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Executive

30th March 2010

Report of the Director of City Strategy

## **YORK NORTHWEST AREA ACTION PLAN**

### **Update on Planning Progress and York Central Review**

#### **Summary**

1. In January this year Members of the LDF Working Group agreed a project programme setting out the key areas of collaborative work between the council and the York Central Consortium following the suspension of the developer procurement process for York Central. This report outlines the joint work carried out and the headline findings of the review and issues arising from this work. A number of objectives for the York Central site arising from this work are set out for Member's consideration. Members are asked agree that further work is carried out to explore other models of regeneration partnerships and funding opportunities.
2. The report also provides a short update on progress with the York Northwest Urban Eco Settlement (UES) and Members are asked to agree that policies for York Northwest are included within the Core Strategy which seek to achieve Eco Town standards.
3. To take account of the emerging work on both the York Central and the British Sugar sites a number of measures are suggested to address the arising issues. This includes preparation of a more responsive planning framework which will allow for the development timescales on each site to be disengaged whilst retaining the overriding designation of the area within the Core Strategy. Members are asked to agree that York Northwest is taken forward in a revised policy approach within the Core Strategy and Supplementary Planning Documents are prepared for each site, together with a framework for development which would be used to guide the approach taken for York Central. Work on the AAP will be transferred into these documents.

#### **Background**

4. A progress report on the York Northwest Area Action Plan was brought to a meeting of the LDF Working Group on 4 January 2010. The report outlined the

position with York Northwest and provided a summary of progress to produce the Preferred Options for the YNW Area Action Plan (AAP).

5. The report also outlined work to develop a proposal to deliver a first phase 60 unit demonstration exemplar Urban Eco Settlement (UES) at the former British Sugar site. Members were advised that an expression of interest for funding to support the development of the UES proposals from a £10m Eco Development Fund had been submitted to the government by the Leeds City Region.
6. Members of the LDF Working Group were also advised of the joint work being carried out by the council and the York Central Consortium following the suspension of the developer selection process for York Central. A joint programme of collaborative work had been agreed to review issues arising from the process and to explore the way forward including the possibility of alternative delivery approaches.

### Urban Eco Settlement Progress

7. Sustainable development is a key overarching strategic objective for York Northwest. The UES programme is Leeds City Region's response to the national Eco Town Programme. A central feature of this is a commitment to take the PPS eco-town standards through the submission document of the Core Strategy with detail in the supporting documents. Formal Member commitment to this, is, therefore, being sought.
8. The option of including policies in the Core Strategy (publication draft) which would included to refer to the UES and PPS eco town standards is outlined in paragraph 38. It will be challenging to meet PPS standards on these brownfield sites whilst ensuring that viable schemes are developed and ensure deliverability criteria for the Core Strategy is met.
9. A bid for revenue funding from the Eco Development Fund to support the development of PPS eco-town standards within the Core Strategy for the four areas within the City Region UES programme was formally submitted by Leeds City Region (LCR) on 26 February 2010. CYC element of this bid included funding to carry out eco feasibility work and to support the masterplanning/ community engagement process. In addition a bid was submitted for capital funding to help deliver an eco show-home facility which will act as a centre for local residents and school children to learn about 'green living' and a base for eco- construction training.
10. On 9 March 2010, Leeds City Region were advised by the Department for Communities and Local Government that they had successfully secured £1.2m funding to support the development of the UES programme and eco exemplar demonstrator projects. A key criteria of the funding award is the ability to deliver early development within an agreed timeframe.
11. The first phase 60 unit demonstration exemplar project at the former British Sugar site has also been incorporated in the draft City Region Investment Plan 2010-2014. This document will form the basis of discussions between LCR and the Homes and Communities Agency (HCA) for further potential funding to support delivery of the UES.

## York Central Review

12. A high level review of the development appraisals and the council's emerging planning policy has been carried out. Meetings with key stakeholders and other parties have been held and five joint workshops between the council and the York Central Consortium have taken place to look at issues arising from this and to review the lessons learned from market testing. In addition, the council have re-examined the comprehensive approach to developing the area and explored whether there may be alternative ways of delivering the project to achieve the objectives of all parties.

