



SCARBOROUGH
BOROUGH COUNCIL

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Business Case Approval Record for

Scarborough Station Gateway

Summary Document Submission Date

24 March 2022

DOCUMENT CONTROL

Author	
Owner	
Date	24 March 2022
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DOCUMENT APPROVALS

		Date
Appraisal completed by		10 Feb 2022
Financial checks completed by		10 Feb 2022
Capital Working Group Assessment		
Regeneration Programme Delivery Board Decision		25 Jan 2022
AGREED:		
1. The Board accepts the Scarborough Station Gateway Business Case with the condition that: i) Acknowledge the risk of the interdependency of the wider station gateway project		
2. The Board recommends that the council approves the submission on the Summary Document for the Scarborough Station Gateway		
Cabinet acceptance of RPDB recommendations and permission to submit Summary Documents		15 Feb 2022
Or ICM acceptance of RPDB recommendations and permission to submit Summary Documents		
Town Deal Board endorsement of Business Case		14 Feb 2022

SUBMISSION OF SUMMARY DOCUMENT

		Date
Town Deal Board Authorisation	David Kerfoot DL OBE	18 Feb 2022
	Chair	
SBC Authorisation	Mike Greene	24 Mar 2022
	Chief Executive	
Date of Submission		24 th March 2022

Item 5

Scarborough Town Deal Board

Station Gateway Phase 1A Public Realm Business Case Summary

1 PURPOSE OF THE REPORT

1.1 This report presents the Business Case (BC) for Station Gateway Phase 1a Public Realm to The Scarborough Towns Deal Board. The Board should consider whether to support the acceptance of the BC and the submission of the Summary Document to the Department of Levelling Up, Housing and Communities or recommend that further work is required before the BC is accepted.

2 BACKGROUND

2.1 Station Gateway is the largest regeneration scheme in the current Town Deal portfolio and aims to create a high quality gateway for Scarborough Town centre, as well as contributing to the economic and environmental prospects of the town. The aspirations for the project include the creation of public space, the redevelopment of the station and surrounding buildings and improvements to transport infrastructure. Due to the large and complex nature of the project it has been split into phases. £6.68m of Towns Fund grant allocation will deliver Phase 1A which consists of 15,000 sqm of new and enhanced public realm and highway improvements to the Scarborough Railway Station area.

2.2 This Business Case focuses on Phase 1A. Further analysis on the wider Scarborough Station Gateway Programme is presented, demonstrating the full extent of the regeneration programme and the potential that Phase 1A could generate in enabling the other phases of this programme.

3 PROJECT APPRAISAL

3.1 This Business Case has been appraised by Scarborough Borough Council (SBC) and is recommended to be accepted. This project scope has been adjusted since the confirmation documents and the Towns Fund is now focused on the Phase 1A Public Realm.

3.2 The Strategic Case identifies there are significant areas of deprivation in the local area and a decline in footfall in Scarborough town center, and disconnect between tourist areas of the town and main retail core. Investing in the scheme presents opportunities to enhance the heritage value of the station building and contribute to the appeal of Scarborough as a tourist destination and attracting new residents to the area.

3.3 The Project contributes towards the Town Investment Plan by improving connection between Station and the Harbour driving the pedestrian flow to the town centre.

3.4 The Scarborough Station Gateway project will be instrumental in addressing a range of policy priorities and objectives at the national, regional and local levels. At the local level, the scheme supports multiple objectives stated in SBC's Local Plan, Town Centre Strategy and Building a Better Borough by creating an inviting arrival square and civic space around the station, enabling the diversification of the economic base and vitality of the town centre, and future phases will contribute to the borough's housing needs. It will also promote sustainable modes of transport which in turn will improve accessibility and connectivity in the town and generate other benefits in terms of greenhouse gas emissions, air quality and physical activity

3.5. Economic costs - Green book compliant method is used and shows a fair value for money for this type of scheme. This initial phase will act as a catalyst for a wider regeneration economic growth.

3.6 Commercial Case - Delivery of Phase 1A – Public Realm is the responsibility of Scarborough Borough Council. The project will be led by SBC in conjunction with project partners' NYCC, Network Rail and Transpennine. Capital works will be procured in compliance with public procurement rules. A formal tender will be released through a suitable framework for traditional design and build.

3.7. Financial Case - On this basis, cost estimates stand at £5,806,000 for Phase 1A – Public Realm Phase 1A – Public Realm will be entirely funded through the Towns Fund and as such is shown to be affordable. To reflect the early stages of the project design and risk associated with the scheme, a level contingency has been for changes in the scope and design which ranges from 10% - 21.2% depending on each phase of the development. Inflation has been added due to construction cost, fees, and profit for each phase project applying the latest RICS, BICS, along with Tender Price Inflation data.

A separate Towns Fund allocation of £874,000 has been identified as a contribution towards the redevelopment of the Comet building which includes the FabLab+ project.

3.8 Management Case - Scarborough Borough Council will be lead responsible body for Station Gateway delivery. SBC will use a well-tested delivery and project management arrangements. Which has been used on other major projects and have earned the Council Best team service of the year 2021 in the Housing, Construction and Building Service Category. Other organisations will play important roles in the delivery of the scheme; our project partners will include Network Rail, TPE and North Yorkshire County Council.

4 RECOMMENDATIONS

4.1 The board is requested to consider supporting the BC for Station Gateway 1A Public Realm. This report recommends that:

- 1) The Board support the proposed Project Adjustment which focuses the Towns Fund allocation to the Public Realm and Comet building contribution.
- 2) The Board endorses the Business Case for Station Gateway
- 3) That the Summary Document is prepared and Scarborough Town Deal Board Chair signs the document on behalf of the Scarborough Town Deal Board;
- 4) Support submission of the Summary Document to Department of Levelling Up, Housing and Communities.

