

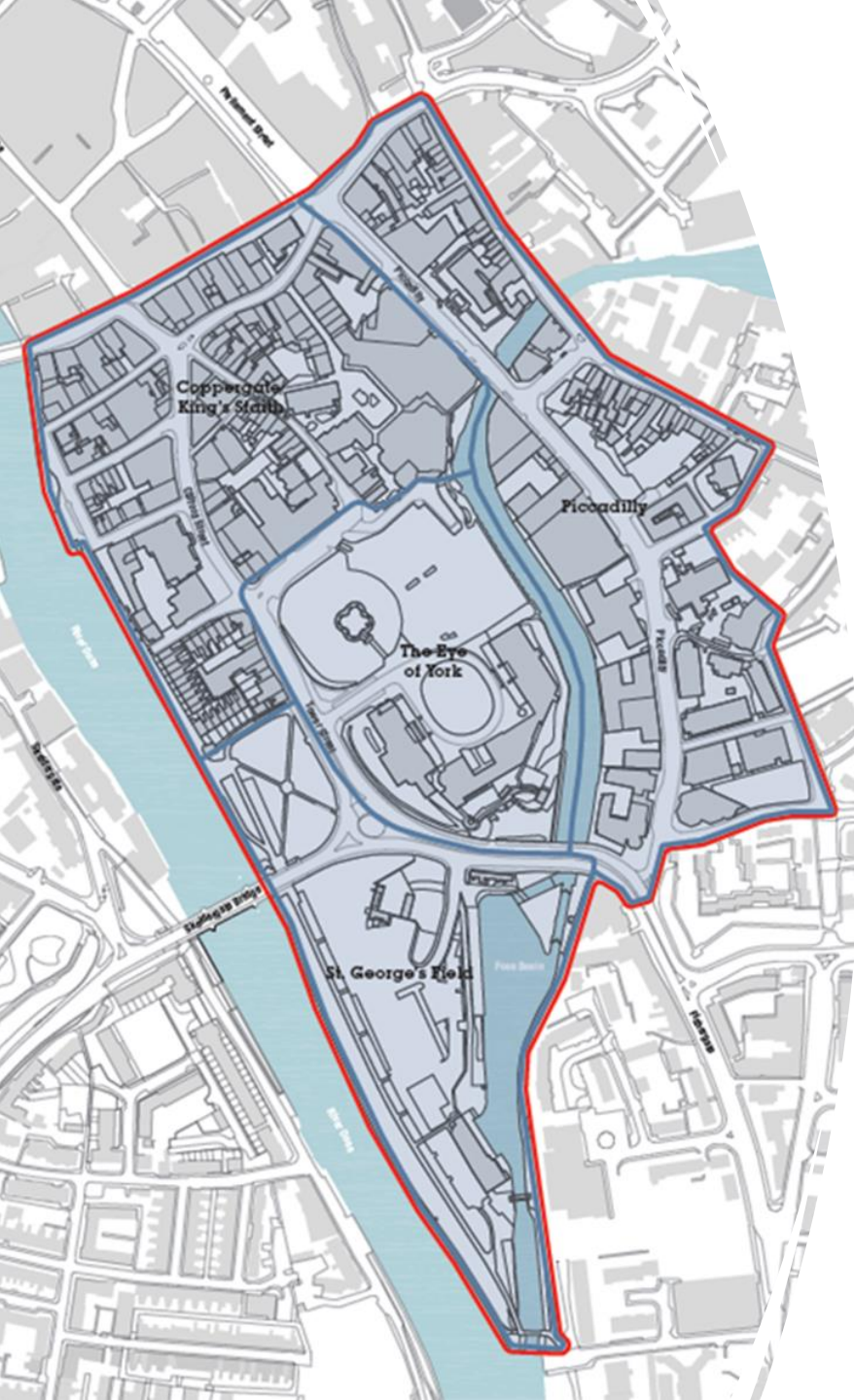
# Castle Gateway



Corporate Services, Climate Change and  
Scrutiny Management Committee –  
25 September 2023