### Headline Findings

13. The headline messages arising from the work carried out are outlined in paragraphs 14 to 19 below and a suggested way forward to address these is set out for consideration by Members.
14. Feedback from parties directly involved in the developer procurement process, indicated that further clarity on retail, transport and open space provision would promote greater confidence for developers when the project is taken to the market in the future. Retail has been identified as a key land use essential for the deliverability of York Central. York Central has also been identified in the emerging Core Strategy as the sequentially preferable site to meet future identified capacity in the city.
15. Given the market circumstances and the current suspension of the developer procurement process it is now unlikely that it will be possible to align the masterplanning process for York Central with the AAP planning policy process. There is, therefore, an issue with meeting the timescales set out in the Local Development Scheme.
16. Analysis and appraisal work identified that some areas of the site had very high abnormal costs associated with their development. These were essentially either rail related or related to key items of infrastructure provision. It will be important to examine opportunities to reduce these costs.
17. The indications are that public sector funding from various sources will be necessary to bring York Central forward for development. This is not unusual for a scheme of this scale and complexity. Once secured, it will be important to direct public funding to items of key transport infrastructure to facilitate development and act as a catalyst for development which will build confidence in the market.
18. Feedback from the review also highlighted that increased clarity of the council's objectives for the development of the area would also be helpful.
19. Due to changing market conditions, more flexible delivery mechanisms which incorporate public/private partnerships are now being used to bring forward major development sites for regeneration. There is an opportunity for alternative delivery mechanisms to be investigated to see if they would add value to the process for York Central.

## Way Forward

20. The suggested approach outlined below will make a significant contribution to addressing key issues identified in paragraphs 14 to 19 above. A number of areas have been identified for future work.

## Redefining the Planning Framework

### Planning Approach

21. Given the recent issues regarding delivery of the York Central site it is clear that the policy context for York Northwest could not be brought forward to include input by developers within the Area Action Plan timeframes. Further it is likely that the 'early deliverable' proposal for the former British Sugar site will need the planning context and masterplanning in place as soon as possible. In these circumstances it is suggested that AAP approach to produce a planning framework for York Northwest is reconsidered.
22. Changes to PPS12 now mean that it is possible to identify strategic sites in the Core Strategy which then become part of the statutory development plan when the Core Strategy is adopted. Site specific detail can now be included in Supplementary Planning Documents (SPD's) which sit alongside an adopted Core Strategy. Whilst the SPD approach would not have the same statutory weight as an adopted AAP, it would be backed up by clear allocation as a 'strategic site' in the Core Strategy.
23. Subject to Member's agreement it is proposed that the York Northwest area is identified within the Core Strategy as a 'zone of change', with detailed policy to be provided within Supplementary Planning Documents (SPD's) which will be supported by a development framework. These would be prepared for the strategic sites within this area, including both the York Central and the former British Sugar site. This would also allow the option of preparing SPD's for any further sites coming forward for development within this zone. Subject to Member's agreement to undertaking this approach, consequential amendments will be made to the Local Development Scheme and reported to a future meeting of the LDF Working Group and Executive.
24. A key benefit of the approach outlined above is that it would allow greater responsiveness to timescales and deliverability for both strategic sites whilst allowing the regional significance of York Northwest to be retained within a Development Plan Document (DPD). This approach would also allow the overarching issues relevant to the wider York Northwest area, including transport and open space provision, to be brought forward as part of the Core Strategy. Informal discussions have been held with the Government Office who are supportive of this approach.

### Evidence Base

25. Evidence base and Preferred Options work which has been produced for the Area Action Plan would be used to provide evidence base to the Core Strategy and to inform the preparation of the SPD's. The intention is to bring a report to a meeting of the LDF Working Group later this spring outlining the key findings on work undertaken to date on the AAP Preferred Options, including transport and

open space. This will set out the issues relevant to each theme area together with suggested key principles to take forward in drafting policies for the SPD's. It will also provide early clarity on the approach being undertaken which can then be used to inform the masterplanning process for each site.

