

**Customer and Corporate Services Scrutiny
Management Committee**

1 November 2021

Report of the Corporate Director of Place
Portfolio of the Executive Leader

York Central Partnership Governance

Summary

1. The Corporate Scrutiny Management Committee have requested an update on the progress of the York Central Partnership as the scheme moves towards delivery.

Background

2. The Committee have received a number of reports on the York Central project, most recently :-
 - 13th August 2020 – call in of July 2020 Executive decision to proceed with early infrastructure works
 - 7th September 2020 – Review of the impact of Covid 19
 - January 4th 2021 – Review of Governance
3. In addition the Audit and Governance committee have reviewed the project risk management arrangements twice, most recently on 30th November 2020.
4. The project has now transitioned from the planning stages into delivery following the agreement of the reserved matters planning application for the first phase of infrastructure works in November 2020. This followed the agreement of £77.1m of funding from the Ministry of Housing Communities and Local Government (MHCLG) which was awarded directly to Homes England and Network Rail.
5. The decision by government to award this funding directly to the landowning bodies was a significant change and has reshaped the delivery arrangements for the infrastructure and the governance arrangements. CYC have recently completed the enabling works contract for the site including; site clearance, demolitions and further ground investigations for which the Council is being reimbursed. The landowning

partners have confirmed their intention for Homes England to lead the delivery of the main Infrastructure Package IP2 and to enter into a construction contract with John Sisk Ltd, subject to ongoing due diligence. A decision is currently being ratified through the Homes England governance arrangements.

Context

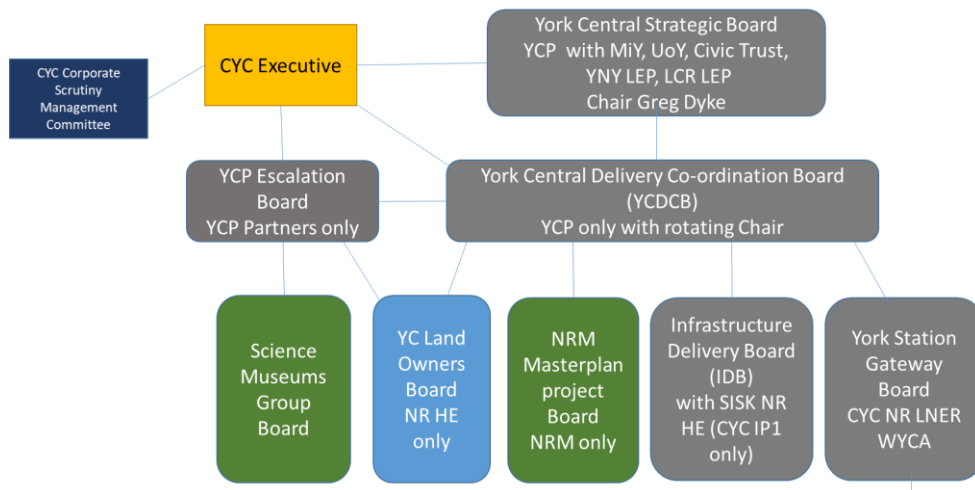
6. York Central is one of the largest brownfield sites in northern England, see plan at Annex 1. The scheme is being promoted by the York Central Partnership (YCP) which is made up of Network Rail (NR) Homes England (formerly the Homes and Communities Agency or HCA), the National Railway Museum (NRM) and CYC.
7. The 45ha development site will deliver: up to 2500 new homes; the potential for 6500 jobs, in grade A commercial office space; a transformation of the National Railway Museum with a new Central Gallery. The creation of new public spaces and community facilities directly linked to an improved Railway Station are also key project outcomes.
8. The IP1 enabling works to prepare the site have now concluded with the demolition of the former Unipart, Freightliner and Concrete Works buildings, site clearance and track lifting ahead of IP2 works to construct the new access into the site, bridging over the ECML, with dedicated pedestrian and cycle routes and associated landscaping, including to Millennium Green, a new pedestrian/ cycle deck to the existing Water End Bridge and new utility connections.
9. The table below summarises the scheme timetable to date.

