous approach of targeting residents, visitors and occupiers groups who interact with the centre. An engagement stretching over May June and July is proposed, starting with a stage 1a ‘open conversation’ in May (where initial feedback is sought), followed by a stage 1b where feedback is shared and competing demands start to be articulated. The activity is proposed to be resourced internally using regeneration and communication team officer time.

20. The engagement plan and scope (preceding section) have been shared with the My City Centre Stakeholder Group, and iterated in response, following support for the approach.

Programme

21. The proposed programme for the project relaunch would see engagement carried out between May and July 2021, followed by a drafting period in late summer and a sharing of draft vision document, with report back to executive in September 2021. This programme is designed to align with engagement on wider strategies – with the strategic review of city centre access and parking being undertaken over a similar period to feed into a decision point for St Georges Field carpark, the Carbon and Economic strategies being undertaken over a slightly longer period, and LTP4 (which is likely in part to effectively form a delivery strategy for some of the My City Centre recommendations) flowing from the project engagement. This approach sets out a clear sequencing of vision making, followed by more detailed delivery strategies, and establishes a logical narrative and progression for stakeholders and the public to engage across the programme of projects meaningfully. It also ties into wider milestones around funding and investment.

Options

22. There are three high level options associated with the project. These are:

- 1 Cancel the project, and redeploy residual budget and staff time to alternative activity.
- 2 Recommence the project in May 2021 and refocus the engagement scope and approach (building in a future review mechanism). **Preferred approach.**
- 3 Defer the project recommencement further, to such point as greater clarity and stability exists

Analysis

23. Option 1 to cancel the project could allow alternative work-streams to be undertaken or savings to be made. However, the approach would not allow a strategic vision for the City Centre to be created, therefore not alleviating the challenges currently faced around vacant property, environmental quality, economic productivity and social function. The approach would also not take best advantage of the opportunities which may exist to access public funding streams, and the rebasing of rental markets/ retail vacancies promoting alternative use, nor the potential to pivot the city centre on currently strong public opinion and appetite for

change. The approach would also result in no benefits/ output for the c£40k already expended on the project from launch in 2020.

24. Option 2 is the proposed option, to recommence the project from May, allowing the project to be redefined and re-scoped to respond to current circumstances, and deploying the residual budget to deliver a vision which reflects current challenges and opportunities. The approach would capitalise on strong public desire for change, develop a vision to respond to the challenges and opportunities resulting from the pandemic to ensure the long term vibrancy and success of the city centre, and best position the city for any forthcoming public funding opportunities. Establishing a strong and coherent shared vision would help attract inward investment at a key moment of socio-economic restructuring across the country. A disadvantage of this approach is that since pandemic impacts are not yet fully felt, or a new 'business as usual' established, there may be further key changes which the project cannot now anticipate. To mitigate this disadvantage, it is proposed that a post-adoption review mechanism be built into the project.
25. Option 3 to defer recommencement to a future point would allow for this 'new normal' to become better established and understood, and for the project to respond to it. However, it would risk missing the window to shape and respond to the emerging opportunities and challenges and could be perceived as the council failing to show strategic leadership and act at a hugely difficult time for the city centre economy. It would also fail to position the City well for the public funding and inward investment opportunities which are anticipated in the nearer term.

Budget position

26. The executive in August 2019 established a budget of £100k for the undertaking of My City Centre project. This budget had already started to be deployed to staffing, consultancy support and engagement materials at the point of pause in April 2020, and a further small amount was subsequently used as match funding to secure external funding into a key City Centre feasibility study. Currently, a residual £49.5k from the original £100k budget allocation remains available to the project.
27. The engagement approach outlined at annex A proposes the resourcing of the project (as part of the suite of engagement projects), through use of internal Council officer resource. The engagement approach proposed requires fewer individual officers at events (due to

use of innovative new forms of engagement developed through covid), and the engagement period will be more focussed and condensed. Heightened public awareness of the issues facing the high street has reduced the need to stimulate debate through external public speaker events, and some of the specialist social media input previously provided by consultants can now be resourced internally.