### Retail

26. Given the constrained nature of the historic city centre, York Central provides an opportunity for the city to maintain and enhance its retail offer in a central location. A substantial level of background retail work has been prepared by consultants GVA Grimley which will form part of the evidence base to the Core Strategy. As part of this work the consultants reviewed a number of indicative retail development scenarios. Recently the Government has published revised Planning Policy Guidance on retailing/economic issues (PPS 4) which will also be used to inform the strategic approach to retail issues within the city.
27. In April/May it is anticipated that a report will be taken to Members of the LDF Working Group setting out the options for the future allocation of retailing as part of the submission document for the Core Strategy. This will clarify the future approach to retailing in the city and provide clear policy guidance to potential developers. A key issue is the need to establish a quantum of retail, which does not adversely impact on the historic core.

### Development Framework

28. Work to re-examining the comprehensive approach has demonstrated that there would be benefits in making a clear distinction in the phasing of the development which will allow the issues arising from the identified abnormal costs to be addressed. This would concentrate early delivery of the areas around the station which would achieve the council's objectives for increasing employment opportunities and promoting leisure and tourism associated with the National Railway Museum. This approach would establish a climate of greater certainty and confidence for later phases to be brought forward in the longer term. It is likely that the phases for development will be identified and defined within the SPD.
29. For York Central, a Development Framework with high level masterplanning would be progressed to inform the preparation of the SPD. Appraisal and analysis work carried out as part of this review will provide a robust basis to inform masterplanning work. It is intended that this will be carried out by the newly appointed Urban Renaissance Team within City Strategy. This team is being funded by Yorkshire Forward who have also allocated a budget to support the work of the team. It is anticipated that this work could be carried out over a period of 12 months following the appointment of the team this summer. Guidance on design quality and criteria/principles could be provided as part of this work.
30. A programme identifying the main work areas to be progressed with timescales is attached in Appendix 1. A diagram showing an indicative process and timescales to produce the SPD's and development framework for York Central and masterplan for the British Sugar site is attached at Appendix 2.

### Reviewing York Central Objectives

31. The wider strategic objectives for York Northwest, as previously agreed by Members, would be outlined in the Core Strategy. Suggested site specific objectives for York Central could be outlined in LDF documents subject to Members views on these and are listed below.
- i) Creation of a sustainable new community of outstanding quality and design.
  - ii) Provision of a new employment area for high quality new offices which will contribute to the overall economic prosperity of the city.
  - iii) Enhancement of the cultural area around the NRM within high quality public realm and improved connectivity of this to the city centre.
  - iv) Provision of new housing to assist in meeting the housing needs of York.
  - v) Creation of a new urban quarter for York with new retail provision which helps to meet identified future capacity in the city.

### **Funding and Delivery**

32. There is a clear opportunity for the public sector to take a stronger role in helping to attract public funding and increase confidence to potential investors. A proactive approach to securing external funding and attracting inward investment is suggested to be taken forward by the council. Possible sources of funding could be from the Homes and Communities Agency (HCA), regional transport funds and the regional development agency.
33. Preliminary advice on opportunities for public sector involvement in regeneration partnerships and alternative finance models has been given by consultant's ARUP. ARUP recently prepared a research paper "Promoting Innovative Public – Private Partnerships in Regeneration" (January 2010) on behalf of The Northern Way. The Arup's work highlights the critical role of the public sector in taking a key role on lobbying for and accessing funding and being a key partner in any future delivery mechanism. It is suggested that further work is undertaken to examine alternative partnership arrangements.

### **Options**

34. There are two main options to provide a planning framework for the York Northwest area:
35. Option 1: To continue to produce an Area Action Plan for York Northwest.
- This approach will not allow potential York Central developers to input into the AAP. It will also delay delivery of the demonstration exemplar as part of the UES at the former British Sugar site.
36. Option 2: To identify York Northwest as a 'zone of change' within the Core Strategy with York Central and British Sugar allocated as 'strategic sites'. SPD's would be prepared for each site to cover detailed planning issues, supported by a development framework with work to progress this outlined in the indicative programme of work and process at Appendix 1 and 2. (Preferred approach).

### Appendix 3

This approach will retain the strategic regional importance of York Northwest whilst providing flexibility to bring forward strategic sites with varying delivery timescales.

37. There are two options relating to the York Northwest UES:
38. Option 3: To include specific reference to the UES and Eco Town standards within the publication draft of the Core Strategy. (Preferred approach)

This approach will ensure that the UES is considered for possible designation as an Eco Town by the government and would ensure eligibility for future funding.

