

Major Projects Update March 2015

Report of the Director of City and Environmental Services

Summary

1. This report provides Members with an overview and update in relation to the major development projects in the city at this time.

Background

2. Since the national economic downturn and more recent improvement, Officers have continued to keep an open dialogue with developers in York in order to consider how approved but stalled sites may come forward without any significant lessening of overall planning aims in terms of mixed and balanced communities.
3. A number of longstanding approved development proposals have now commenced including Terry's, the hotel at Walmgate and further phases of Hungate, as well as new sites such as the new student accommodation at the Press site and on Lawrence Street.
4. Officers have agreed changes of use (employment to residential), changes in type and size, layout, design and density as well as reductions in affordable housing requirements and Section 106 financial contributions, where justified by viability assessments. These revisions illustrate the commitment to support the delivery of good quality new development in the city.
5. Reports to Corporate Management Team (CMT), ECDOSC and Audit and Governance Committee, between November 2014 and January 2015, explained that major projects are to be streamlined to focus resources on eight potential key projects, identified as:-
 1. York Central and Station Gateway

2. Community Stadium
 3. York Outer Ring Road
 4. Guildhall
 5. Biovale
 6. Public Realm Renewal
 7. Southern Gateway
 8. Fund of Funds
6. Each of the projects is or will be subject of a Project Initiation Document (PID) which will set out key outputs, targets and milestones for delivery.

York Central and Station Gateway

7. A Member Steering Group has been established, and meets in March. A Cabinet report with a range of key decisions, including financing from the Local Enterprise Partnership (LEP) West Yorkshire Transport Fund (WY+TF), is being prepared for the Summer of this year.
8. A Memorandum of Understanding, setting out high level terms of engagement between the City Council and Network Rail (NWR), has been agreed.
9. Detailed funding terms are being negotiated with Leeds LEP in terms of the £1.65m Local Growth Fund (LGF) flood resilience allocation and work to scope, design and cost the capital project will complete in March 2015, with project implementation from Q2 2015/16. Options to explore complementary EA grant are also being pursued.
10. Officers are working towards an autumn submission of a gateway 1 report for £27m WY+TF funding. Housing Zone shortlisting has been secured, and a 'competitive clarification' process entered into with Homes and Communities Agency (HCA).
11. Master plan led viability assessment has been undertaken for the site and officers will shortly commission work on a planning framework jointly with Network Rail, to facilitate phased site release, with a view to a start on first residential phase 2015/16 and commercial quarter in 2016/17.

12. A land assembly strategy is well underway, which is a key precondition of success.
13. Traffic surveys to inform the next stages of work and option assessment/ refinement will be undertaken in March of this year. Complementary Commercial Station Facility Improvement Funding will be sought to deliver works internal to station building (with CYC fronting any bid in order to comply with funding requirements), and synergies with HS2 investment will be explored through the HS2 Growth Plan currently being produced by the Council.

Community Stadium

14. The core project objectives are to provide a new Community Stadium within a new leisure facility complex on the grounds of the existing Huntington stadium/ Waterworld swimming pool.
15. The current timetable is to gain planning approval for the new stadium application in late March 2015. A new contract for operation of the city's leisure facilities is targeted to go live in June 2015, and the stadium construction will begin in summer 2016.
16. The next key step is to gain planning approval at Planning Committee in late March 2015, and key risks are associated with achieving that approval. Agreeing all contractual agreement to enable on site construction to begin in line with existing programme timetable can be said to be another risk.

York Outer Ring Road

17. Progress on improvements to seven junctions on the A1237 York Outer Ring Road (YORR) is being reported to the Council's Cabinet on 3rd March. It is one of the York projects that make up the programme of schemes to be funded through the West Yorkshire plus Transport Fund (WY+TF). An allocation is proposed to be provided within the base budget for 2015/16 to continue development of the WY+TF schemes.
18. The £37.6m scheme to upgrade the seven roundabouts has progressed through the Gateway 1 process which authorises further development of the design. Subject to confirmation of the planning consent requirements and funding, construction is expected to start in 2016 with completion in 2020.

19. Subject to approval to proceed at the March Cabinet meeting, environmental survey work and early negotiation with landowners will commence in spring 2015.

Guildhall

20. The aspiration to create a Digital Media Arts Centre in York is now two significant steps closer to being realised. On 1st December 2014 UNESCO designated York as a City of Media Arts - the first and only such City in the UK. The delivery of a Media Arts Centre in the City was central to the designation bid. On 16th December 2014 Cabinet granted approval for the project to progress into the detailed development stage (feasibility work, sector engagement and the development of an outline business case had been undertaken over the period December 2013 – December 2014).
21. Work is now progressing to procure a multi disciplinary design team and to select a preferred commercial/ private sector operating partner. Detailed design work will be progressed from June/ July through to December 2015 and will necessarily include direct engagement with the creative business sector, wider business interests across the City and a public consultation programme linked to the project development/ pre-planning process.
22. The Officer project team will report to Cabinet seeking approval for the scheme to proceed in early 2016 – with the potential for works to start in late 2016 – which would see completion/ opening in early 2018.

Biovale

23. The project is being developed and managed by the Biorenewables Development Centre at the University of York, and will deliver a new business incubation building - the BioVale Centre - on the new Heslington East campus of the University of York. Council Officers sit on the Steering Group.
24. The centre will provide business incubation space for commercial organisations seeking to develop novel bio-based processes and products alongside the world leading R+D base located at the University of York.