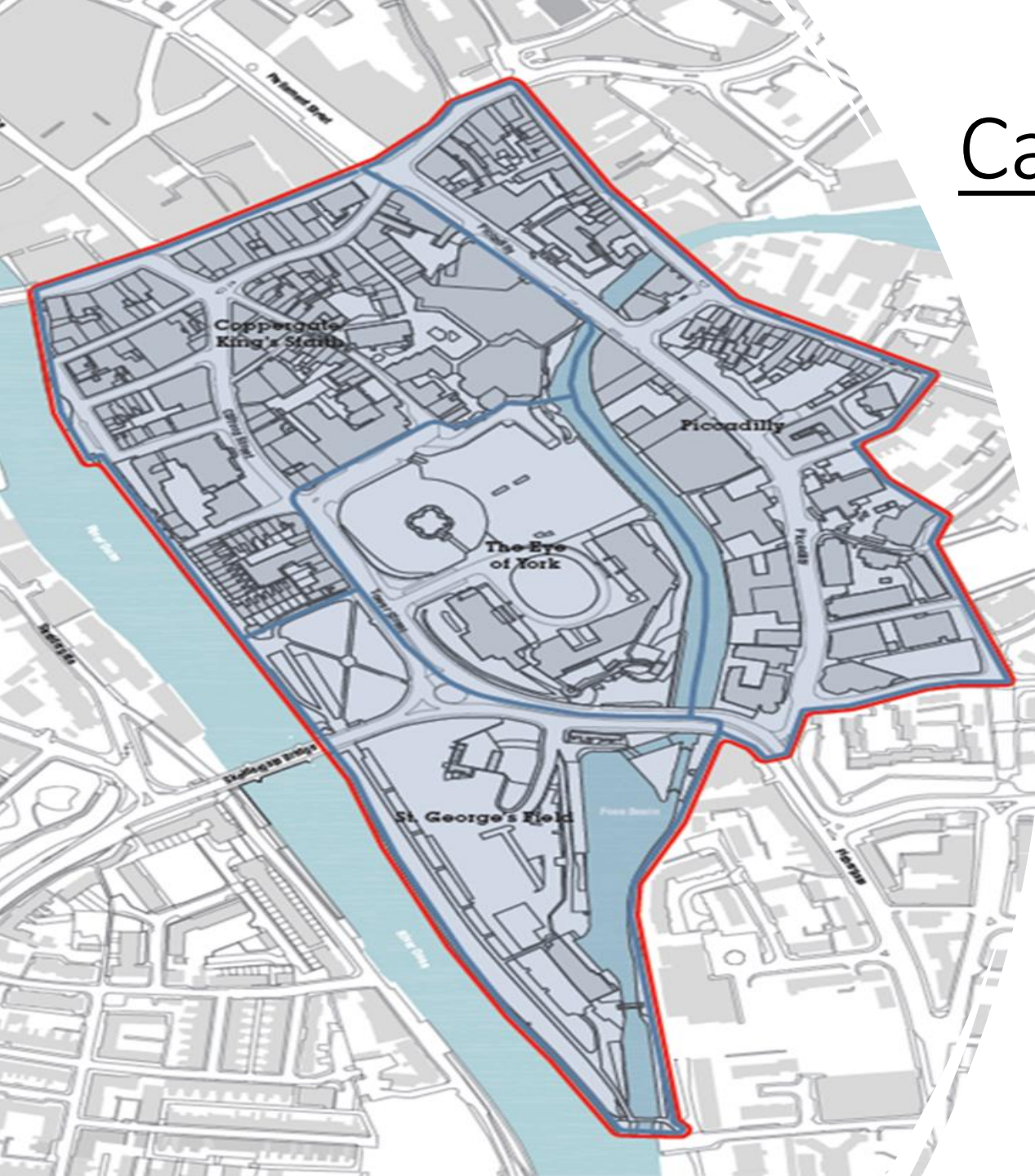


# Original aims of the Masterplan



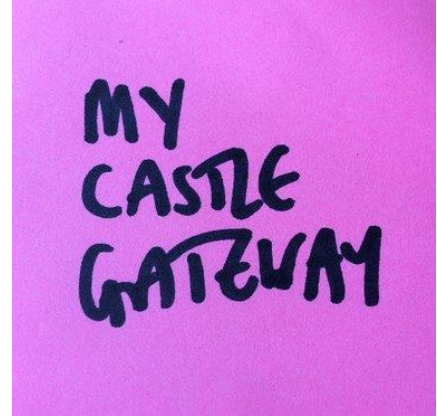
1. Act as a catalyst to regenerate this rundown part of the city
2. Castle and Eye of York heart of the masterplan
3. Enhance the setting of regionally significant historic assets
4. Enhanced cultural and heritage offer, including event space – building on the City's USP
5. Create a new multifunctional public realm and events space in the city centre for residents and visitors
6. Focus on sustainable transport and connectivity - pedestrian and cycle routes
7. Reduce vehicle journeys inside inner ring road
8. Provide new city centre homes, including affordable homes

# Castle Gateway Components



- Castle & Eye of York (Heart of the Masterplan)
- Castle Mills
- St Georges Field Car Park
- 18-21 Piccadilly
- Foss Basin

# “My Castle Gateway” Engagement



- Ongoing conversation since 2017 through the RIBA 1/2/3 design stages to planning
- ‘My’ approach to engagement:
  - **Build a brief** using diverse range of people’s needs and ideas - Make these ideas and differing perspectives visible
  - **Explore Challenges** cultivating an open public debate about complex issues, decisions and compromises throughout the design and development
- Informed by early masterplan contributions, the main themes for the ‘Open Brief’ engagement were as follows:
  - Gathering Playfully
  - Gathering Green
  - Gathering with Water
  - Gathering with Heritage
  - Gathering Together
- These themes shaped the focus of the design of the schemes.

## Open Briefs Created:

Aug 2017 [My Castle Gateway masterplan](#)

March 2019 [Piccadilly](#)

May 2020 [Castle and Eye of York new public space](#)

Aug 2020 [Tower Gardens](#)



