

Executive

15th November 2017

Report of the Director of Economy and Place

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

York Central – York Central Access Route & Planning

Summary

1. York Central is a 72 hectare (ha) area of land adjacent to the railway station and is one of the largest brownfield sites in northern England, see plan at annex 1. It provides a huge opportunity for regeneration providing new homes and Grade A commercial office space.
2. The scheme is being promoted by the York Central Partnership (YCP) which is made up of Network Rail (NR) the Homes and Communities Agency (HCA) and the National Railway Museum (NRM) and the City of York Council (CYC).
3. The YCP are developing a master plan for the regeneration of York Central. One of the key enabling elements of a future masterplan is the location of a single vehicular access route.
4. This report outlines the considerable progress to date, particularly the recent public consultation on access options. The results of this consultation exercise and an analysis of the options are set out in the report and are accompanied by YCP's recommended access option paper with a view to adopting this route and integrating this into the developing masterplan.
5. The report also sets out a programme of work to take the scheme through to the submission of planning applications and seeks a release of funding to facilitate this work. This will enable the YCP to proceed towards a masterplan, public consultation and then subsequently to the preparation and submission of planning applications. In addition Executive is asked to support the proposed enhancement of the National Railway Museum (NRM) in the development of its own masterplan and funding applications.

Recommendations

6. Executive is asked to :

- i. To agree the York Central Partnership recommendation that a Western access option be developed for inclusion in the York Central Masterplan and to undertake further design and legal work to ensure that the final alignment will seek to mitigate the effects of such a route on the Millennium Green and to control costs to ensure deliverability.
- ii. To submit a change request to WYCA to re-allocate funding to the revised access scheme
- iii. To safeguard land within YCP's control that could be used for a Southern Option in order to protect against any risk to the York Central development caused by circumstances preventing successful delivery of a Western Option.
- iv. To note the plan for the YCP to undertake public consultation on a masterplan which will lead to the submission of planning applications.
- v. To agree the allocation of £1.917m from the previously agreed £10m York Central budget to meet project costs to planning submission, and for these costs to be considered as a project cost for reimbursement from a future YCP development account.

Reason: - To ensure the delivery of York Central and to ensure that the preferred access option has taken into account a range of considerations

- vi. To support NRM in the development of the NRM masterplan and bids for funding including the Heritage Lottery Funding to support their expansion plans
- vii. To provide a £200k contribution to the NRM towards the further development of their masterplanning and fundraising bids from the £10m York Central budget

Reason: - to support the future enhancement and expansion of the NRM as an important cultural anchor to the York Central development.

Background

7. The delivery of York Central is essential to the growth of York, contributing significantly to the growth of the regional economy and to meeting housing demand in the city. Though the site has been earmarked for regeneration for many years, previous attempts to deliver the scheme have not come to fruition and we are now poised to bring together the landholdings and the investment to deliver this once in a lifetime opportunity to make this development a reality.

8. The site does, however, have significant infrastructure challenges. It is entirely circumscribed by rail lines, with the rail station at the bottom of the teardrop of land, the East Coast Main Line (ECML) forming a barrier to the north and east, and the Freight Avoiding Lines (FAL) to the south and west. Current access roads onto the site already run through minor residential streets in the Salisbury Terrace area, or under the Marble Arch Rail Bridge and have limited capacity and low bridges, limiting access for high vehicles. They are not suitable to serve a comprehensive re-development of York Central. It is therefore necessary for a new route to be constructed. Early viability studies indicate that only a single access route is affordable.
9. There have been a number of developments which have finally enabled the scheme to be brought forward :-
 - i. The establishment of the York Central Partnership bringing together all the public sector land owners
 - ii. Assembling the land for redevelopment and clearing it of operational rail use
 - iii. Establishment of Housing Zone Status which has brought investment from the Homes and Communities Agency (HCA) to support the delivery of housing on the site.
 - iv. Establishment of the Enterprise Zone which brings with it the potential to retain the additional business rates generated from the site to allow investment in delivering economic growth on the site.
 - v. Significant enabling funding from a range of government agencies including the West Yorkshire Transport Fund, York and North Yorkshire Local Economic Partnership (LEP) Leeds City Region LEP, the One Public Estate Programme, the HCA and the Department of Communities and Local Government (DCLG).
10. The YCP is developing a series of master planning and commercial principles that it is using to shape both the spatial plan for the site and the commercial arrangements for delivery. Partners share the joint objectives of delivering housing and meeting economic growth needs through the creation of a quality place.

Update on Project Progress

11. The project has developed significant momentum and gained a high profile within the region and nationally. There has also been a significant amount of work on the following work streams:

12. Land Assembly

- The Fermetol Trading estate on Leeman Rd has been purchased by the Council
- The Unipart factory site to the rear of the station has been purchased by the HCA
- HCA have purchased surplus land from NRM & NR
- Network Rail have achieved Office of the Rail Regulator (ORR) permissions to take a significant part of the site out of operational rail use
- Rail clearance has commenced
- Work has commenced to seek further permissions from the ORR
- Work has commenced to deliver vacant possession on sites for early phase development

13. Master planning

- Advisors Arup /Allies and Morrison/Gustafson Porter are developing master plan options for consultation which are currently being informed by financial and commercial inputs from KPMG/Savills and the results of the access options study set out in this report
- Access options study undertaken
- Environmental Impact Assessment scoping determined by Local Planning Authority
- District Heating Viability Study undertaken
- Commissioning of complementary plans for the future development of the station