Alongside this it will also provide an open access scale up facility that provides technical and consultancy support to businesses looking to develop new processes and products from bio-based raw materials.

25. The centre will become the new base for the BioVale Cluster Executive Team and for the Biorenewables Development Centre (BDC), acting as the key hub for the BioVale cluster, the primary aim of which is to establish Yorkshire and Humber as a world-leading region within the emerging bioeconomy sector. BioVale will bring together industry, agriculture and the region's R+D base to create a successful bioeconomy cluster that will generate economic growth, sustainable jobs and environmental benefits for the city, region and the UK as a whole.
26. The overall costs of the project are £25.8m. The York, North Yorkshire and East Riding (YNYER) Local Enterprise Partnership (LEP) and the Leeds City Region (LCR) LEP have been working closely with the Biorenewables Development Centre (BDC), and CYC over the last 12 months to develop the BioVale initiative. Both LEPs included plans for BioVale in their Strategic Economic Plans submitted in April 2014 and a total of £8M of Local Growth Fund support has been awarded for BioVale (£5M to YNYER and £3M to LCR) to develop the new BioVale Centre building.
27. It is anticipated that, in addition to Local Growth Fund support, the project will attract European Regional Development Fund (ERDF) funding (first ERDF calls are anticipated to be made mid March) Higher Education Funding Council for England (HEFCE) Catalyst funding (applied for) and a contribution of land and in-kind support from the University of York.
28. The project is currently going through LEP due diligence as part of the Local Growth Fund allocation process. Faithful and Gould have been appointed as project managers and have developed an overall timetable that would see construction initiated by late 2015. A preliminary design study for the BioVale Centre was undertaken by Stephen Hill architects and a timetable for full design procurement is currently being agreed, with a view to the design team being appointed in the next couple of months.

Public Realm Renewal

29. Following comprehensive public consultation the wayfinding report was deferred until June, and further consultation with the Fossgate users group is being coordinated in order to agree improvements there.

Southern Gateway

30. Following on from refused schemes in the 1990's and early 2000 the City Council revised the site development brief, in consultation with stakeholders and objection groups, and worked with new developers Jones Lang LaSalle (JLL) in order to progress retail-led regeneration of the area. With a backdrop of economic recession, JLL put development-design discussions on hold in 2013.
31. Comprehensive regeneration of the Castle Piccadilly area was supported in the previous City of York Local Plan and Local Development Framework (LDF), and remains supported in the current draft Local Plan (Policy CP1). However, independent proposals along Piccadilly are not of the same scale as previously progressed, with a number of mainly residential approvals and proposals coming forward.
32. There are plans to review development portfolios in the area (including Piccadilly), notably by Sovereign Land, the County Courts and Tax Office, and the City Council remains a major land and asset holder. After more than two decades of inertia and indecision about the future of this place, the time is now right to take clear and positive steps to improve the appearance and make far better use of the area for the benefit of residents and visitors.
33. A Draft Regeneration Framework is being drafted to support future development/ design options, this will be reviewed in spring of this year, prior to reporting to Members with a recommendation on next steps.
34. There are risks associated with the delivery of an area-wide scheme, especially in terms of previously failed proposals and civic and local opposition, and also of bringing private landowners in the area on board with the regeneration vision and timescale.

35. The timescales and ambitions of One Public Estate are not necessarily in line with that of CYC and private landowners/ developers, and this will need to be managed through phased investment and development.

Fund of Funds

36. Officers are looking at ways to maximise the use of resources from a range of funds in order to create new infrastructure in the city. Progress will depend on project management resources.

Consultation

37. Not applicable as this report is for information only.

Options

38. Not applicable as this report is for information only.

Analysis

39. Not applicable as this report is for information only.

Council Plan

40. The facilitation of the development of these major sites accords with the Council's priorities relating through support for creating jobs and growing the economy and protect the environment, which is allowed to grow whilst maintaining York's special qualities.

Implications

41. There are no financial, human resources, crime and disorder, information technology, property or other implications directly associated with this information only report.

Recommendations

42. That Members of the Scrutiny Committee note the re-structuring of the major projects, and acknowledge the ongoing work being undertaken in order to deliver the various initiatives and developments as a matter of priority for the City Council.

Reason: To provide the Committee with a regular update on developments in the city.

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Wards Affected:

All

For further information please contact the author of the report

Abbreviations

BDC - Biorenewables Development Centre
CMT – Corporate Management Team
CYC – City of York Council
EA - Environment Agency
ECDOSC - Economic & City Development Overview & Scrutiny Committee
ERDF – European Regional Development Fund
HCA – Homes and Communities Agency
HEFCE – Higher Education Funding Council for England
HS2 – High Speed Two
JLL – Jones Lang LaSalle
LCR – Leeds City Region
LDF – Local Development Framework
LEP – Local Enterprise Partnership
LGF – Local Growth Fund
NWR – Network Rail
PID - Project Initiation Document
R+D – Research and Development
UNESCO - United Nations Educational, Scientific and Cultural Organisation
WYTP – West Yorkshire Transport Fund
YNYER - York, North Yorkshire and East Riding
YORR – York Outer Ring Road