Dec 2016	Council agrees £10m enabling budget to develop York Central
April 2016	Enterprise Zone agreed
Dec 2018	Full Council create £155m capital budget to fund the delivery of the enabling infrastructure.
Jan 2019	Executive agreed the YCP Partnering Agreement
Feb 2019	West Yorkshire Combined Authority (WYCA) approved the business case for West Yorkshire Transport Fund (WYTF+) funding £23.4m
March 2019	Planning Committee agree the Outline Planning Application for the site
Sept 2019	John Sisk Ltd appointed as construction partner
Oct 2019	Department of Culture Media and Sport confirmed the award of £18.58m towards the £55m target budget for the delivery of the NRM Vision 2025 plans.
Oct 2019	YNYER LEP agreed £1.58m LGF grant to support further design work on the first phase of infrastructure
Dec 2019.	S106 planning agreement signed
March 2020	Chancellor of the Exchequer announced the award of

	£77.1m grant to fund the York Central enabling infrastructure
March 2020	Homes England, NR and NRM made an application to the Department for Transport (DfT) for the Stopping up of the part of Leeman Road where it bisects the museum
June 2020	YNYER funding to deliver IP1 confirmed
Aug 2020	MHCLG funding of £77.1m awarded direct to Homes England & Network Rail
Nov 2020	Reserved Matters Application (RMA) for the first phase of infrastructure approved
Feb 2021	Detail design of the enabling works package completed and priced by John SISK Ltd
Feb 2021	construction works on IP1 commenced
March 2021	Statement from Alex Chisholm, Civil Service Chief Operating Officer that the Cabinet Office would in future be operating out of York
March 2021	CYC issue notice 1 under the conditional contract with the Leeman Road Millennium Green Trust to confirm the provisions to proceed.
April 2021	public enquiry takes place on the Stopping up of the part of Leeman Road
June 2021	WYCA confirm agreement to the Full Business Case + for the York central access and Station Gateway schemes to enable draw down of funding
Oct 2021	IP1 site preparations conclude
September 2021	Secretary of State agrees the Stopping Up order for Leeman Rd
Autumn 2021	Landowners agree commercial strategy and commence investment and development partners
Autumn 2021	NRM undertake public engagement on plans for Central Hall

Governance arrangements

10. The governance arrangements were revised and agreed by Executive in April 2021. This report provides an update on the roles of the council in the future scheme and sets out progress in delivering current workstreams and developing proposals for future workstreams.
11. These arrangements are set out below in an excerpt from the Executive report of the 22nd April 2021.



12. The **Executive** will agree the sign off of funding for all future infrastructure packages, and where CYC are the delivery agent Executive will sign off designs for the submission of planning applications for that infrastructure. The council will sign off funding agreements with WYCA and HIF and as Accountable Body for those grants will oversee the delivery programme and the YCP legal agreement.
13. This is entirely separate from the council's statutory functions as both Local Planning Authority (LPA) and Highways Authority. All planning decisions will be undertaken by the LPA and the **Planning Committee** is not constrained by any decisions of the Executive to submit planning applications or agree the York Central Partnership Agreement.
14. The **York Central Strategic Board** will be constituted from senior representatives of all partner organisations and both LEPs and will meet at least quarterly. They will determine the chair and will be responsible for:-
 - Oversight and promotion of the scheme
 - Maximising opportunities
 - Ensuring Strategic fit
 - Sectors and skills development
 - Advocating for the scheme
 - Oversight of the promotion and marketing
 - Leading effective decision making within their organisation
15. The **Delivery Co-ordination Board** includes senior representatives of all partners and will be responsible for :-
 - Delivering the commitments set out in the York Central Partnership legal agreement