5 ADDITIONAL INFORMATION

5.1 Station Gateway Business Case

Stage 2 Full Business Case Scarborough Station Gateway (Phase 1A – Public Realm)

January 2022



VERSION CONTROL

Document version	Publication date	Description of changes	Modified by
1	14/10/2021		██████████
2	23/12/2021	Update from OBC to FBC – restructure of Business Case to focus on Phase 1A Public Realm with information provided for future phases (pending future funding to be secured).	██████████
3	25/01/2022	Update of FBC following comments in draft FBC by SBC and NYCC	██████████
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EXECUTIVE SUMMARY

INTRODUCTION

Background

The Town Investment Plan (TIP) for Scarborough Borough Council (SBC) was submitted in 2020 and identified nine priority projects including the Scarborough Station Gateway. On 3rd March 2021, the Government announced that Scarborough had been successful in securing funds from the Towns Fund and was awarded £20.2m.

This document is the Full Business Case for **Scarborough Station Gateway Phase 1A – Public Realm** for which £6.68m of funding has been allocated through the Towns Fund. Phase 1A – Public Realm forms part of a wider regeneration programme for Scarborough Station Gateway.

Whilst this Full Business Case focusses on Phase 1A – Public Realm, further analysis on the wider Scarborough Station Gateway programme is presented, demonstrating the full extent of the regeneration programme and the impact that Phase 1A – Public Realm could generate in enabling the other phases of this programme.

The Project

The project is underpinned by SMART objectives, based on the Heads of Terms agreed for the project and refined as a result of the design work carried out by AECOM and 5Plus for the RIBA Stage 2 Report.

The Station Gateway Phase 1A – Public Realm consists of a 14,970 sqm of new and enhanced public realm and highway improvement outside Scarborough Station to create a welcoming arrival and civic space as well as supporting the town's climate and environmental objectives.

This phase of the project can be fully funded by the Towns Fund Grant, and is deliverable within the grant availability period.

Phase 1A – Public Realm includes the following elements:

- New plaza of 1,700 sqm with planting, seating and yorkstone paving outside Scarborough Station;
- New pedestrian crossings, new traffic signals, removal of traffic islands and hatchings, decluttering on Westborough / Valley Bridge Road junction;
- Allowance for change in levels including ramped access on Valley Bridge steps, with alteration of the existing wall;
- Tree planting and footpath resurfacing on Valley Bridge Road
- Highway lane narrowing, traffic calming, wider footpath, table crossing, and seating on Westborough Road
- Three rain gardens (one directly in front of the station, one along Westborough on the east side of Valley Bridge Road (starting in front of the new entrance to Pavilion House) and one to the rear of the station between the Transport Hub and Comet Building)

Phase 1A – Public Realm forms part of a wider vision for the revitalisation of Scarborough. This initial phase, to be funded through the Towns Fund monies allocation of £6.68m will act as a catalyst for regeneration of the Station Gateway area through the attraction of additional public and private investment.

The wider regeneration programme of the Scarborough Station Gateway is set out in the Town Investment Plan and the Scarborough Station Gateway RIBA Stage 2 Report (November 2021) produced by AECOM, 5plus and BE Group for Scarborough Borough Council.

The wider project includes a further five interlinked phases which will be delivered through £28.4m of private investment and £28.5m of further public investment, including £23.9m from the Levelling Up Fund. These components are:

- **Redevelopment of the Station (Phase 1A)** to improve access to the station, including improved visitor and resident flow to and from the station. The new design will seek to consolidate and improve existing station accommodation, bring unused buildings back in to use and enhance the current station’s food and beverage offerings and refurbish the unused station hotel.
- **A transport hub (Phase 1B & Phase 4A)** with a variety of transport investment including the provision of cycle spaces, car and bike rental facilities, electric vehicle charging points, a car club and a new Multi Storey Car Park (MSCP) providing 189 spaces to replace and consolidate the current car parks within the vicinity of the station, including 10 spaces for e-charging and 15 spaces for e-hire, including provision for future expansion.
- **Demolition and replacement of the Comet Building (Phase 2)** to provide an overall 3,139 sqm of new commercial space, of which 1,739 sqm will be dedicated to the NHS and 1,400 sqm will provide new and flexible commercial floorspace for tech tourism, incubation and innovation (Fab Lab+, see separate Business Case).
- **Refurbishing Pavilion House (Phase 3)** to house a public sector hub of 4,296 sqm accommodating Scarborough Borough Council, the Police and Beyond Housing Association in a new multi-agency destination. The refurbishment of Pavilion House and transfer of public sector activities to this new hub will enable the redevelopment of other assets including the current Town Hall.
- **Residential development (Phase 4B)** on the site off Westborough with 27flats (2,311 sqm) and potential for 202 sqm of commercial space on the ground floor, including Live/Work units.

STRATEGIC CASE

The case for change

The need for public sector intervention to deliver this scheme is based on a combination of:

- **The socio-economic challenges faced by the town**, many of which have been exacerbated by the Covid-19 pandemic. These include: a stagnating population; the impact of Covid-19 on employment creation and retention; dependency on highly seasonal tourism-related trade and lower-wage sectors; the presence of significant areas of deprivation; a declining footfall in the town centre and a disconnect between the tourist areas of the town and the main retail core. These issues point to the need to diversify and revitalise the local economy and town centre.
- **Issues specific to the station area** and its surroundings such as a poor arrival to Scarborough and wayfinding to the centre and shore; inefficient use of space at the station and a deteriorating historical building with outdated facilities; road-traffic dominance and severance issues which deter pedestrians and visitors; a lack of green and civic spaces; a lack of integrated travel choices, especially with regards to sustainable and active modes; a lack of quality office stock and especially a shortage of managed workplace facilities.
- **A range of market failures** related to the characteristics of public transport and public realm investments as public goods, viability issues, and the need for coordination to assemble land and facilitate work across public sector agencies.