# History of Decision Making

- Reports to the Executive:
  - ‘York’s Southern Gateway’, October 2015
  - ‘York Castle Gateway’, January 2017
  - ‘The Castle Gateway Masterplan’, April 2018
  - ‘Castle Gateway phase one delivery strategy’, January 2020
  - *COVID PANDEMIC – Programme Paused*
  - ‘Update on Castle Gateway and Business Case Review’, October 2020
  - ‘Castle Gateway Update report’, June 2022

# June 2022 Report to Executive

## Castle Mills:

- 1) Noted the termination of the NEC3 PSSC with Wates to produce a RIBA Stage 4 design and construction price for **Castle Mills** due to not being able to reach a satisfactory outcome on identified challenges.
- 2) Delegated authority to procure a construction contractor to complete the detail design/costing and subsequent construction of the proposed **Castle Mills** scheme. Report to be brought back to Executive with construction costs for approval to proceed.
- 3) Delegate authority to proceed with securing the necessary statutory consent under s106 of the Highways Act 1980 from the Secretary of State for the new bridge over the Foss navigation and to enter into a build over agreement with Yorkshire Water in respect of the sewer running across the Castle Mills development.

# June 2022 Report to Executive

## Castle and Eye of York

- 4) Approved the inclusion of the proposed public realm at **Castle and Eye of York** in the Council's round two **Levelling Up Fund (LUF) bid**.
- 5) Approval to **prepare tender documents** to procure a contractor, to be ready to proceed with procurement should the Levelling Up Fund bid be successful - (preparation of docs subject to planning permission being secured) - to ensure the **Castle and Eye of York** scheme was able to deliver in the LUF timeframes.