39. Option 4: No specific reference is made to the UES and Eco Town standards within the publication draft of the Core Strategy.

It is unlikely that the York Northwest could be considered as an Eco Town and the recent funding award from the Eco Development fund could be reallocated elsewhere within the City Region.

40. There are four further options relating specifically to the York Central Project.
41. Option 5: To agree the objectives set out in paragraph 29 above. (Preferred approach).

This approach will ensure that council objectives for increasing employment opportunities and leisure and tourism associated with the NRM are used as guiding principles for the area.

42. Option 6: To request officers to develop alternative objectives for York Central.

Any revised approach would need to take account of deliverability issues for the area.

43. Option 7: To agree a proactive approach to public funding is undertaken with further work carried out to look at other development delivery models. (Preferred approach)

The council will be in a better position to access a wider range of public funding streams and assess whether there would be benefits in the council being included in any future partnership arrangements.

44. Option 8: Public funding streams and other development delivery mechanisms are not investigated.

Public funding has been identified as necessary to the delivery of the York Central site.

## Corporate Priorities

45. The York Northwest area provides large brownfield development opportunities adjacent to the city centre. Development of this area will help to protect and enhance York's existing built and green environment and provides an opportunity for a flagship sustainable development. The regeneration of this area will support the following corporate priorities:
- Increase the use of public and other environmentally friendly modes of transport
  - Improve the quality and availability of decent affordable homes in the City
  - Improve the contribution that Science City York makes to economic prosperity

## Implications

46. Implications are as listed below:
- **Financial** None.
  - **Human Resources (HR)** None
  - **Equalities** None
  - **Legal** None
  - **Crime and Disorder** None
  - **Information Technology (IT)** None
  - **Property** None
  - **Other** None

## Risk Management

47. There is a risk attached to Option 4 (UES) in that the funding for eco feasibility work , support for masterplanning/community engagement and construction of the eco show-home facility would be withdrawn if the council do not intend to include commitment to the UES in the Core Strategy.
48. In compliance with the Council's risk management strategy a risk management assessment has been undertaken for York Northwest. The delivery risks identified for York Central are intended to be addressed by taking a proactive approach to seeking external funding and investigating alternative delivery mechanisms.

## Recommendations

49. Members are asked to:
- 1) Note the progress with York Northwest and agree the programme of work and indicative SPD process outlined in Appendix 1 and Appendix 2.  
  
Reason: To ensure that work being undertaken for York Northwest is progressed.
  - 2) Agree the planning framework for York Northwest is provided within the Core Strategy, with York Northwest identified as a zone of change and York Central and the former British Sugar sites identified as strategic sites.



## Appendix 3

Reason: To ensure the regeneration of both major development sites is delivered within an overarching framework and within anticipated timeframes.

- 3) Agree the preparation of supporting Supplementary Planning Documents for York Central and the former British Sugar site and the preparation of a development framework for York Central..

Reason: To ensure the regeneration of both major development sites is delivered within an overarching framework and within anticipated timeframes.

- 4) Agree that policies are included within the Core Strategy seeking to achieve PPS1 standards for Eco Towns for the York Northwest area

Reason: To meet the requirements for Eco Towns and possible designation as part of the national programme of Eco Towns.

- 5) Agree objectives for the York Central site as outlined in paragraph 31 and reaffirm the council's commitment to bringing forward the site for redevelopment.

Reason: To ensure continuing commitment to moving the project forward.

- 6) To agree that the council take a proactive approach to public funding for the York Central site and investigate alternative delivery mechanisms in collaboration with the YC partners.

Reason: To enable delivery issues to be addressed.

### Contact Details

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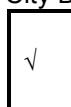
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**Report Approved**



**Date** 12.3.10

**Specialist Implications Officer(s):** None

**All**

**Wards Affected:** Holgate, Micklegate, Acomb and Rural West York

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

Report to LDF Working Group 4<sup>th</sup> January 2010  
Report to Executive 21<sup>st</sup> July 2009

### Annexes

Annex 1 York Northwest Programme  
Annex 2 Indicative SPD/Development Framework Process