14. Commercial Delivery Strategy

- Viability assessment work is being undertaken to inform and iterate the master plan
- External Funding (grants and loans) of c£40m has been provisionally secured from West Yorkshire Transport Fund, York and North Yorkshire Local Economic Partnership (LEP) Leeds City region LEP, the One Public Estate Programme and the HCA to support the delivery of the project.
- Appointment of communications consultants

- Early work on inward investment including the presentation of the project at MIPIM UK in London in October
- Applied for further enabling funding from both LEPS and a large application to the HCA Housing Infrastructure Fund (£57m bid to be decided spring 2018)
- HCA investment of £19m
- Network Rail investment of £4.4m
- CYC Investment of £10m

Partnership Agreement

15. The YCP is currently a non legally binding partnership of public sector bodies. All work undertaken to date has been undertaken at risk by all partners, which has been funded largely from external grants. Work is still ongoing to negotiate and finalise the formal partnership agreement but costs incurred in this early phase will be recharged to the partnership when it is formally agreed.
16. There is high level commitment in all partner organisations to bringing the York Central scheme forward. A detailed report will be brought back to the Executive in the new year to set out the financial model and seek permission to sign a formal Partnership Agreement.

Consultation

17. In 2014, a jointly funded Network Rail / CYC commission was undertaken to assess initial technical and commercial viability for the York Central development, including a draft spatial plan. In January and February 2016 partners undertook an informal consultation on the high level concepts and principles – “York Central - Seeking your Views to Guide Redevelopment”.
18. The early consultation results showed that there is clear overall support for the redevelopment, vision and objectives for York Central with 79% of respondents supporting the redevelopment of the site. Respondents noted the importance of realising the scheme quickly and targeting brownfield land for development.
19. The issue of the route of the access road was one of the major issues from the consultation and in December 2016 Executive agreed to consult on access options to enable the development of the emerging master plan.
20. As part of the planning strategy for the delivery of York Central there will be comprehensive pre-application consultation on the York Central masterplan.

The access route is so fundamental to the spatial layout of the site that this needs to be resolved before a masterplan can be produced for consultation.

21. Through the establishment of the York Central Community Forum (YCCF) the YCP have developed a forum for open engagement and debate with the intention that this group be used extensively to help shape future engagement and consultation as the scheme develops. The forum, independently chaired by the Dean of the Minster, the Very Reverend Vivienne Faull, has provided useful input into the scheme so far and this report sets out in detail the results of the consultation and how this feedback has shaped the recommendations set out in this report.
22. However there has been frustration expressed by some groups represented at the YCCF who have called for greater transparency regarding the evolution of the masterplan and the development of the evidence for the masterplan.
23. This is symptomatic of the stage the project is at, where the bigger masterplan issues that people are keen to engage with cannot be firmed up and shared until the access route is decided upon. The council is the custodian for the broader city, and as part of its strategic role as place maker may wish to consider how it can encourage the YCP to facilitate a city wide conversation and provide effective conduits for the engagement of a broad range of communities (geographic, demographic and subject related).
24. There will be times when information cannot be shared immediately, for instance when it is incomplete, and releasing it would confuse the public debate, or when it is commercially confidential. However, there is a strong call for openness in this debate, which underlines the importance of York Central to the future development of the city.

Access Options

25. All new vehicular access routes need to cross the Freight Avoiding Line (FAL) or the East Coast Main Line (ECML) and there are differing levels of engineering complexity, and therefore costs, and timings, depending on how long the bridge structures need to be, where they land and when / if the land is available. The 6 long listed access options are set out at Annex 2.
26. The YCP commissioned an access options study and non statutory consultation by ARUP to assess the following criteria :-
 - Community Impact
 - Constructability and timescale for delivery
 - Indicative cost.

- Environmental Impacts - Noise, air quality, transport, townscape, heritage, ecology, flood risk, community and place making

27. The Access Options Review (August 2017) report is attached at annex 3. This is a summary version of the full study report, and was prepared for the public consultation. The full report and supporting data are available as background documents.
28. The environmental assessments such as noise, air quality, ecology and transport impacts were all undertaken on the basis of existing data, and prevailing assumptions at the time, and represent the unmitigated projections of impact based upon the early draft masterplan. Inevitably for this stage of the scheme these represent the best information available at the time of the study to inform the selection of a preferred option, on a comparative basis. These are not intended to model the actual anticipated impacts. Further detailed modelling and comprehensive environmental and transport impact assessments will be undertaken as part of the development of the planning applications.
29. An assessment of the community impact has been undertaken through the recent public consultation and the results of this are presented as Annex 4.

Excluded options

30. In order to be considered deliverable, all options must be capable of delivery by 2021 in order to guarantee the use of West Yorkshire Transport Funding. Without this the whole scheme could not be delivered. This therefore rules out Options B, C and D which all come off Holgate Rd and use land on York Yard South. York Yard South is in existing rail use until at least 2023 and has been allocated for future Transpennine train stabling by the DfT. The long term future use of this land may not be confirmed until 2023. The excluded options are :-
31. Option B – This route would come off Poppleton Rd to the north west of Holgate Park, rising up over the open grassland and would cross the FAL landing on York Yard South at height in the middle of the site on land that is in operational rail use until at least 2023.
32. Option C – This route would come off Poppleton Rd at the existing road junction for Holgate Park where the road would then turn and climb over the FAL, landing on York Yard South at height in the middle of the site on land that is in operational rail use until at least 2023. Existing highways within Holgate Park Drive would require raising the road level and third party land would be required. An additional road junction would be required on Boroughbridge Road. In addition the route would reduce the land available for

development of new maintenance facilities on the 5 acre site which in turn will enable operational rail uses to be cleared from the York Central site.

