

**Decision Session – Executive Member for  
Finance & Major Projects**

**12 September 2022**

Report of the Director of Housing Economy and Regeneration

**Levelling Up Fund Submissions – My City Centre Regeneration Bid, and  
Haxby Rail Station Transport Bid**

**Summary**

1. This report follows the Executive decision in June 2022 to submit 2 bids to the second round of the Levelling Up Fund (LUF).
2. The report formally records the subsequent decision (of the Corporate Director of Place, in consultation with the Executive Member for Finance and Major Projects, as delegated by the Executive), to submit the bids. The report also sets out the final bid compositions.

**Recommendations**

3. The Executive Member is asked to:
  - 1) Formally note the decision (of the Corporate Director of Place, in consultation with the Executive Member for Finance and Performance) to submit two LUF bids.

Reason: To comply with the constitutional requirements of the Council, and resolutions of the Executive.

- 2) Formally note the final LUF bid compositions as set out in the report.

Reason: To comply with the resolutions of the Executive Committee, confirm the final bid compositions that were submitted to government, and ensure public transparency of decision making and activity.

**Background**

4. The Levelling Up Fund (LUF) was announced in the 2020 Spending Review and is a £4.8bn competitive fund run by the UK Government to invest in infrastructure across the UK.
5. Levelling Up is a key agenda for the UK Government who released the Levelling Up White Paper on 2 February 2022. This sets out 12 Missions whose delivery the government is prioritising to help create more equal opportunities across the UK by 2030. The white paper also sets out funding sources available to support the delivery of these missions, including LUF.
6. The first round of LUF allocations awarded £1.7 billion to support the delivery of 105 projects across the UK. York submitted a regeneration bid to this round in summer 2021, and whilst this was ultimately unsuccessful, the regeneration team received very positive feedback on the bid from the department for levelling up housing and communities (DLUHC) and were encouraged to resubmit the proposals with amendments into round 2.
7. The second round of the LUF was announced as part of the delivery of the 12 Levelling Up Missions. The prospectus was released on the 23 March 2022, setting out key investment themes and eligibility requirements for the next round of capital funding applications. This remained a competitive bidding process, with local authorities being placed in priority tiers for funding based on the government's perception of Levelling Up need. York being a tier 3 authority, the lowest of the priority areas.
8. York was able to submit up to three bids to this funding round, and the strategic direction was established to submit a transport bid alongside the revised regeneration bid. This approach was designed to optimise chances of success in securing funding for the City, within the funds technical and other parameters.
9. At their meeting on the 16<sup>th</sup> June 2022, the Executive endorsed this approach and committed the local authority to submitting two bids to the second round of LUF, formally resolving:
  - (iii) That authority be delegated to the Corporate Director of Place, in consultation with the Executive Member for Finance and Major Projects, to submit the round two funding bids identified in this report to the LUF.

Reason: To allow officers to prepare and submit the strongest possible bids to Government...

(iv) That it be noted that a report setting out the final bid submissions will be brought to a future decision session of the Executive Member for Finance and *Major Projects*.

Reason: To confirm the final bid compositions submitted to Government.

10. With the funding submission deadline of 2<sup>nd</sup> August 2022, and the complex and extensive bid documents being worked on right up to this time, the delegated approvals referred to at iii) above were secured very close to the submission point. With no August meeting of the Executive Member for Finance & Major Projects Decision Session, a forward plan item was submitted instead for this September meeting, being the earliest opportunity to formally record the decision to submit, and to report the final bid compositions, as per executive approvals.

### Submitted Bid Composition

11. In terms of bid composition, because the funding programme is a competitive and ongoing one, and some information within bids is commercially sensitive, high level bid composition summary details are set out over the following paragraphs. The regeneration bid, revised from round 1 submission, was designed to constitute a first capital phase of the My City Centre Vision adopted by Executive in November 2021 (see background papers), comprising three transformative city centre projects, which together will realise many of the vision's objectives and act as a catalyst for further change. The transport bid sought additional funding to deliver an improved Haxby Rail Station, with better sustainability credentials and accessibility. A more detailed description of the bid components is firstly provided in table 1 below:

Table 1: Physical Composition of bids

Sub project/ component	Description
Regeneration Bid	
Castle & Eye of York	Financial contribution to delivery of new world class public realm on the site of Castle Carpark at Castle & Eye of York, as defined within planning application 22/00209/FULM.
Riverside Quarter	Financial contribution to delivery of public realm/ walkway and third sector occupier fitout both proposed as part of redevelopment of area between 19 Coney Street and 2 Spurriergate
Parliament Street	Renewing and improving public realm in Parliament Street and St Sampson's Square to provide accessible, attractive and fit for purpose spaces, to include investment in play equipment and Shambles Market
Transport Bid	
Haxby Station	Improved sustainable transport access to the new station, from Haxby, Wigginton and Strensall. This includes improved walking and cycling routes and road safety improvements.