Beyond the town wide challenges, the table below outlines the justification for intervention specifically relevant to Phase 1A – Public Realm being supported by Towns Fund monies.

Table 1 – Evidence of need for intervention (Towns Fund)

	Key elements	Evidence of need for intervention
Public Realm (Phase 1A)	Planting and green infrastructure, improved pedestrian wayfinding, traffic calming	<ul style="list-style-type: none"> - Unwelcoming arrival to Scarborough and poor wayfinding to the centre and shore does not encourage visits or dwell time - Traffic dominance through the Westborough / Valley bridge Road impacts on station to shoreline connection and deters pedestrians and use of active modes (i.e. walking, cycling). - Lack of green and civic spaces - Lack of facilities to manage climate impacts (e.g. urban heat, rain drainage)

	Key elements	Evidence of need for intervention
	measures, cycle lanes	- Poor setting not maximising value of historic buildings

Investing in the scheme also presents opportunities to enhance the heritage value of the station building and contribute to the appeal of Scarborough as a tourist destination, attract new residents, re-think the role of the town centre and complement the other projects funded by the Towns Fund.

Policy drivers

The Scarborough Station Gateway project will be instrumental in addressing a range of policy priorities and objectives at the national, regional and local levels. At the local level, the scheme supports multiple objectives stated in Scarborough Borough Council (SBC)'s Local Plan, Town Centre Strategy and the Building a Better Borough Programme by creating an inviting arrival square and civic space around the station, enabling the diversification of the economic base and vitality of the town centre, and contributing to the borough's housing needs. It will also promote sustainable modes of transport which in turn will improve accessibility and connectivity in the town and generate other benefits in terms of greenhouse gas emissions, air quality and physical activity. The proposed intervention will directly align and contribute towards SBC's Climate Change Strategy & Action being taken to become carbon neutral by 2030.

Fundamentally, the Phase 1a Public Realm concept design has established a scheme in full cognisance of the latest Equality Act (formerly DDA act), providing a scheme which delivers a public realm with spaces accessible for all, designed for the inclusion and enjoyment of everyone, including those with differing cognitive, sensory, physical, or developmental abilities. The goal being to make sure that everyone can feel comfortable using, navigating and passing through all areas and spaces involved.

Furthermore, the design is to comply with or exceed all applicable British Standards, product manufacturer's guidelines, quality assurances, all other statutory and local authority prevailing requirements, as applicable.

Project vision and SMART objectives

The vision for the Scarborough Station Gateway is:

"To transform the station and the surrounding area to create a strong arrival in the town centre through the provision of an integrated 21st century transport hub, together with significant new commercial and residential uses and high-quality public realm."

It is underpinned by the following SMART objectives:

- To improve the quality of public realm in the Station Gateway area, providing 14,970 sqm of new and enhanced public realm including a prominent new Station Square by January 2025;
- To improve the permeability and walkability of the Station Gateway area without impacting on road traffic;
- To improve road safety for all users through the remodelling of the highway and delivery of traffic calming measures;
- To drive an increase in footfall and dwell times via an improved F&B offer and high quality public realm space;
- To improve connectivity between the Station Gateway and the Harbour, driving pedestrian flows to the Town Centre.
- To contribute climate resilience with the introduction of rain gardens.

Further phases of the Scarborough Station Gateway, enabled by Phase 1A – Public Realm, are underpinned by the following SMART objectives:

- To enhance interconnectivity between different modes of transport through a multimodal transport hub and highways improvements, acting to increase travel choices and the number of journeys by sustainable and active modes.
- To redevelop and repurpose unattractive and underutilised buildings in the Station Gateway area delivering approximately 17,350 sqm of new or refurbished commercial and 2,310 sqm of residential uses, driving increases in land values and the number of enterprises utilising high quality, affordable and sustainable commercial space.
- To deliver improvements to Scarborough Station, its ancillary buildings and the surrounding area, enhancing the user experience and increasing station patronage / commuter flows.

A range of outcomes are expected from the scheme including: increased use of Scarborough Station and surrounding area; improved experiences for visitors; increase in dwell time in the Scarborough Station Gateway area; increased footfall throughout Scarborough and particularly towards the Harbour; new jobs and business investments; increased uptake of active modes and associated health benefits; protection and renovation of a heritage building; opportunity to redevelop the Town Hall into a boutique hotel; reduce carbon emissions (in line with SBC's Climate Change Strategy & Action to be carbon neutral by 2030); improve air quality; support economic growth and improve the economic experience of transport users.

In order to deliver the scheme a number of constraints related to land ownership and transfer, planning and highway consents, agreements with rail and bus operators and tenants will need to be addressed, and these have commenced with the preparation of a Collaboration Agreement, setting out the expectations of each party.

ECONOMIC CASE

Options appraised

The specification of the Station Gateway project has evolved since that outlined in the 2010 Masterplan and later in the TIP. The scope of the scheme was refined in collaboration between SBC, the Towns Deal Board, AECOM, 5Plus architects, and a range of stakeholders. This work and further engagement with SBC to define the Business As Usual scenario for use as a counterfactual resulted in the following short-list of options taken forward for Economic Appraisal:

- **Reference Case:** in the absence of Towns Fund monies, none of the public realm and station refurbishment could happen. As all phases apart from Pavilion House are interdependent, it also means that the changes necessary to deliver the Transport Hub and other elements would not occur.
- **Towns Fund Preferred Option:** Phase 1A – Public Realm. this option is described in the Project Summary. The scheme will deliver high quality public realm and improved highway around Scarborough Station, driving footfall and dwell time, improving connectivity and road safety and enabling further investment into the area.
- **Do More Option:** This option includes further phases of the Project beyond the Public Realm in Phase 1A including: Phase 1A Station redevelopment, Phase 1B Transport Hub, Phase 2 Demolition and Redevelopment of Comet Building, Phase 3 Refurbishment of Pavilion House, Phase 4A delivery of a Multi-Storey Car Park, and Phase 4B Residential Development.