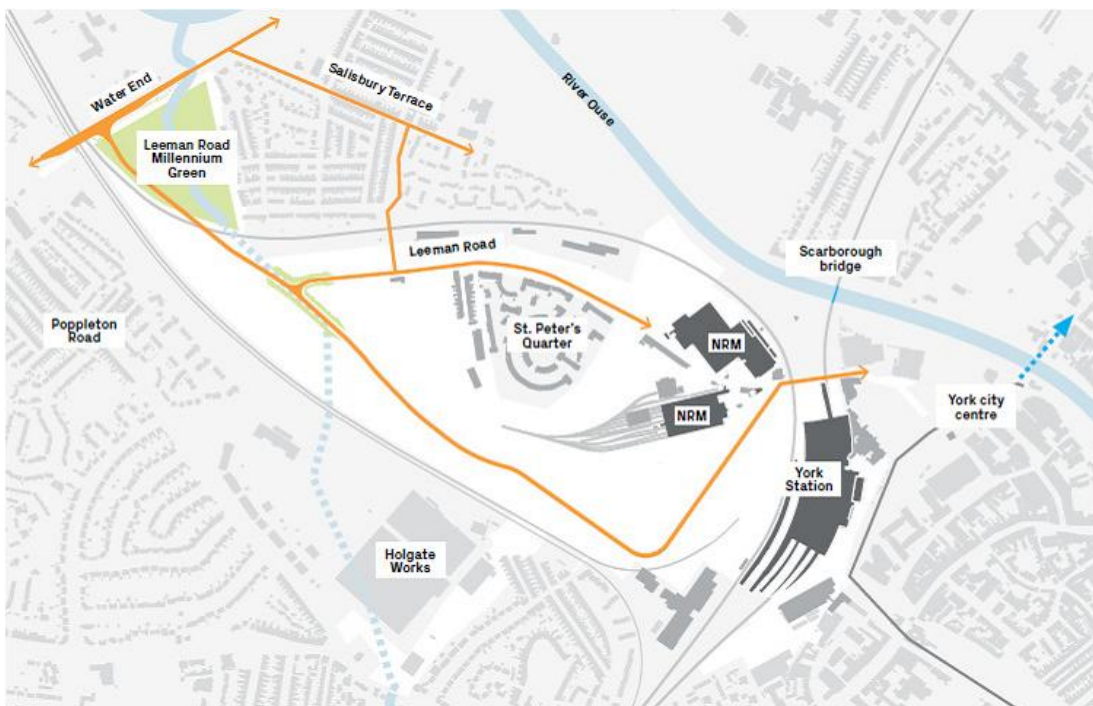
33. Option D - This route would come off Poppleton Rd at the northern end of the Holgate Engineering Works site where the road would need to cross the FAL and land on the end of York Yard South at height in the middle of the site on land that is in operational rail use until at least 2023. Existing highways within Holgate Park Drive would require raising the road level and third party land would be required. An additional road junction would be required on Boroughbridge Road. In addition the route would prevent full rail use of Holgate Engineering Works

Shortlisted Options

34. The remaining 3 Options are judged to be technically deliverable within the required timescale for the scheme :

35. Option A1 - Western Access

Bridge and approach roads access cost est. £58-£68m Off Water End across the edge of Millennium Green (MG)