12. The core LUF financial ask and Benefit Cost Ratio (BCR) across the bids and sub projects/ components are set out in table 2 below:

Table 2: Financial/ Economic Composition of bids

Sub project/ component	LUF Ask	BCR
Regeneration Bid		
Castle & Eye of York	£11.478m	3.69
Riverside Quarter	£2.812m	2.86
Parliament Street	£5.704m	2.53
<b>Combined</b>	<b>£19.994m</b>	<b>3.23</b>
Transport Bid		
Haxby Station	£4.947m	1.86

13. And finally, a summary of the levelling up missions against which the bids will deliver is set out in table 3 below:

Table 3: Policy Composition of bids

Bid/ Project/ component	Levelling Up Mission											
	Living standards	Research & Development	Transport Infrastructure	Digital Connectivity	Education	Skills	Health	Wellbeing	Pride in Place	Housing	Crime	Local Leadership
Regeneration Bid	X		X		X	X	X	X	X	X	X	X
Castle & Eye	X		X				X	X	X	X	X	X
Riverside Qtr	X		X		X	X	X	X	X	X		X
Parliament St	X		X				X	X	X	X	X	X
Transport Bid												
Haxby Stn			X				X	X	X			

## Consultation

14. Officers engaged with a wide range of stakeholders during the bid preparation process, to explore opportunities and synergies as part of the application process. Many city and region stakeholders also submitted formal letters of support for the bid, with priority support provided by both the York Outer and York Inner MPs. The July Executive report previously referenced was also subject of standard constitutional publicity and consultation activity. In addition to this bid level consultation, the individual projects forming the funding bids have also been developed through extensive consultation as summarised in the paragraphs below.

#### 15. My City Centre (Regeneration Bid)

The LUF projects constitute a first capital phase of the 10 year 'My City Centre' vision, adopted in November 2021. The vision was co-created through extensive public/ stakeholder engagement over a number of years, with delivery owned by the council and key partners who came together to form a project Stakeholder Group. Engagement followed an 'open brief' approach, optimising the breadth and depth of engagement on complex city issues. The open brief approach, developed at Castle Gateway, is summarised in more detail below.

The vision had extremely high levels of public approval, with 82% of people agreeing with the vision statement, and strong support across all of the proposed action areas - averaging 81% approval. Only four action areas had less than 60% of respondents in support, with even the lowest at 55%.

The Individual projects will also be subject to further 'open brief' engagement as they are developed in more detail, building on those networks and relationships established. Riverside Quarter proposals at Coney Street are currently in pre-planning stage, with public engagement following shortly.

#### 16. Castle & Eye of York (Regeneration Bid)

The Castle and Eye of York public realm is the centre-piece of the Castle Gateway regeneration, developed through extensive public engagement and through the Castle Gateway Advisory Group. The result is an exciting masterplan that has extensive support.

'My Castle Gateway' was a bold and innovative new approach to public consultation, ensuring the public were engaged from the very beginning of the process by developing an 'open brief' for the masterplanners, and exploring challenges and barriers collaboratively through open conversations.

The project used a wide range of approaches to engage with the public including social media with Facebook, twitter, Instagram, and YouTube to generate creative content, stimulate online debate, and reach across a broad demographic. There have been a range of events, walks, and talks hosted by a diverse mix from formal partners such as Historic England through to midnight walks with homeless people. Every single interaction has been captured, recorded, tagged and made publically available on the project Flickr account to ensure that every opinion counts.

The Advisory Group is formed of key stakeholders to help guide the project and provide a robust critical challenge. Advisory Group members spoke in support of both the Phase 1 planning applications, and have contributed to this bid, highlighting the significant positive impact the scheme will have.

#### 17. Haxby Station (Transport Bid)

Wide ranging public consultation exercises were undertaken in relation to the proposed Haxby Station in 2020 and more recently in 2022. The detailed station proposals will also be subject to further statutory consultation as they are developed.

Consultation undertaken to date has indicated clear support for active travel links to the proposed new station. In the most recent survey, results demonstrated that there would be a high desire from residents to travel to the station by sustainable modes: Of the 862 respondents who answered the question, 57% of respondents said they would walk to the station, 30% would cycle, and 45% would travel by bus (respondents were asked to select all applicable methods). The need for improved active travel routes is also apparent when respondents were asked for comments regarding the draft layout of the station. Numerous requests indicated a wish for improved pedestrian routes to the station to ensure it is accessible (this was the fourth most frequent free text comment from 1,200 responses), with the added benefit that improved pedestrian links would also benefit the wider community.