This option, described in the Project Summary, will contribute to the renovation and delivery of additional commercial space within Scarborough Station and the improvement of rail facilities, the redevelopment of the Comet Building to deliver commercial space, the refurbishment of Pavilion House to become a new multi-agency public services space, the aggregation of parking provision within a new multi-storey modern car park, the delivery of a new Transport Hub relocated to the back of Scarborough Station and the delivery of new housing and retail space (F&B and Live/Work units).

The redevelopment of Pavilion House and relocation of public services (SBC, Police and Beyond Housing) to this development will also directly enable the development of the Town Hall site, currently occupied by SBC and the Police into a boutique hotel. Although not delivered through Towns Fund monies, this option demonstrates the impact of the wider Project which will be enabled

by the delivery of Phase 1A (Public Realm) and further funding support (through the Levelling Up Fund and private investments).

Monetised economic benefits

The elements of the scheme will support different types of benefits. The monetisable benefits include:

- Amenity benefits from the new improved public realm;
- Wider Land Value Uplift for retail properties benefiting from an uplift in footfall and increased dwell times generated by the public realm improvement;
- Road safety through the implementation of traffic calming measures.

In addition to benefits to be delivered by Phase 1A – Public Realm, directly funded by Towns Fund monies, the following benefits will be delivered under the Do More Option:

- Land Value Uplift as a result of the car park (Phase 4A) and residential development (Phase 4B);
- Benefits in terms of local employment and GVA as a result of Phase 1A (Station Redevelopment), Phase 2 (Comet building), Phase 3 (Pavilion House) and Phase 4B (Residential Development, ground floor commercial);
- Heritage benefits from the station’s refurbishment (Phase 1A).

Economic costs

The costs for the Preferred Option and Do More Option for the purpose of the Economic Case are based on cost estimates produced by AECOM (dated 10th December 2021) based on concept design drawings prepared by 5Plus architects for the RIBA Stage 2 Report issued in November 2021. The rates used in the cost estimates are current day fixed prices at Q4 2021 price levels.

Economic costs include optimism bias (OB) relevant to the type of construction work involved and in line with the stage of design work (Optimism Bias Supplementary Green Book Guidance), exclude inflation and are presented in 2021 discounted prices, in line with HM Treasury Green Book (2020).

Value for Money assessment

The Value for Money of the scheme is assessed in line with the requirements and guidance set out in the HM Treasury Green Book (2020). The appraisal period used for the costs and benefits is 30 years.

The net present value of all costs and benefits is presented in real terms in 2021 prices, applying the discounting factors set out in the Green Book. Additionality is captured by applying deadweight, displacement and leakage assumptions where relevant.

As presented in Table 2, Phase 1A – Public Realm, to be fully funded by Towns Fund and presented as the Preferred Option, represents medium Value for Money with a BCR of [REDACTED]. However, this phase will act as an enabler for the delivery of the wider Station Gateway regeneration programme, which represents high Value for Money with a BCR of [REDACTED].

It can be noted that excluding the Optimism Bias, the BCR increases to 1.70 (medium Value for Money) and 2.42 (high Value for Money) respectively.

Table 2 – Value for Money Assessment

Value for money assessment (£m, discounted, 2021 prices)	Ref	Do Nothing	Preferred Option	Do More Option
Total economic benefits	(A)	£0.0	[REDACTED]	[REDACTED]
Total public sector funding	(B)	£0.0	[REDACTED]	[REDACTED]
Private sector funding	(C)	£0.0	[REDACTED]	[REDACTED]
Total economic costs	(B) + (C)	£0.0	[REDACTED]	[REDACTED]

¹ Based on the DfT’s Value for Money Framework categorisation (2015)

Benefit-Cost Ratio (BCR)	$[(A) - (C)] / (B)$	0.00	■	■
NPV	$(A) - (B) - (C)$	£0	■	■

The scheme will also provide significant non-monetisable benefits which cannot be captured in the Value for Money assessment but need to be considered seriously when assessing this scheme and its potential benefits to the local economy and community over the long-term. Non-monetised benefits include:

- **transport benefits for pedestrians:** although these benefits can be monetised, there is no standard model to appraise the impact of such a small scheme. Developing a bespoke approach would demonstrate a small positive benefit but it was agreed that the time requirement for this assessment was disproportionate and therefore the benefit is not monetised;
- **transport benefits for cyclists:** similarly to above, in the absence of standard model to appraise this benefit and the likely low positive impact it will generate, it was decided that it would not be monetised;
- **environmental benefits:** through better and greener design which support the council's transition to net zero and help mitigate the impacts of climate change and the rationalization and modernisation of the built environment in the Station Gateway area, including public sector assets;
- **improved perception of the Station Gateway area:** leading to higher footfall and increased dwell time;
- **health benefits:** through a shift in modes of transport towards more active means;
- **transport benefits for station users:** improved accessibility and connectivity between Scarborough Station and the town centre, improved rail facilities, expansion of the retail offer within Scarborough Station.

FINANCIAL CASE

The capital costs of the scheme have been estimated by AECOM's quantity surveyors RIBA Stage 2 Cost Plan (dated 10/12/2021) based on outline concept design assumptions by 5Plus architects for the RIBA Stage 2 Report issued to SBC on 02 December 2021.