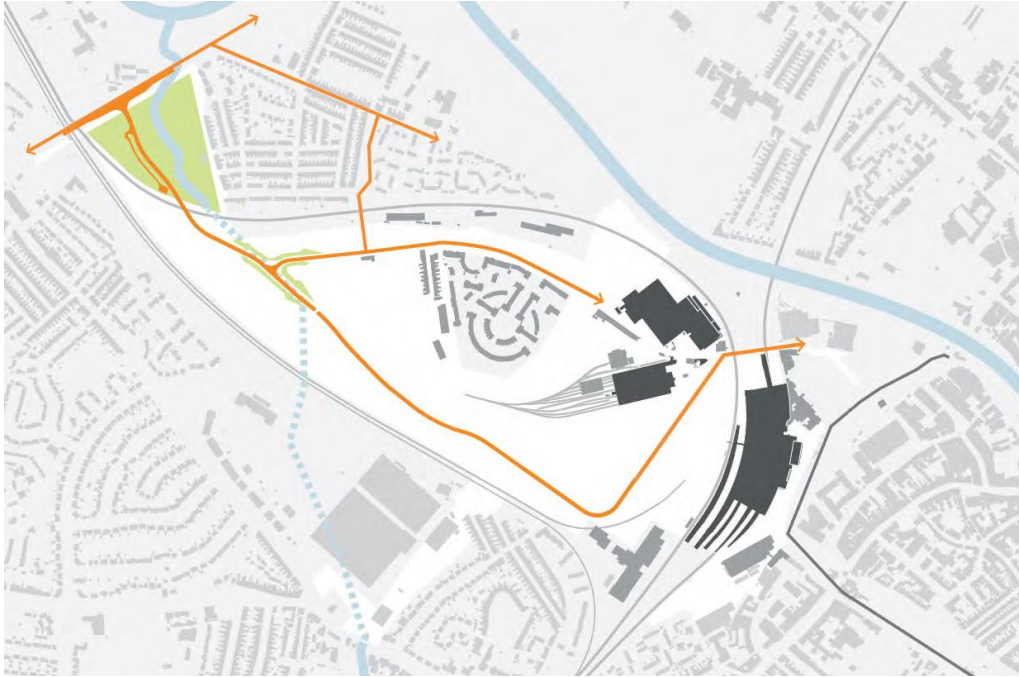


This route effectively requires 2 bridges, an additional span on the existing Water End Bridge to accommodate access lanes and a new diagonal bridge across the East Coast Mainline which will require a larger span and at a greater height. The portion of Millennium Green used by this alignment is reserved for York Central access in the original lease. This option will have significant visual impact on the remaining Millennium Green due to its height and form of construction to fit into the land available. This option has more

severe townscape and construction feasibility impacts and will take over 2 years to construct.

36. Option A2 - Western Access

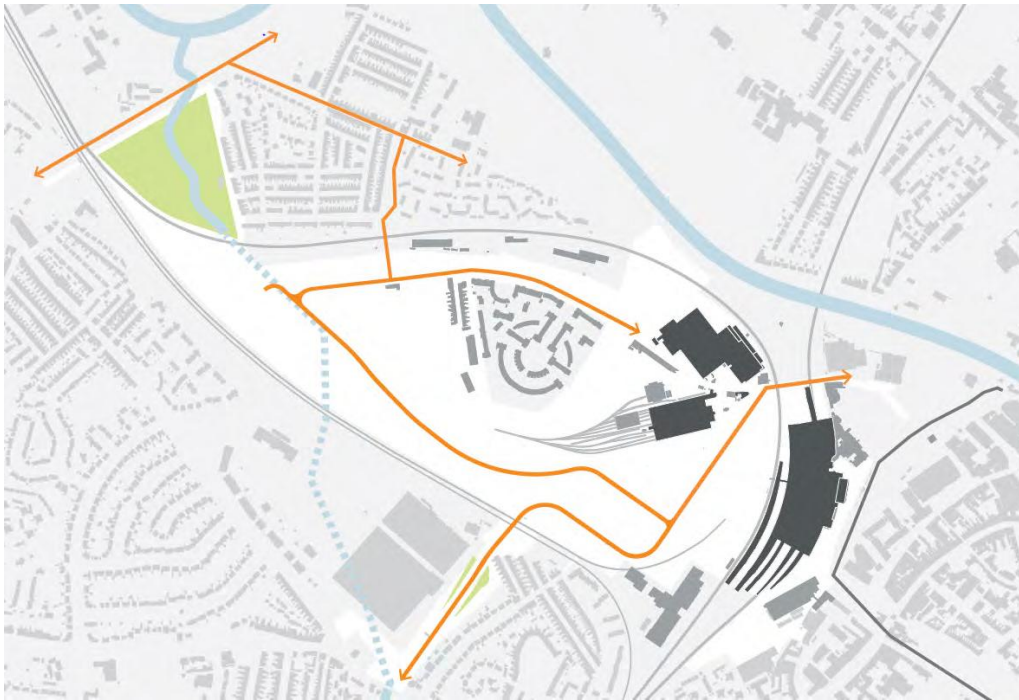
Bridge and approach roads access cost est. £15-£25m off Water End through Millennium Green



This option proposes an alternative route across Millennium Green to avoid the need for a second (Water End) bridge. It comes off Water End away from the existing road bridge and then comes across Millennium Green before bridging over the ECML. It is therefore simpler to build and lower in height but slightly closer to existing residential streets off Leeman Rd. This option does have some impact on floodzone 3 and would require compensatory provision as part of the development. It would also require the use of Millennium Green land which is not reserved in the lease. However, large portions of Millennium Green would remain intact and could be linked to the new green spaces on YC.

37. Option E - Southern Access

Bridge and approach roads access cost est. £10-£20m
Off Holgate Rd at Chancery Rise



This route climbs up from Holgate Road and goes over the Holgate Community Garden and play park and passes close to a number of residential streets and homes. It is the shortest and simplest bridge structure but it enters at height on the site and then curves round to descend from an embankment. This has a poorer impact on townscape and takes up developable land. The option also has greater air quality, noise and heritage impacts.

Consultation on the Community Impact of Access Options

38. YCP undertook a non statutory public consultation comprising drop-in sessions, publicity and provision of online and paper feedback forms in relation to the provision of a new vehicular access point into the York Central site between 23 August 2017 and 13 September 2017. In total, 644 people attended the 'drop-in' events and the consultation generated a total of 619 responses.
39. Following the consultation period, Arup prepared a consultation report (Annex 4) to provide factual analysis of the consultation responses. The analysis provides a summary of the feedback as given and has been prepared without weighting or conclusions. This Report provides Community Impact information to use as one of the considerations in making a decision on the preferred access route location.

Q1: Postcode

The responses to Q1 identified a significant proportion of attendees live in the two post codes in which the York Central site is located (292 responses from within YO24 and 118 responses from YO26).

Q2: Priority Impact Criteria

For Q2, respondents were asked to rank the impact criteria (construction, transport, townscape, heritage, air quality, noise, ecology and flood risk) as priorities on a scale of 1 to 8. The responses highlighted air quality, transport and noise as the issues of most concern (when taking the 3 highest ranked criteria into account). This demonstrates a concern that tends towards the impact of traffic – air quality and noise being issues that are directly related to traffic generation. Heritage and ecology were ‘middle-ranking’ issues which were neither identified as of highest or lowest concern. Construction, townscape and flood risk were the lowest ranked issues.

