

Information on top two/three priorities that City of York Council will be putting forward to Leeds City Region (LCR)

York Central: Phase 1, Queen Street Quarter

York Central is a 37 hectare brownfield site adjacent to York City Centre and the City's rail station. The site is largely owned by Network Rail, who will rationalise current uses to allow for redevelopment. The first phase is a 2.9 hectare mixed use development accommodating 40,000m² of new and converted floorspace including improved transport interchange facilities.

It is estimated it will create in the region of 1663 gross jobs (plus 580 temporary construction jobs), by March 2016 – producing £69m GVA (Gross Value Added) per annum thereafter. In addition, the first phase of York Central will set in motion the potential for two further phases of development. In total the site offers the potential, on completion of the three phases, for an additional c. £247m GVA per annum and a net 4,750 jobs.

York Central is therefore clearly a major strategic project for the city and the wider region. However, there are considerable barriers and obstacles to development, largely associated with abnormal infrastructure costs. Key issues involve the reclamation and re-assembly of land that is partly used as an operational rail/freight site, and obtaining site road access. In phase one the 'stacking' of an existing car park into a multi storey facility is also a necessity to gain access to the site.

The timescales for the development of York Central are largely dependent on accessing a number of funding streams. An outline bid for £9 million has been submitted to the Government's Regional Growth Fund to support site infrastructure and public realm works. An expression of interest for £6 million has also been submitted to the York, North Yorkshire and East Riding Economic Partnership (YNYER LEP).

Both are 'Stage 1' applications and if approval is received in principle, a far more detailed due diligence process would be undertaken, where the Government and YNYER LEP will ask detailed questions of the authority around job creation figures, timescales, spend profiles etc.

The Regional Growth Fund and Growing Places Fund submissions detail the challenges around the York Central site.

Digital, Media and Creative Centre (DMCC)

The Digital, Media and Creative Centre (DMCC) will provide a new home for growing creative, digital and technology companies within York. Its creation has been a long-time ambition for the City of York. York is already a creative and digital hub for Yorkshire with inspiring architecture and a heritage that inspires creative talent.

Creative and digital companies in the City would greatly benefit from a central nucleus within this inspiring environment to grow their businesses and community. The intention is for the DMCC to provide around 20,000 sq. ft. of managed office accommodation for small to medium sized enterprises (SMEs) within the creative, digital and technology sectors, and to encourage and support the growth and development of these sectors within York.

In particular the DMCC aims to increase the capacity of the city to provide flexible space and to increase opportunities for retaining and networking talent and enterprise across the city. The centre could provide high quality office space with offices ranging from around 58 sq. ft. suitable for sole traders, up to circa 1500 sq. ft. which will house companies of around 9-12 employees each.

Current Progress / Timescales - An outline feasibility study has been undertaken by Science City York investigating several possible sites and the challenges associated with each. In addition, an outline expression of interest for £2 million Growing Places funding has been submitted to YNYER LEP.

3. Leeds Local Economic Partnership (Leeds LEP) Funding

Leeds LEP's intention is to compile a Single Investment Plan identifying key investment priorities for the LEP area.

Sitting alongside this strategic plan the LEP also aims to develop an Investment Fund – the intention of which is to combine the present 'funding cocktail' (Regional Growth Fund, Growing Places Fund, Green Investment Bank monies etc.) into one funding stream.

This will naturally be a complex process to manage and will take time to come to fruition. However, City of York Council has already held discussions with Leeds LEP in order to ensure that both York Central and the Digital Creative Centre feature prominently within the proposed

Investment Plan, and that both schemes are therefore in a strong position to receive LEP funding when it becomes available.

The amount of funding that CYC would like to secure from Leeds LEP (and the purpose of that funding) will vary considerably depending on the success of the funding submissions to Government and York, North Yorkshire and East Riding LEP referred to above.

4. Leeds LEP - European Funding: 2014-2020

To briefly recap on the proposed delivery mechanism for European funding 2014-2020 the European Regional Development Fund, European Social Fund and European Agricultural Funding for Rural Development will be brought together into an EU Growth Programme with a Single Governance Structure. The Growth Programme's top priorities will be innovation, research and development, support for SMEs, skills, low carbon, employment and social inclusion.

The funds available in the EU Growth Programme will be notionally allocated to LEP areas. Each LEP will lead the development of an EU Investment Strategy which will complement the Local Enterprise Partnership's wider economic / strategic plan.

Leeds LEP will therefore receive a tranche of European monies in the next round of Structural Funding 2014-2020. The amount of funding Leeds LEP will receive has yet to be determined, although the funding priorities for European monies have already been made clear and further detail will be released in the final week of March 2013.

Leeds LEP will then be compelled to produce a high level 'European brochure' by September 2013, giving an outline of the type of flagship schemes that European monies might be spent on in their region. Again, both York Central and the Digital creative centre are expected to feature prominently in these brochures - but due to the nature of European funding regulations, it may be that very specific elements of both schemes are highlighted e.g., greenspace/low carbon elements of the York Central development or specific training schemes/apprenticeships associated with the Digital Media Centre.

It remains to be seen whether Leeds LEP will be able to merge their European monies into the planned Single Investment Fund or not. What is certain, however, is that the European monies allocated to Leeds LEP could be used for a broad range of projects and initiatives in York, (not just the York Central and Digital Media Centre schemes).

The Task Group may wish to consider looking at the detail of the European funding regulations when they emerge, to see if any other flagship schemes from York could be identified as being eligible for Leeds LEP European monies.