In order to reflect the early stages of project design and risks associated with the scheme, a level of contingency has been included for changes in scope and design and ranges from 10% to 21.2% depending on each phase of development.

Inflation has been added to construction costs, fees and profit for each phase of the project, applying latest RICS BCIS Tender Price Inflation data.

On this basis, cost estimates stand at ■■■■■ for Phase 1A – Public Realm and at ■■■■■ for all phases of the Station Gateway project. Phase 1A – Public Realm will be entirely funded through the Towns Fund.

The cost of further phases, estimated at £56,902,480 in total, are expected to be funded as follows:

- **Phase 1A (Station Redevelopment):** £10.8m to be funded through private investment (£6.1m) and Levelling Up Fund (£4.7m) coming from SBC and NYCC. The station redevelopment consists in improved rail facilities (£0.9m), station hotel development (£5.3m) and station F&B development (£4.6m).
- **Phase 1B (Transport Hub):** £4.8m to be fully funded through Levelling Up Fund (NYCC);
- **Phase 2 (Comet Building – NHS only):** £8.2m to be funded through private investment (£3.5m), Towns Fund (£0.9m), and Levelling Up Fund from SBC (£3.8m);
- **Phase 3 (Pavilion House):** £17.1m to be funded through private investment (£6.5m) and SBC Levelling Up Fund (£10.6m);
- **Phase 4A (Multi-Storey Car Park):** £7.7m to be fully funded through private investment;

- **Phase 4B (Residential Development):** £8.2m to be funded through private investment (£4.4m). To date, this phase of the project remain under-funded and a gap funding of [REDACTED] has been identified. Further work will be required to identify funding sources or reduce the cost of this phase of the project.

Cost of each phase of the Scarborough Station Gateway project and sources of funding are summarised in Table 3.

Table 3 – Cost and Funding Sources

	Funding Sources (£m)					Total Cost
	Private	Towns Fund	SBC LUF	NYCC LUF	Other to be Identified	
Public Realm Redevelopment	■	■	■	■	■	5.8
Station Hotel Development	■	■	■	■	■	5.3
Station Food and Beverage Units	■	■	■	■	■	4.6
Station Rail Facilities	■	■	■	■	■	0.9
Transport hub	■	■	■	■	■	4.8
Comet Building Redevelopment	■	■	■	■	■	8.2
Pavilion Refurbishment	■	■	■	■	■	17.1
Multi Storey Car-Park	■	■	■	■	■	7.7
Residential development	■	■	■	■	■	8.2
TOTAL	28.4	6.7	14.4	9.5	3.8	62.7

Work on the financial case to date has highlighted a funding gap with regards to the residential development and station hotel development as shown in the table above. SBC is working with NYCC to address these gaps and establish a clear funding position for these later phases.

This will be further developed in the later bid for Levelling Up Fund, supporting additional phases of the Station Gateway NAMELY Comet building redevelopment and Pavilion House refurbishment. Work on this LUF application from SBC is expected to start in early 2022.

COMMERCIAL CASE

Delivery of Phase 1A – Public Realm is the responsibility of Scarborough Borough Council. NYCC and Network Rail advised, at the Steering Group meeting held 17-Dec-2021, that they would permit works to be undertaken by SBC on NYCC’s land.

The current approach to delivery involves several organisations: Scarborough Borough Council (for Phases 2 and 3), Network Rail (for Phase 1A station redevelopment and 4B) and Transpennine Express (for Phases 1B and 4A).

The procurement options being considered for each component of the scheme are: traditional design and construction for Phase 1A (both Public Realm and Station Redevelopment), developer-led for the residential development, and design and build for all other phases.

For the elements being undertaken by the SBC, the procurement rules of the Council are set out in the Contract Procedure Rules within its Constitution. The D&B contractor will be procured from the YORbuild Major Contractors Framework using the NEC4 ECC form of contract which tends to transfer most of the risks for the delivery of the works to the Contractor.

Where development partners are required, the Council will procure them from the Pagabo Developer Led Framework which uses a combination of NEC forms of contract and also bespoke contracts for

certain developer elements. A Developer Procurement exercise has already been undertaken and a preferred developer identified who is in the process of appointment.

With regards to the other delivery partners (Network Rail, North Yorkshire County Council and First Transpennine Express), detailed discussions have been held with them and a Collaboration Agreement regarding the delivery of Scarborough Station Gateway has been drafted. This agreement, setting out the obligations and expectations of each party, forms the basis of future legal agreements as the project progresses.

MANAGEMENT CASE

Scarborough Borough Council will be the accountable body for the Station Gateway, and responsible for leading on the delivery of the Towns Fund investments. It will use well-tested delivery and project management arrangements which have been applied on other local major projects and have earned the Council the APSE award for the Best Service Team of the Year 2021 in the Housing, Construction and Building Service Category.

Other organisations will play important roles in the delivery of the scheme: the Scarborough Towns Deal Board will oversee implementation; Network Rail and TPE will be major delivery partners as current landowner and operator of the station; North Yorkshire County Council will oversee the delivery of the highway improvements as owner of this asset.

The three line model will be implemented by SBC to help communicate, understand and embed key risk management and assurance processes into the project. Risk management processes in line with PRINCE2 will be set up to continuously monitor where uncertainty surrounding events or outcomes exists and identify appropriate mitigating measures.