Q3: Impact on local communities

For Q3, respondents were asked to provide further commentary of how each option would specifically impact on the communities adjacent to the proposed accesses. As the responses are free form, Arup has coded and grouped the responses based on the issues raised, with respondents often raising a number of issues on a single form. For clarity, the public were not asked to specify a preference for a particular access option but, as would be expected, many respondents have stated a preference and these results, along with more issue-specific matters, are set out below.

The responses demonstrated a preference for the Western Option(s):

- Western Option 1: 196 for and 39 against;
- Western Option 2: 115 for and 66 against;
- Southern Option: 29 for and 336 against, a negative rating.

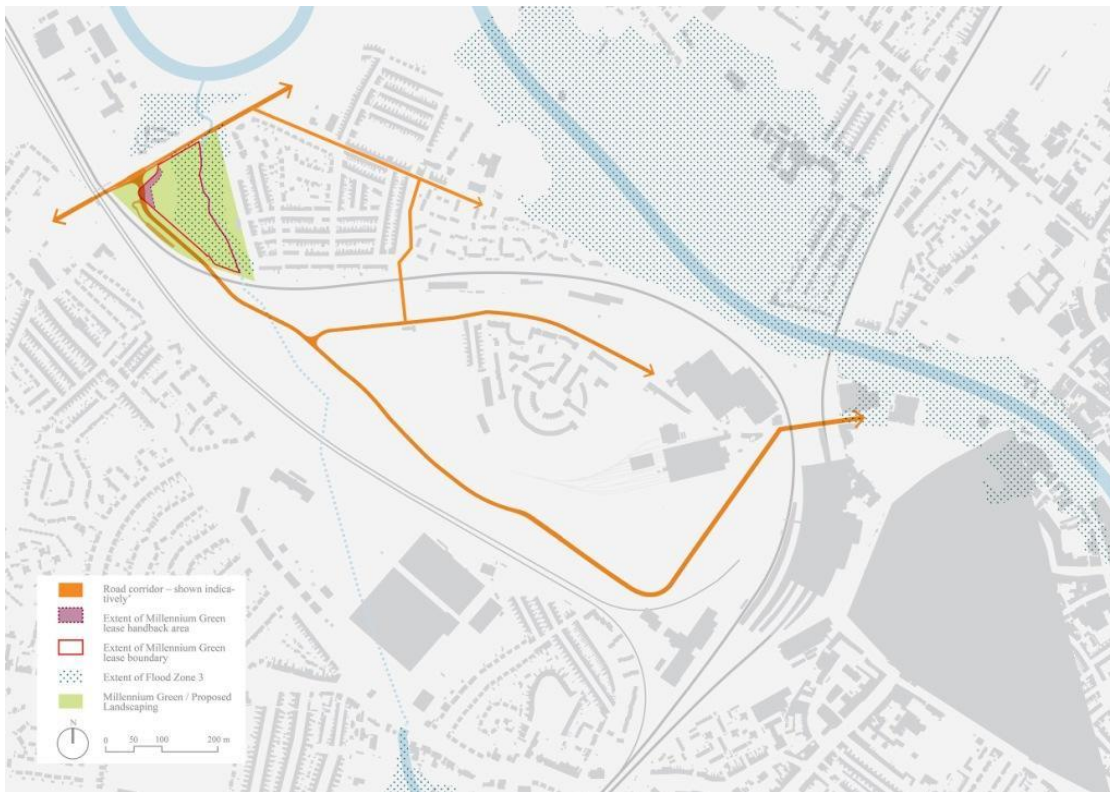
In addition, the respondents identified specific issues relating to community impact, traffic and transport, the environment and construction, alongside issues not specifically related to this consultation such as future development of the site. The particular community issues raised regarding impacts such as air quality, noise and traffic on the existing Network are considered in Section 6 of this report.

The most numerous issues raised by respondents (i.e. those raised by more than 100 respondents) were:

- The impact on the Holgate Community Garden as a result of the Southern Option (260 comments);
- Increasing congestion on Holgate Road (198 comments);
- Impact on air quality as a result of the Southern Option (197 comments);
- Existing congestion on Holgate Road (150 comments);
- Noise impact as a result of the Southern Option (116 comments); and
- The impact on Millennium Green as a result of Western Option 2 (115 comments).

Analysis of Consultation

40. The response from the consultation identified communities of interest who do not wish to lose community green space as a result of the access route. Despite being the cheapest and simplest access route to build, the Southern Access, Option E from Chancery Rise, was felt to have significant negative community impact upon the residential areas of Holgate Road and St Paul's with the loss of Holgate Community Garden and Play Park. It would also maintain traffic level on the Salisbury Terrace/Leeman Rd access point onto the site and would therefore have dis-benefits to the adjoining residential communities.
41. The two Western options from Water End do not impact on Holgate Community Gardens but would both impact to some extent upon Millennium Green with Option A1 being visually dominant but running around the edge of the green and A2 running at a lower height but taking up more of the Green. Option A2 also impacts on floodzone 3 and would require compensatory provision as part of the development. These options would, however, have the benefit of diverting through vehicular traffic from Salisbury Terrace and Leeman Rd and thus reducing the traffic impact on the Leeman Rd community.
42. Community views are a very important part of the decision making on the access option and for the whole scheme. Though it is not possible to identify an access route that is universally popular, YCP have positively considered this element of the evaluation in arriving at their recommended option.
43. Following some productive discussions during the community engagement sessions, further work has been undertaken by the YCP to try to mitigate the more intrusive impact of the A2 access option on the Millennium Green, without incurring the significant costs involved in option A1. This has shown that there is potential for refinement of a western access alignment that offers a middle way. This mitigated western option (A3) leaves Water End at the same point as A2, but bends round to reduce the impact on Millennium Green, and crosses the ECML at the same point as A1. It has significantly less impact on Millennium Green and is also less costly than A1.
44. An indicative alignment for A3 is set out below however, further detailed design work and engagement with the Millennium Green Trust is still required to progress and refine this alternative alignment.