28. Under the proposed approach, the project would be staffed by Council officers at a slightly higher intensity than prior to pause – equivalent to 1.0 FTE across three officers (and a total cost of £32k for a 6 month period). There would also be a contribution of £10k towards resources from the communications team to support resident and community engagement required in the project. With an allowance of £5k for ancillary costs, a small residual would remain available to the project should it be felt once underway that additional resource be required, or further targeted engagement activity undertaken. Ultimately this could be deployed (if still available) to the proposed 3 year point review process (for which a detailed resource plan has yet to be prepared).
29. As previously noted, alternative option 1 (cancelling the project) would allow this residual budget to be redeployed elsewhere. Option 3 may incur some small cost increases through inflationary cost pressure or scope change. The contract option to recommence use of external consultants Social Communications has been maintained, though it is not proposed under the annex A engagement plan to immediately activate this option.

Council Plan

30. 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.

The strategic vision has a particularly strong role in ensuring inclusive economy with well paid jobs, and a cleaner and greener City where people can get around sustainably

Implications

- **Financial**
Council approved a budget of £100k in the 2019/20 budget. The financial aspects of the report are covered in paragraphs 25-28.
- **Human Resources (HR)**
There are no Human Resources implications
- **Equalities**
There are no equalities implications
- **Legal**
 - a. Further to the preceding sections of this report, the Council originally entered into contract with the consultants, Social Communication, on 6th February 2020 following a compliant Request for Quotation process under the Council's Contract Procedure Rules.
 - b. Given the value of the contract (i.e. c. £45,000 in total) fell considerably below the relevant public procurement threshold of £189,330, Part 2 of the Public Contract Regulations 2015 did not apply to the procurement of the contract, and the contract falls outside of the full procurement regime.
 - c. The Services under the contract were suspended by way of a deed of variation dated 28th April 2020 due to the Covid-19 pandemic lockdown restrictions.
 - d. The contract was originally due to expire on 31st March 2021, but has been extended by way of a further deed of variation dated 31st March 2021 up until 31st October 2021. The suspension however is still in effect, but the extension will allow the Council time to consider the Options outlined above, and if the Service is to continue allow the Consultant time to engage the public and stakeholders.

- e. Further to Rule 19.1 of the Contract Procedure Rules, the above extension by way of variation was approved by the Deputy Monitoring Officer by email on 30th March 2021, and was then approved by the Chief Procurement Officer by email on 31st March 2021.
 - f. If the Council decides to lift the suspension then the contract simply requires the Council to formally notify Social Communication in writing.
 - g. As the Services are currently suspended, it was felt by Legal Services that extending the contract in this way would not significantly increase the value of the contract (and even if it did, it will not cause the value of the contract to exceed the relevant EU procurement threshold).
 - h. Further, given the circumstances in which the extension and suspension originally came about, extending the contract and subsequently lifting the suspension as outlined above would still be in compliance with the Council's Contract Procedure Rules.
 - i. There are therefore no significant legal implications and risks with the proposals set out within this report.
- **Crime and Disorder**
There are no direct crime and disorder implications
 - **Information Technology (IT)**
There are no Information Technology implications
 - **Property**
There are no direct property implications
 - **Other**
There are no other known direct implications

Risk Management

8. There is a reputational risk to not preparing an effective strategy for the city centre which responds to current opportunities and challenges, this also translates into an economic and social risk, with the potential for city centre decline to be exacerbated through ill-judged or absent action. The project has a limited budget and clear deliverables, leading to limited direct financial or operational risks.

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Wards Affected: [List wards or tick box to indicate all]

All

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Background Papers:

August 2019 Executive Report (also available at

<https://democracy.york.gov.uk/ieListDocuments.aspx?CIId=733&MIId=11108&Ver=4>)

Annexes

Annex A: Project Engagement Plan

Annex B: Summary consultation findings 2020

Annex C: Threats Opportunities Challenges & Themes graphics

List of Abbreviations Used in this Report

BID = Business Improvement District

LTP = Local Transport Plan