The current programme, as per RIBA Stage 2 Design Report, expects the scheme's phases to be delivered as follows:

Phases delivered under the Towns Fund Grant :

- Phase 1A (public realm improvements): July 2023 – January 2025

Later Phases delivered with other funding :

- Phase 1B (transport hub): October 2023 – September 2024
- Phase 2 (Comet building): December 2023 – June 2025
- Phase 3 (Pavilion House): July 2023 – November 2024
- Phase 4A (MSCP): October 2023 – March 2025
- Phase 4B (residential development): April 2025 – April 2027

Communications and engagement will continue between the Council and its key stakeholders throughout the life cycle of the project and the Council's Capital Strategy Working Group will monitor and evaluate benefits.

INTRODUCTION

In November 2019, the Ministry of Housing, Communities and Local Government² (MHCLG) announced that Scarborough and Whitby had been identified as two of 101 towns in England that they wish to work with to develop Town Investment Plans and bid for a share of the Government's £3.6bn Towns Fund.

A Town Deal Board made up of representatives from different local organisations in the public, private and voluntary sectors was set up in Scarborough to consider proposals, develop a Town Investment Plan and submit a bid to the Government's Towns Fund by Autumn 2020.

The Town Investment Plan identified nine priority projects, amounting to a total ask of £25m, predominantly focussed on: regenerating and bringing new uses to key town centre sites; investment at key gateways; diversifying the economic offer; and investing in projects that will enhance skills and levels of entrepreneurship. A bid was submitted to MHCLG on this basis.

On 3rd March 2021, the Government announced that Scarborough had been successful in securing funds from the Towns Deal and was awarded £20.2m.

Based on this decision, the initial list of projects was adjusted to match the funding available and proceed to delivery stage (Stage 2). This includes the Scarborough Station Gateway scheme (described in the next section), of which Phase 1A – Public Realm will be delivered with Towns Fund monies, along with³:

- Scarborough Harbour: regeneration of the harbour and West Pier public spaces, with leisure, hospitality, creative industries and support for the fishing industry;
- Town centre FabLab+: skills training centre for robotics, 3D modelling and printing, sound engineering;
- Scarborough Fayre: year-round programme of events and cultural regeneration, with an annual spectacular;
- Cycling and Walking improvements: 16km of new/upgraded cycling/ walking paths linking south Scarborough's growing business and residential areas with the Town Centre and onwards to the Yorkshire Coast and the North York Moors National Park.
- Wild Eye on Scarborough: an alternative nature-based tourism offering to complement what is traditionally expected of the first British resort.
- Improving Scarborough Cricket Club: enhancement of the pitch and grounds infrastructure along with essential upgrades to security, accessibility and remedial works to improve health and safety.
- Green Construction: project to expand the existing Scarborough Construction Skills Village offer, to increase the range and level of training courses available and intake of learners.

THE PROJECT

The Station Gateway is a project aimed at delivering improvements to Scarborough Station and its surrounding area in order to create a strong arrival in the town and a new commercial quarter by finding new uses for existing buildings.

The project will be coordinated around a high-quality public realm including a prominent new Station Square. The purpose of improving this area is to create better connections to the High Street and on to the shore area and to establish opportunities for commuters to connect to a range of transport opportunities, including onward bus connections, a cycle hub, and reliable and frequent train travel.

Phase 1A – Public Realm will be an enabler for the wider Station Gateway project and has the potential to be a catalyst in the delivery of a significant quarter based on new and refurbished buildings, offering commercial office space as well as quality apartment living.

² Now the Department of Levelling Up, Housing and Communities

³ MHCLG (March 2021) Heads of Terms offer for Scarborough

Significant work has been on-going since the 2010 Masterplan for the Station Area Redevelopment as well as engagement with local stakeholders in order to refine the scope of the project and create a coherent approach to this area which will maximise the opportunities it offers and align with the vision for Scarborough outlined in Scarborough Blueprint 2021. The scheme includes six interlinked components⁴:

- **New and enhanced public realm and planting/green space (Phase 1A)** (14,970sqm) to create a welcoming arrival square and civic space as well as support the town's climate and environmental objectives.
- **Redevelopment of the Station (Phase 1A)** to improve visitor and resident flow to and use of the station. The new design will seek to consolidate and improve existing station accommodation, and to greatly enhance the current station food and beverage offerings. It will also involve the refurbishment of the unused station hotel, capitalizing on its heritage value.
- **A transport hub (Phase 1B & Phase 4A)** which will provide a variety of travel options for people in Scarborough, including the provision of cycle spaces and car and bike rental facilities, electric vehicle charging points as well as a car club to allow the hire of rental vehicles directly from the station. A new Multi Storey Car Park (MSCP) will also be designed behind the station along Westwood to replace and consolidate the current car parks within the vicinity of the station (including the one currently on the site of Phase 4B).
- **Demolition and replacement of the Comet Building (Phase 2)** to provide 3,139 sqm of new commercial space, of which 1,739 sqm will be dedicated to the NHS and 1,400 sqm will provide new and flexible commercial floorspace for tech tourism, incubation and innovation (Fab Lab, which has its separate Business Case).
- **Refurbishing Pavilion House (Phase 3)** including removing the façade and re-cladding the building in a new intelligent and environmentally responsive envelope. The 4,296sqm of refurbished space would house a public sector hub combining Scarborough Borough Council, the Police and Beyond Housing Association in a new multi-agency destination. The relocation of those services to the Pavilion House will enable to redevelopment the Town hall site into a boutique hotel.
- **Residential development (Phase 4B)** on the site off Westborough (currently the car park for Transpennine Express which will become part of the new MSCP). Current design assumes 27 flats and potential for 202sqm of commercial space on the ground floor, including Live/Work units.

The area boundaries of each component are presented in Figure 1 and the current plans for each are illustrated in Figure 2. Further design details are available in Aecom and 5Plus's RIBA Stage 2 Report.