York Central Partnership Access Options Analysis

45. At this stage, evidence to date shows no material reasons why either a Southern or Western Option should not be supported in terms of planning policy. The selected preferred access option will be taken through the statutory planning process which will determine whether or not planning permission should be granted.
46. The Western Options are more expensive and difficult to construct than a Southern Option and there are challenges regarding land availability in the Millennium Green area. However, it is considered that there are three clear qualitative benefits that should be considered in any decision making. These are:
- the benefits for scheme design including better scheme legibility, improved gateway and enhanced connectivity to existing communities;
 - the environmental benefits of being able to provide a route into the site that is away from the Holgate Road/Wilton Rise communities
 - the potential for through traffic to be diverted away from the Leeman Road and Salisbury Terrace community with corresponding environmental benefits.
47. The key challenge relating to the Millennium Green area is the potential requirement to use some of the land in the lease area. It is acknowledged that the Trust land outwith the area retained in the original lease for the bridge is difficult to release from its charitable status, even if the Trustees were

willing. Using additional land from Millennium Green would allow a more aesthetically sympathetic landscaped route to be provided which would complement the area. A western route which is constrained by the land immediately available to YCP would provide a structure adjoining the Millennium Green supported by retaining walls. This may not be as aesthetically appealing.

48. However, a variant of the design / alignment of a Western Option A1 raised during the public consultation would avoid additional Millennium Green land take but without the need for a large span bridge and with only partial widening of Water End bridge. This has been proposed to YCP by ARUP as part of ongoing feasibility and testing work on iterations of the project. This option (a mitigated western option A3) would have an estimated Bridge and approach roads access cost est. £33-43m.
49. The access options consultation highlighted that the majority of responses favoured a western access approach, although there were reservations around the potential loss of some of the green space associated with this option.
50. The key concerns for residents in relation to the access location appear to be traffic, air quality and noise. In summary, the key transport and associated environmental considerations are:
 - The York Central development will generate additional traffic delay on the surrounding highway network regardless of access location. In response to this, mitigation will form part of the future Planning Application. However, it should be noted that the total delay on the network is predicted to be slightly less if the Southern Option is selected.
 - The additional traffic generated by the development will inevitably generate more noise and has the potential to affect air quality. However, modelling indicates that the overall effects would be low.
51. In comparing the access locations, the Southern Option has a slightly greater adverse impact on air quality. The Western Options will improve air quality for those in the Salisbury Terrace and Leeman Road areas and with noise impacts anticipated to be negligible.
52. The costs of the 3 access options and a mitigated western option are set out in the table below:

	Access Bridge and approach roads	Additional Total infrastructure cost compared to cheapest Southern Option
Western Option A1	£58m - £68m	+£48m
Western Option A2	£15m - £25m	+£5m
Mitigated Western Option A3	£33m – £43m	+£23m
Southern Option E	£10m - £20m	£0m

York Central Partnership Recommended Option

53. The other YCP partners, Network Rail, HCA and the NRM have considered; the feedback from the public consultation, as set out in the ARUP report at annex 4; The Access Options Study (full report) and Review report (annex 3) and using the powers delegated to their respective board members, have identified a preferred access option. CYC require a formal Executive decision in order to confirm the council's preferred option to allow the YCP to proceed into the next stages of masterplanning process. Following the very productive discussions during the community engagement sessions, further work has been undertaken by YCP to try to mitigate the undesirable impact of A2 upon Millennium Green and the flood zone 3 without incurring the significant costs involved in Option A1.
54. On consideration of all the evidence, the YCP Board recommendation is to take a route into the site from the west. Further work needs to be done to finalise the exact alignment but YCP recommend an alternative to option A2 which would mitigate the impact on and minimise land take from Millennium Green, reduce the impact on the flood zone and mitigate the high capital costs of a second bridge span.
55. It is proposed that YCP will now undertake further detailed work to design up a final western route which will then be further consulted upon as part of the masterplan consultation and a detailed planning application.
56. Executive are therefore asked to consider and agree the recommendation of the YCP Project Board report set out in Annex 5.

1. To take forward a Western Option for access into the site. However, the final alignment of this should be assessed in more detail to seek to mitigate the effects of such a route on the Millennium Green.

2. To safeguard land within YCP's control that could be used for a Southern Option in order to protect against any risk to the York Central development caused by circumstances preventing successful delivery of a Western Option.