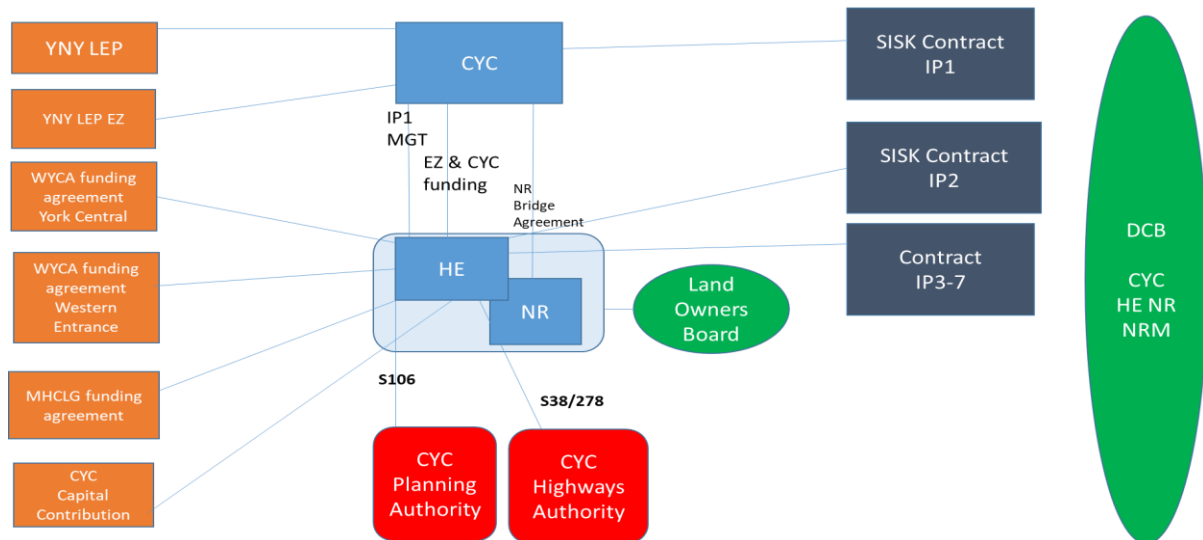
- Ownership of the Master Programme, cost and quality benchmarks as set out in the York Central Partnership legal agreement
- Baseline off plot infrastructure cost plan – agreed quality standard and extent
- Coordinating agreement of the delivery of future infrastructure packages
- Baseline development appraisal
- Proactive reporting from each of the “projects” on deviation from all the above, early identification of issues affecting the critical path
- Manage interdependencies
- Programme assurance and independent reporting to the Strategic Board

Contractual arrangements and Statutory Roles

16. There are a number of different relationships within the York Central project, between landowners, statutory authorities, funders and contractors. Each of these relationships is/will be defined and controlled by a contract or a funding agreement. The integrity of the whole picture is maintained through a layered governance structure.
17. The relationship between partners is set out in the York Central Partnering Agreement which sets out how the partnership works but does not define the financial relationships nor the liabilities of each party. These relationships are set out in the diagram below.
18. The orange boxes on the left reflect all the different sources of funding. Each of these will have a funding agreement. The dark grey boxes on the right reflect the various commercial contracts that will exist with contractors. The red boxes reflect the legal agreements between land owners and the planning and highways authority. The green ellipse shows the role of the proposed governance boards in overseeing the whole.

Fig 2.

Contractual Arrangements



19. The landowning partners are now able to draw down on the MHCLG funding and have refunded CYC for eligible expenditure under the terms of their funding agreement with MHCLG for its upfront contribution to delivering the outline planning application (£1.876m) and the CYC costs incurred funding Infrastructure Package 1 (£1.96m).
20. The majority of the £155m infrastructure costs are to be met from grants with the exception of the CYC £10m commitment from the Economic Infrastructure funding and the council/YNYLEP commitment of £35m Enterprise Zone funding which will be prudentially borrowed by CYC, to be repaid from future retained business rate. The decision to release this funding is subject to a further Executive decision (with LEP agreement) to fund future infrastructure packages

Statutory Roles

21. In addition to the Partnership influencing role the Council has for York Central, it obviously also has regulatory roles.