## St George's Field

- 6) **Defer the decision** on whether to build a **multi-storey car park ("MSCP") at St George's Field** until the Executive have a construction price for Castle Mills, allowing for further evidence to be collected to inform whether the MSCP still represented the best alternative replacement parking solution for the closure of Castle Car Park.
- 6) Officers instructed to collect more data on parking demand, further engage with city centre businesses and stakeholders, and explore alternative options to maximise surface car parking provision at **St George's Field** to inform the future decision on car parking replacement.

# Funding Sources

There has always been a funding gap in the business case for the delivery of the heart of the Castle Gateway Masterplan. The approved business case looked at how the enabling elements were funded.

## Revenue Generating Schemes “Enablers”

- **Castle Mills** – anticipated to fund the replacement parking solution at St George’s Field (MSCP) and/or potentially contribute to public realm if external funding not secured
- **17-21 Piccadilly** – anticipated to contribute to the delivery of the masterplan
- **Foss Basin** – anticipated to fund and contribute to the Foss Basin improvements

## External funding

- **Active Travel Fund** – Funding the Tower Street Crossing (*inner ring road*) - secured
- **West Yorkshire Transport Fund** - secured
  - Pedestrian/Cycle route and bridge over Foss to Castle Mills
  - Bus stop and Highway improvements on Tower Street and Clifford Street
- **Levelling Up Fund (Castle Gateway elements included as part of wider city centre applications)** – Both applications have been unsuccessful to the first two rounds of the Levelling Up Fund, and unsuccessful at the final stage for MHCLG funding



# What has changed?

- **Work paused on Castle Gateway during Covid**
- **Scheme costs** across all projects have gone up, and **sales market for apartments not matching cost inflation** – this has reduced the likely revenue generation from Castle Mills that was intended to fund the replacement parking solution
- **Interest rates have increased** impacting on the Council's borrowing costs
- Due to **reduced revenue generation** and **increased risk** associated with the council delivering the schemes, they can no longer be relied on as enablers which support the delivery of the masterplan
- **Building Regulations – National Changes** – planning amendments likely to be required on Castle Mills scheme, possibly requiring new application

# What has changed?

- **Long term surface level capacity increased at St George's Field car park compared to business case due to**
  - Environment Agency works taking fewer permanent spaces
  - Foss Basin apartments not going ahead
  - Proposed quantum of coach parking becoming less critical across the city centre
- As a result, the **cost per additional space provided by the MSCP is significantly higher**
- **Foss Basin apartments** proposal not possible due to **Environment Agency** objection - removing revenue generation potential and retaining surface level parking capacity in SGF

# What has changed?

- Off the back of the Castle Gateway masterplan, specifically the masterplan for Piccadilly, **significant private sector investment has been invested in this area:**
  - *46-50 Piccadilly (Hampton by Hilton),*
  - *60 Piccadilly (Ryedale House),*
  - *23 Piccadilly (Marriott Courtyard Hotel),*
  - *36-44 Piccadilly (Banana Warehouse)*
  - *Partial implementation of Piccadilly highway scheme – ongoing delivered by developers at each scheme.*
- Coppergate one way implemented
- Decision taken to dispose of 17-21 Piccadilly to a Registered Provider to deliver a 100% affordable housing scheme in the city centre, however marketing of site generated insufficient interest

# What this means for Castle Gateway

- Enabling schemes are less able to financially support the delivery of the heart of the masterplan
- Long term capacity at St Georges Field surface level higher, therefore although still an overall reduction in spaces, retains a greater number of spaces in the city centre
- Main dependency that remains is subject to the importance of addressing the remaining lost parking capacity and revenue
- The challenge of reprovision of Blue Badge parking is also important

# Current position / Next steps

- **Scheme review underway** looking at all aspects of the Castle Gateway masterplan and options for next steps
- Targeting a decision-making report at **November 2023 Executive** to agree a way forward