Timetable

57. If CYC agree the recommended access option the proposed timetable for masterplan consultation is set out below

Access Options Consultation	August/Sept 2017
Decision on preferred access option	November 2017
Master plan Consultation	Jan-Feb 18
Submission of Planning Application	June 2018
Determination of Planning Application	Oct 2018

Funding the next phase of work

58. West Yorkshire Transport Fund WYTF - the council has entered into a funding agreement with the West Yorkshire Combined Authority to undertake initial development costs for the wider York Central Transport scheme. The initial approved allocation is £2.1m. The overall scheme including transport improvements at the front of the station are estimated at £37.4m. It is currently assumed that this will be fully spent. The access to the site is a key element of the WYTF scheme and it may be possible that additional costs can be supported by the fund. However if this is not provided it will be necessary to identify alternative funding arrangements.
59. York Central Project - in December 2013 Members agreed to earmark £10m towards the delivery of York Central. Currently £2,314k has been previously released to support technical work, the costs of professional advisors, land costs and site preparation works. This excludes the allocation for the purchase of the Unipart site which was purchased by HCA. There have also been other grant contributions from WYTF, HCA, One Public Estate, Leeds City Region LEP and DCLG Enterprise Zone funding. These combine to total £3,673k shown in the table below:

	£'000	£'000
CYC – (£10m Allocation)		
Land purchase approval	1,014	
Other Approvals	<u>1,300</u>	
Total CYC		2,314
WYTF Contribution		400
OPE Grant		250
HCA Grants		489
LCR LEP Grant		200
DCLG EZ		20
Total Funding Available		3,673

Table x York Central Funding

60. Expenditure has been incurred since 2015/16 on project management, technical and financial advisors, masterplanning work and land purchases. To date £2,561k has been incurred. In order to bring the Project to planning stage (Summer 2018) it is anticipated that a further £3,229k will be incurred primarily on further masterplanning work, statutory planning fees, technical advisors and internal project costs including communications.
61. Actual expenditure to Sept 2017 and forecast expenditure to June 2018 by year is shown in the table below:

	Expend £'000
2015/16	112
2016/17	1,565
Actual 2017/18 (to 30/9/17)	884
Estimate 2017/18 (to 31/03/18)	2,927
Estimate 2018/19	302
Total	5,790

Table y York Central Expenditure

62. The expenditure in table y above is £2,117k greater than resources available shown in table x. The Homes and Communities Agency have agreed to allocate a further grant to the project leaving an overall funding requirement of £1,917k.
63. It is proposed that this funding gap is met by a further drawdown from the council's £10m budget. Adding the £1,917k to the previously allocated £2,314k would take the total allocation to £4,231k leaving £5,769k unallocated. Of the council's agreed budget of £10m, £1m was provided from revenue, with the balance of £9m funded from borrowing. There is a risk that should the scheme ultimately not be delivered that an element of these costs would be classed as

abortive and need to be written off back to revenue. The estimated liability (excluding land purchase) would total £2,217k.

64. If Members agree to the contribution towards the NRM master plan development this funding would also need to be funded from the CYC budget. This would result in a drawdown of £2,117k taking the total allocation from the £10m to £4,431k leaving £5,569k unallocated. The level of potential abortive costs would rise to £2,417k.

York Central Partnership spend

65. Network Rail has already spent £4.4m on land assembly and rail clearance.
66. HCA have spent £18.9m towards land assembly and have agreed to contribute a further £200k towards the planning costs of the site. Though some of this investment is backed by asset acquisitions these will not be realised unless the scheme is developed out so are “at risk” at this stage.
67. The NRM have spent c£1m on the masterplanning of their museum development scheme and continue to fundraise. As an important cultural anchor they will continue to help shape the overall scheme and integrate their plans with the development of York Central but their role differs from the major land owners NR and HCA and from the Council as the custodian for a new part of the city and an enabler of the future scheme. The NRM have disposed of their surplus land assets to the HCA in order to integrate them into the overall scheme and facilitate the early phases of their £50m investment plans.

National Railway Museum Development Plans

68. The National Railway Museum is planning a significant and exciting multi-million pound redevelopment that will transform the museum into a truly world-class museum visitor attraction. This will be the most significant change since the Museum opened in 1975 and will begin with a project to modernise and refurbish the Great Hall. They hope to complete the full transformation by 2025 to celebrate the 200th anniversary of the first passenger rail service Stockton and Darlington Railway and their 50th anniversary. The museum is the cultural heart of York Central. Their £50 million Masterplan aims to deliver 1.2 million visitors per annum and extend the dwell time visits, playing a key part in the York strategy to increase overnight stays in the city.
69. Executive are asked to agree a £200k initial contribution to the costs of developing the NRM masterplan which will play an important part in creating a cultural focus point within the overall YC masterplan. NRM is developing comprehensive funding applications, including a major bid (circa £12 - £14m) to the Heritage Lottery Fund. The £200k contribution will be spent

on developing the design and feasibility of the Great Hall and Wonderlab proposals, to ensure that the HLF bid is as robust as possible.

Council Plan

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

Implications

71. **Financial** - Financial implications are set out at paras 58 - 64 above

Human Resources (HR) – none

Equalities – Exploration of community impacts has been an integral part of the consultation over the summer.

Legal – Having chosen to consult on the access options the Council is obliged to take the outcome of that consultation into account when making its decision. That does not mean to say that the outcome has to be the one that is most favoured by the consultees, simply that their responses must be honestly considered as part of the decision making process.

The Council's powers under the Highways Act 1980 and Localism Act 2011 may be used to undertake the actions proposed in this report. Some options may impact on the Millennium Green lease. The lease contains provisions which would allow access to be constructed over part of it. If other land is required then that would require negotiation with the leaseholders and, if agreement could not be reached, consideration as to whether compulsory purchase powers should be used.