Planning Authority

22. The outline planning approval (reference 18/01884/OUTM) was granted for redevelopment of the site. This was to provide a mixed-use development of up to 379,729 m² of floorspace Gross External Area (GEA) primarily comprising
 - up to 2,500 homes (Class C3),
 - between 70,000 m² and 87,693 m² of office use (Class B1a),
 - up to 11,991 m² GEA of retail and leisure uses (Classes A1-A5 or D2),
 - hotel with up to 400 bedrooms (Class C1),
 - up to 12,120 m² GEA of non-residential institutions (Class D1) for expansion of the National Railway Museum,
 - multi-storey car parks

- and provision of community uses all with associated works including new open space, ancillary car parking, demolition of and alterations to existing buildings and associated vehicular, rail, cycle and pedestrian access improvements.
23. The outline approval was subject to 83 conditions, a number of which will require formal discharge prior to commencement or at other relevant trigger points within the development process. In addition a Section 106 agreement secured 20% Affordable Housing and financial contributions towards Gypsy and Traveller provision, sports provision, open space provision, sustainable travel and education provision. Each of the relevant triggers for delivery/payment of these elements is set out in the S106, which would occur at various stages throughout the development.
 24. Condition 6 of the outline approval granted a number of Parameter Plans which covered aspects of the scheme such as the buildings proposed for demolition, limits of deviation for infrastructure and open space, types of development zones across the site and set out maximum heights and proposed site levels.
 25. Any Reserved Matters proposals are to be considered within the context of the approved parameters set out within the outline approval and the associated Parameters Plans and Design Guide.
 26. In addition Condition 7 of the outline approval requires that the development is carried out in accordance with the Design Guide (DG) approved at outline stage. This set out the design qualities of the scheme which the Illustrative Masterplan was seeking to achieve and the underlying design intent which future reserved matters applications need to adhere to.
 27. As the outline consent was accompanied by an Environmental Statement (ES), any reserved matters application should be accompanied by an Environmental Compliance Statement (ECS) to assess the likely environmental effects against the relevant consented Parameter Plans that formed the basis of the Environmental Impact Assessment (EIA), to determine if the proposals would result in any new or different effects that would change the conclusions of the previous ES.
 28. The only conditions which can be imposed when the reserved matters are approved are conditions which directly relate to those reserved matters and were not covered at outline stage.

Highways Authority

29. The Highway Authority will act as the regulatory authority for the highway infrastructure elements of the York Central development. As the development is now being delivered by the Network Rail/ Homes England Partnership the relationship with the Highway Authority will proceed on the same basis as a private development where legal agreements are put in place to ensure the interests of the public and the Council are protected generally through provisions in the Highways Act 1980.
30. The overarching principle of the Highway Authority's role is to ensure that the infrastructure that is due to be adopted as highway maintainable at public expense is: in accordance with the planning consent, safe in operation and that the future maintenance and other liabilities are minimised. Agreements under section 38 (Power of highway authorities to adopt by agreement) for sections of new highway and s278 (Agreements as to execution of works) for changes to the existing highway will be entered into with the developer. These agreements will set out the approval processes for the design and supervision of the works to ensure that the works are designed to an acceptable standard and delivered in accordance with the approved designs resulting in a low maintenance, safe highway. The agreements will also set out any fees for the adoption process, bond arrangements (where required) to ensure delivery and commuted sums to cover future maintenance liabilities for non-standard elements. A Bridge Agreement to cover the relationship between Network Rail and the Council for the bridges over the railway will also be progressed.
31. The Highway Development Control team will advise the Planning Authority in relation to the discharge of highway/transport planning conditions from the Outline Planning Consent and Reserved Matters approval. Key items which will be considered relate to the: Construction Environmental Management Plan, Phasing Strategy, Parking Strategy, Public Transport Infrastructure, Drainage, Bridges/ Structures/ Embankment engineering details, Street Lighting, Traffic Signals etc.
32. The Council's Transport team will also progress the items covered by the section 106 agreement with funding tranches received as the development progresses to mitigate the impact of the development. These interventions, with a total value of approx. £5m (with a further £2.3m if travel plan targets are not met) include changes to the highway layout away from the immediate site and other sustainable transport measures including:
 - Pedestrian and Cycle Infrastructure;
 - Public Transport Infrastructure;
 - Bus Service Enhancements;