⁴ Aecom, 5Plus (November 2021) Scarborough Station Gateway: Stage 2 Report

Figure 1: Station Gateway Work Phases

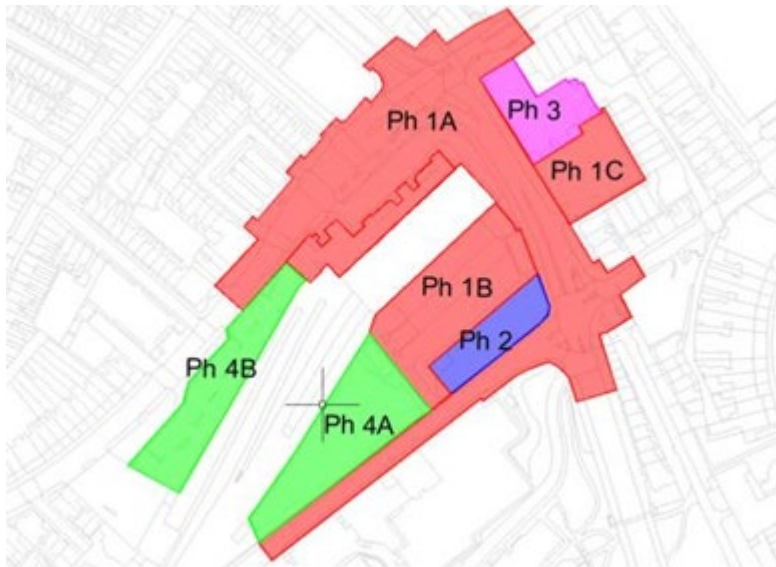


Figure 2: Station Gateway Masterplan Design



STRATEGIC CASE

STRATEGIC CASE

INTRODUCTION

The Strategic Case presented here:

- Demonstrates the need for intervention based on a detailed understanding of the study area's constraints and challenges;
- Outlines the relevant policy context including strategic objectives at national, regional and local levels and how the project will contribute to these objectives;
- Articulates how the proposed project will bring about change in line with the Towns Fund mission. This includes setting out a clear theory of change and describing the preferred way forward to effect this change based on evidence and engagement with stakeholders.

The importance of the Strategic Case has been further emphasised in the 2020 update of the Green Book.

CASE FOR CHANGE

Current context and challenges

The town of Scarborough is located in North Yorkshire and is the largest town and primary economic centre for the entire Yorkshire Coast. The rationale for public investment is rooted in addressing key challenges described in the Town Investment Plan (TIP), highlighting the need for intervention to achieve regeneration, Covid-19 recovery and long-term economic resilience. The evidence presented in the TIP is summarised below, updated with the latest data from the ONS and supplemented with analysis from the Property Market Review produced by BE Group in August 2021⁵.

The Borough of Scarborough is home to approximately 108,700 residents, with 62,000 located in the area of focus for the Scarborough Town Deal. The borough and Scarborough Town Centre are experiencing a number of challenges:

- **A stagnating population:** the population of Scarborough has remained largely unchanged over the past ten years in contrast to increasing population levels across Great Britain and Yorkshire and the Humber (7% and 5% increases have been recorded respectively). This is in part due to the town's **peripheral location** which makes it difficult to attract new residents and retain young people due to challenges associated with accessing higher education and employment opportunities.
- Scarborough's economy provides approximately 44,000 employee jobs and over 5,000 businesses across a range of sectors. However, **employment creation and retention have been challenged by the impact of Covid-19** which has disproportionately affected lower value economic sectors and areas of the UK: the latest data indicate that a cumulative 20,800 jobs had been furloughed out of an eligible population of 41,300, with accommodation and food services, wholesale and retail trades and arts, entertainment and recreation significantly impacted locally. This has fed through to the local unemployment rate, which reached 4.8% in March 2021 – an annual rise of 1.8 percentage points – while the unemployment rate across Yorkshire and the Humber rose by 0.7 percentage points over the same period.
- The town has particular strengths in tourism-related trades, public service administration and manufacturing. However, while tourism is vitally important to the economic prosperity of the town (with over 7m visits and £500m worth of spend within the local economy a year) and generates high levels of repeat visits and visitor satisfaction, it is highly **seasonal** in nature and has an older visitor profile with an estimated 79% of visitors to Scarborough being aged over 45 while over a third are of retirement age. The local tourism sector has been particularly hard hit by the pandemic with accommodation and food services accounting for 20.7% of furloughed employments as of July 2021,

⁵ BE Group (2021) Scarborough Property Market Overview

from a peak of nearly 40% in May 2021. At the same time, some **higher value sectors and occupations** are under-represented in Scarborough, for instance professional, scientific and technical activities, which account for 3.2% of employment compared with the national average of 9.2%. Similarly, information and communication activities account for just 0.8% of employment compared with 4.4% nationally. Diversifying the economy towards more high value activities may act to address the **town's productivity shortfall**, with GVA per head in Scarborough sitting 16.2% below the regional average.