The grant proposed to the NRM needs to be considered for state aid implications. Most grants to cultural institutions fall outside of the state aid rules since they do not normally involve economic activities or have the potential to distort competition between EU Member states. That potential is though greater when dealing with national cultural institutions. There are though specific exemptions allowing aid to be given to museums so long as specified criteria are met. A grant to the NRM, in so far as it may be state aid, is likely to be covered by these exemptions but this is subject to detailed legal advice.

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

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

Property – All property implications are covered in the report.

Risk Management

72. The project is complex and high risk and until the scheme receives planning consent and a partnership agreement is formalised all investment is at risk. The EZ facilitates up front borrowing which would be repaid by future retained business rates and there is an inherent risk that the income is not generated or is slower to accrue. The partnership agreement therefore needs to identify how partners share this risk and ensure that the development of the scheme continues to focus on the delivery of business space. The project has multiple partners and funders and stakeholder management is essential to continue momentum and gain commitment to the scheme.
73. The primary risk is the potential breakdown of the delivery partnership between the partners with a consequent failure to unlock the site. This has been addressed by the establishment of a working group, project board and escalation procedures thus ensuring senior level collaboration across all the public sectors partners. It is expected that these will be embedded within the terms of a proposed partnership agreement.
74. Failure to obtain the necessary regulatory approvals to dispose of land on the site for development or to clear operational railway uses from the site is another significant risk – this would prevent the development of the site in whole or part. Mitigation plans to date include the acquisition and extinguishment of long-term rail industry leases on the site by Network Rail and development of a strategy that identifies relocation sites for the rail uses. In addition, a rail land use strategy for York is being taken forward and it is believed this meets operator needs and Network Rail's planned capacity improvement schemes. This issue is being mitigated by Network Rail prior to

any infrastructure investment with a clear commitment under the proposed partnership agreement to remove rail uses from the site within a phasing plan to enable site development.

75. An obvious risk is of failure to secure planning permission – this is being mitigated by early engagement with CYC as local planning authority in the ongoing development plans and engagement of stakeholders and local communities at both concept stage and as detailed plans emerge. There is a risk that the scheme may not attract development market interest or new occupiers. This risk has been mitigated by the proposed approach to infrastructure delivery, and further evidence gathering from our appointed advisors. In addition, the development of a delivery and marketing strategy and the award of EZ status will incentivise early business occupation.
76. There is a risk that CYC may not secure equity investment towards some of the costs of the enabling infrastructure. However, this will be mitigated by the EZ status and access to borrowing this brings. It will also be mitigated by early sign off of funding from HCA and a comprehensive gateway process for release of West Yorkshire Transport Funds (WYTF).
77. An access option which requires the use of Millennium Green land represents a risk to delivery where the release of land from the very specific purposes of lease to the Trust could be very difficult to achieve.
78. If the Executive reject the recommended access option the YCP Board will need to consider the issue again and this will lead to a delay to the project and potentially to the future of the partnership.
79. A full risk register has been developed by the YCP and will be regularly reviewed by the project board as the project progresses.

Contact Details

Author:

Tracey Carter - Assistant Director
for Regeneration and Asset
Management. Tel No. 553419

Chief Officer Responsible for the report:

Neil Ferris – Director of Economy and
Place

7/11/17



David Warburton - Commercial
Project Manager - Regeneration
and Asset Management. Tel No.
551312

Specialist Implications Officer(s) *List information for all*

Financial – Patrick Looker
Finance Manager
Tel No. 551633

Legal – Andy Docherty
Assistant Director Legal and Governance
Tel No. 551004

Wards Affected: Holgate, Micklegate

All

For further information please contact the author of the report

Annexes

Annex 1 – Map of site

Annex 2 – Map showing potential access options

Annex 3 – Access Options Review – August 2017 (ARUP)

Annex 4 – Access Options, Consultation Report – October 2017 (ARUP)

Annex 5 – YCP Project Board – Access Recommendation Report Oct 17

Confidential Annex 6 – breakdown of costs of taking the scheme through
planning

Background Papers (available online):

- 1- One Planet Council Better Decision Making Tool **(To Follow)**
- 2- Access Options Study, Main Report – June 2017 (ARUP)
Access Options Study, Appendices – June 2017 (ARUP)
 - Appendix A **(To Follow)**
 - Appendix B – Transport
 - Appendix C - not included as the cost details are updated in the report
 - Appendix D – Acoustics
 - Appendix E – Air Quality
- 3- Leeman Road, Transport Modelling – October 2017 (ARUP) **(To Follow)**
- 4- Access Options Consultation - Anonymised Response - to be released when personal details redactions completed **(To Follow)**

List of Abbreviations

CYC - City of York Council
DCLG – Department of Communities and Local Government
ECML - East Coast Main Line
EIA - Environmental Impact Assessment
EZ – Enterprise Zone
FAL - Freight Avoiding Lines
HCA - Homes and Communities Agency
LCR - Leeds City Region
LEP - Local Economic Partnership
MDU - Maintenance Delivery Unit
MGT - Millennium Green Trust
MIPIM UK - the UK's leading property summit
NRM - National Railway Museum
ORR - Office of the Rail Regulator
WYTF – West Yorkshire Transport Fund
YC - York Central
YCCF - York Central Community Forum
YCP - York Central Partnership