- Network Capacity Enhancements;
 - appointment of the Framework Travel Plan Coordinator;
 - Residents Parking Measures; and
 - City Car Club Facilities.
33. The Stopping Up of a section of public highway (Leeman Rd) in the vicinity of the National Railway Museum was proposed as part of the Outline Planning Application. Following approval of the Reserved Matters Application (RMA) the Developer progressed the separate Stopping Up Order process with an application to the Secretary of State for Transport. A Public Inquiry was held in April 2021 and the Secretary of State granted the Stopping Up in September 2021.
 34. The Stopping Up Orders enables Leeman Rd to be extinguished as public highway and will come into operation once the Council is satisfied that the conditions of the order have been met. Prior to the stopping up coming into force alternative vehicular and pedestrian/cycle routes must be available around the stopped up length of Leeman Rd.
 35. In addition to the new and improved public highway routes pedestrians will also be able to pass through the National Railway Museum during Museum opening hours. The detailed arrangements for this access are subject to a Walkways Agreement which has been approved between the NRM and the Council.
 36. The NRM recently launched their public consultations on the RMA for the Museum and this provides greater details of the physical infrastructure that will facilitate the delivery and compliance with the walkway agreement arrangements.
 37. The Highway Authority also has a number of other roles during the build out of the development. It has duty (Network Management Duty under the Traffic Management Act 2004) to coordinate access to the highway during the construction phase to minimise the disruption to the public. This coordination will be managed by the Streetworks team using a permit based system which is due to be brought in later in the year. The Highway Authority will also process Temporary Traffic Regulation Orders for items such as parking suspensions and road or lane closures to enable the works to be undertaken. Permanent Traffic Regulation Orders for items such as speed limits or parking restrictions for the completed scheme will also be processed by the Highways Regulation team.

Other workstreams

38. CYC will lead on the delivery of :-

Riverside path improvements – development of design solutions to upgrade the riverside path with widening to the entire length, improved

lighting, CCTV coverage and raised levels to reduce disruption in times of flood. Further reports will be brought to the Executive Member for transports decision session to consider the details and consultation for these proposals.

Station Gateway project – The York Railway Station Gateway scheme comprises a coordinated, multi-modal package of interventions in and around York Railway Station. The scheme complements and connects the proposals being progressed to the west and east of the station and will transform the Station as a gateway to York; significantly improving access, addressing carbon and air quality issues, and directly supporting delivery of housing and commercial uses on the York Central development site. Therefore, City of York Council (CYC), in collaboration with Network Rail (NR) and London North East Railway (LNER), has developed a masterplan that proposes to reorganise highway and public realm areas to the front of York Station through:

- the removal of the Queen Street Road Bridge and rebuilding the Inner Ring Road at grade;
- the removal of the Parcel Square buildings to create space to relocate the proposed taxi rank, passenger drop-off and short stay car park. The buildings currently accommodate Cycle Heaven and train operating company accommodation;
- provision of new permanent accommodation for the train operating crews in the station's South Train Shed;
- provision of new temporary pod accommodation for Cycle Heaven bike shop and retail storage in the station's North Train Shed;
- the removal and relocation of the RI band room to provide space for a loop road around the RI gymnasium;
- the separation of pedestrian, bicycles and motorised transport to provide a safer and more efficient station transport interchange;
- the removal of taxis and passenger pick-up and drop-off from the station porte-cochere to a dedicated area in order to take most traffic out of Tea Room Square and improve an air quality in the station;
- the redevelopment of the areas to the front of the station to diffuse the current congestion by creating a more efficient bus interchange, relocated vehicle parking, drop-off and taxi rank and a more attractive public realm arrival experience;
- the redevelopment of Tea Room Square to create a safer and more attractive shared space; and
- the provision of a new multi-storey car park to rationalise all long stay parking to the east of the station to match current (636 spaces) parking levels. This will be funded and delivered by Network Rail.