Requests for improved cycle links to the station were also captured, as well as requests to ensure the station has suitable cycle parking to meet demand. This demonstrates the aspiration of local residents to undertake journeys on foot or bicycle to access the station. In addition, a number of requests were raised regarding the provision of EV charging at the station.

### **Council Plan**

18. Securing external funding and delivering the proposals outlined above will support a number of outcomes outlined in the Council Plan 2019- 2023:

- Well-paid Jobs and an Inclusive Economy – The proposals with supporting hard hit retail, leisure and tourism sectors to recover from COVID 19, whilst diversifying the high street to benefit York's economy,

and support lowest paid sectors, alongside longer term plans to facilitate growth in higher value sectors.

- A Greener and Cleaner City – Investment in pedestrian and cycling provision and new and improved open spaces in the river corridors will help to create a greener and cleaner city.
- Getting around Sustainably – The proposals create new cycling and walking infrastructure to encourage active travel in and around the city enhanced public transport facilities, and enhancing sustainable transport across modes.
- Creating Homes and World-class Infrastructure – the proposals will transform public realm in key city centre locations and provide a world class events space that improves the setting of York’s historic monuments and buildings, enhance and upgrade local road networks
- Safe Communities and Culture for All – The proposals will improve existing and create new spaces across the city centre for cultural activation and community activity.

## Implications

19. The implications of submitting the bid to secure funding to deliver capital works were set out and considered by members as part of the original June 2022 Executive Paper (see background papers).

- **Financial** - LUF bids require a minimum of 10% CYC contribution to the project costs. The council has budgets already in the capital programme to support the various bids including the Castle Gateway Scheme, Haxby Station scheme and Highway budgets which can be used to contribute towards the levelling up bids. There should therefore not be any additional budgets required if successful. Should the bid be successful a detailed funding package will need to be considered by Executive.
- **Human Resources (HR) - none**
- **Equalities** – The development of proposals is subject to funding and will need to take into account the Public Sector Equality Duty under Section 149 of the Equality Act 2010 (to have due regard to the need to eliminate discrimination, harassment, victimisation and any other prohibited conduct; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it in the exercise of a public authority’s functions) An equalities Impact assessment was undertaken as part of the June Executive report show as a background paper

- **Legal** - The projects in the application for the second round of the LUF are largely the same as in Round One, but with the removal of the proposals in relation to the rear of the Castle Museum. In relation to the Riverside Quarter project officers will continue to work with the private sector riverside property owners to shape the emerging riverside walkway proposals and negotiate any necessary commercial relationships with neighbouring landowners and developers. Care needs to be given in developing the relationship between the Council and the private sector riverside property owners to ensure this remains in accordance with public sector procurement legislation. The application for the transport orientated bid to the LUF is in relation to Haxby Station, specifically the improvement of active travel and sustainable connectivity. Should the application(s) to the LUF be successful the Council will develop procurement strategies to ensure the funding is used compliantly in accordance with the Public Contracts Regulations 2015 and subsidy control requirements (previously known as State aid). Any commercial arrangements around the associated development scheme would need to be framed to ensure best value requirements are met. Legal Services officers will work closely with project officers to ensure compliance with public sector procurement legislation and to consider the subsidy control implications of the funding of the individual projects.
- **Crime and Disorder** Input from the designing out crime officer will be sought as designs progress subject to securing funding
- **Information Technology (IT)** - none
- **Property**- none until funding secured

## Risk Management

20. Both internal and external resource is required to prepare any bid for external funding. This work has been undertaken at risk and should the bid be unsuccessful this work is mostly abortive. This risk has been mitigated by only submitting two bids to the LUF, instead of working up a third bid from scratch. The positive feedback received on the round one bid and the relatively small amount of work required to update and resubmit this bid, coupled with the size of the opportunity, offsets this risk.

21. Successful bids need CYC contribution funding, which can be evidenced through existing proposed funding strategies. Should the LUF bids be successful, a report will be brought back to Executive to take the decision whether to accept the funding and proceed with the delivery of the projects.



## Contact Details

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**Report**  **Date** 2/9/22  
**Approved**

## Specialist Implications Officer(s)

**Financial:-** Patrick Looker Finance Manager  
**Legal -** Cathryn Moore Legal Manager - Projects

All

**Wards Affected:** Micklegate, Guildhall, Haxby &  
Wiggington, Strensall]

**For further information please contact the author of the report**

## Background Papers:

[16.6.2022 Levelling Up and UK Shared Prosperity Executive Report and Annexes \(Agenda Item 5\)](#)

[18.11.2021 My City Centre Vision Adoption Executive Report and Annexes \(Agenda Item 52\)](#)

## Annexes

None

## List of Abbreviations Used in this Report

BCR (Benefit Cost Ratio)  
DLUHC (Department for Levelling Up Housing & Communities)  
LUF (Levelling Up Fund)