39. On 26th November 2020, Executive approved the project Delivery and Procurement Strategy and enabled arrangements to be put in place to purchase land, place orders with utility companies and to proceed with the detailed design and procurement of Packages 1, 2 and 4 of the scheme. The Utility works orders have been placed and good progress is being made with Utility providers with this work not expected to be complete until spring 2022.
40. A further report is going to Executive on the 18th of November seeking approvals for procurement, drawing down of funds and entering funding agreements with LNER in preparation to deliver the next phases once the utility works are complete.
41. The landowners will lead further design work on the remaining infrastructure packages including
 - a. Southern pedestrian and cycle access - in accordance with condition 42 this needs to be completed before occupation of commercial units
 - b. Western Station Entrance
 - c. The main Park

Housing

42. Further to the November 2020 Executive decision, the Housing Delivery Programme have worked with the landowner partners (Homes England and Network Rail) to develop a brief and have appointed Mikhail Riches, the Housing Delivery framework architects, to undertake a feasibility study looking at the opportunity to deliver housing alongside other community uses in line with the Housing Delivery Programme standards on the Foundry Yard area of the York Central site.
43. The initial outcomes are very positive indicating that there is a genuine opportunity to develop the site to deliver community benefit and high levels of environmental performance as part of the Housing Delivery Programme. We are currently undertaking further design work on a site area including the council's land holding, for further discussion with the landowning partners. A further report will be brought forward to Executive in the New Year.

Inward Investment

44. York Central OPA makes provision for between 70,000 m² and 87,693 m² of office use (Class B1a). The need for this space has been a core ambition of the city's Economic Strategy for over a decade. The opportunity for this space to drive the sub regional economy for the future

are huge. It will drive the creation of new high paid jobs and contribute to the ongoing vibrancy of our city centre which supports our retail, leisure and hospitality sectors.

45. York Central can support the expansion of existing sectors such as rail (particularly high tech rail), financial services digital media arts. This looks likely to be supplemented by attracting a large number of new jobs into a Government Hub as part of the government's levelling up agenda leading to a programme of relocating the civil service out of London. The Cabinet Office are already recruiting senior posts to be based out of York.
46. In addition the council and city partners are actively lobbying for York Central to become the HQ of Great British Rail (GBR) cementing our illustrious history as a railway city into the future.
47. The economic growth team from Make it York have now been transferred into a single economic development team within the council and a new role of Head of Inward Investment is soon to be recruited to lead on the council's work to shape and attract inward investment opportunities and work with central government and York Central land owners to make sure that the occupiers of York Central being the greatest benefit to the wider city economy and integrate with the important business communities and city partners that already exist and thrive within the city

Engagement

48. There has already been significant public engagement at all stages of the masterplanning process. The NRM will soon be consulting on the RMA application for the Central Hall. The Council will undertake consultation as part of the development of housing proposals and the works to improve the off-site riverside path.
49. The landowners as the principal agents of delivery are actively considering the next phases of construction, reserve matter planning applications and inward investment opportunities. As such they will be facilitating and coordinating the majority of the public engagement on York Central as the site is developed and we understand that a strategy for public engagement is being developed.
50. YOCO are a group of residents who came together following the My York Central consultation to work on the development of ideas and proposals for community involvement in the delivery of York Central. They have secured external funding from Demos to undertake public engagement and develop community led ideas for York Central which will be fed back to the York Central Partners.

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Report Approved **Date** 21/10/21

Wards Affected: Holgate, Micklegate

All

For further information please contact the author of the report

Background Papers: None.

Glossary

CYC - City of York Council
DfT – Department for Transport
EIF – Economic Infrastructure Fund
EZ – Enterprise Zone
FBC+ - Financial Business Case with full costings
HE – Homes England
HIF - Housing Infrastructure Fund
HA - Highways Authority
LCR - Leeds City Region
LEP - Local Economic Partnership
LGF – Local Growth Fund
LPA - Local Planning Authority
MHCLG –Ministry of Housing Communities and Local Government
NR – Network Rail
NRM - National Railway Museum
OPA – Outline Planning Application
PSC – Pre-Construction Services Contract
RIBA –Royal Institute of British Architects
RMA – Reserved Matters Application

WYCA – West Yorkshire Combined Authority
WYTF – West Yorkshire Transport Fund
YC - York Central
YCP - York Central Partnership
YNYER – York, North Yorkshire & East Riding