- The labour force of Scarborough is characterised by high levels of self-employment and part-time employment as well as a lower presence of managerial and professional occupations leading to **lower than average wage levels** compared to the regional and national averages.
- There are **significant and enduring areas of deprivation** in the Town Deal area in terms of living environment, education, employment, health and income. Areas of Scarborough's centrally located Castle ward are within the 2% most deprived Lower Super Output Areas (LSOAs) in England and within the 10% most deprived for education, employment, health, housing and crime.
- There is a **disconnect between the tourist areas of the town and the main retail core** meaning the high street does not benefit from spend by tourists as much as it could. At the same time, national retail trends and the shift to online shopping have hit Scarborough particularly hard with chain stores such as Debenhams, Top Shop, Dorothy Perkins, Poundworld, Thomas Cook, Ponden Home and DW Sports all closing stores in recent years, leaving large vacant units no longer suited to the need of modern retail. The Town Centre Strategy identified **declining footfall** in recent years as a key challenge for the high street: over 8.3m people passed over the counters in 2016, compared to 7.1m in 2019, a 14% reduction in footfall over this three year period. This has since been exacerbated by the pandemic which led to the closure of two important anchor stores (Debenhams and TopShop) adding to the significant number of vacant units. Improvement to the public realm and permeability/pedestrian accessibility between the Station and Westborough should direct visitors in the direction of the town centre, contributing to an uplift in footfall on the high street (Westborough, Newborough, Eastborough).
- The economic vitality of Scarborough town centre is further challenged by **very limited commercial office** activity. Much of the stock is dated and there is a low volume of transactions, with some vacant stock taking considerable time to become occupied. Depressed market conditions have led to declining demand, falling property values and rental incomes, and a lack of investment to improve town centre properties. However, BE Group property consultants have identified a demand for small, serviced offices in the town centre.

As seen above, Scarborough town centre faces significant economic challenges to becoming a growing, thriving and successful place, many of which have been amplified by Covid-19 due to its reliance on the tourism, hospitality and leisure trades. This points to an urgent need to diversify the economy and revitalise the town centre for residents and tourists alike in order to adapt to new ways of working, spending and living as well as wider environmental and economic challenges. The Station Gateway scheme will help to achieve this by creating a high quality urban environment which encourages visits and a mix of economic activities.

Evidence of need related to the specific project

Beyond the town-wide challenges summarised above, the table below outlines the justification for intervention specifically relevant to this scheme and its component parts. It is based on the outcomes of extensive stakeholder engagement, the BE Group property market overview, and AECOM and 5 Plus's Stage 2 report which reviewed the work to date on the scheme and sets out an outline concept design for the scheme⁶.

Table 4 – Evidence of need for intervention (Towns Fund)

	Key elements	Evidence of need for intervention
Public Realm (Phase 1A)	Planting and green infrastructure, improved pedestrian wayfinding, traffic calming measures, cycle lanes	<ul style="list-style-type: none"> - Unwelcoming arrival to Scarborough and poor wayfinding to the centre and shore does not encourage visits or dwell time - Traffic dominance through the Westborough / Valley Bridge Road impacts on station to shoreline connection and deters pedestrians and use of active modes. - Lack of green and civic spaces - Lack of facilities to manage climate impacts (e.g. urban heat, rain drainage) - Poor setting not maximising value of historic buildings

Table 5 – Evidence of need for intervention (Further Intervention)

	Key elements	Evidence of need for intervention
Station building (Phase 1A)	Redeveloped station and improved use of space	<ul style="list-style-type: none"> - Poor sense of arrival at Scarborough - Historical building is deteriorating, and energy performance is poor - Inefficient use of space with approximately 20% of the station buildings in regular use - Poor connection between the station and the shore resulting from poor pedestrian access and flow and a lack of information for visitors at the station - Outdated station facilities: no changing facilities, inadequate passenger waiting facilities and limited refreshment offer
Transport Hub (Phases 1B & 4A)	New car park, taxi ranks, access to e-bikes and e-cars, EV charging points, increased bus frequency	<ul style="list-style-type: none"> - Speeding on Westborough creates an unsafe environment - Severance issues for pedestrians and poor environment - Lack of integrated travel choices, especially with regards to sustainable and active modes (i.e. rail-bus-bike) - Car ownership generally higher than in towns of similar size in England - Low bus frequency (22 services across five lines, going into two directions, per hour) and irregularity in the frequency of services - Lack of EV charging infrastructure and shared mobility modes - Underused car parks
Comet building – NHS only (Phase 2)	Commercial space	<ul style="list-style-type: none"> - Space adapted to modern needs of NHS services (Audiology, Podiatry and Children's Therapy) - Provision of NHS space on this site, taking full advantage of the transport links and services within walking distance.

⁶ Scarborough Borough Council, AECOM, 5Plus (November 2021) Scarborough Station Gateway: RIBA Stage 2 Report

	Key elements	Evidence of need for intervention
		<ul style="list-style-type: none"> - Consultations with the NHS illustrated a potential demand for and shortage of appropriate workplace facilities in Scarborough town centre. - BE Group's property market review confirmed and enhanced these findings. It found that there is a lack of quality stock in the market.
Pavilion House (Phase 3)	Commercial space / public sector hub	<ul style="list-style-type: none"> - Brutalist building universally disliked by local residents - The current accommodation of SBC and the Police at the Town Hall is outdated and would require significant investment to be brought up to standards and adapt to new working practices. In addition, following the consultation on local government reorganisation in North Yorkshire, it was announced in July 2021 that the current county, district and borough councils would be replaced by a new single council for North Yorkshire with City of York Council remaining as it is. The new council is expected to officially start in April 2023, and modern office space for new, modern ways of working is required by the Unitary Authority. This aligns with research and consultation by SBC which concluded that new premises in the town centre were required. - Through stakeholder consultation, a space budget has been derived which estimates the space needs of each organisation (SBC, Police, Beyond Housing) using modern agile working and shared resources. - The town lacks high-quality flexible workplace which is centrally located and well-connected via rail and road. - The relocation of public services to modern facilities will contribute towards the Council's ambitions to become carbon neutral by 2030 (SBC Climate Change Strategy; climate emergency declared in January 2019) and enable to redevelopment of the Town Hall building to meet new energy and climate standards.
Housing (Phase 4B)	1 and 2 bedroom apartments with some commercial space on the ground floor	<ul style="list-style-type: none"> - The rental market for flats is significant, with stock being leased quickly when coming to the market. - On the other hand the flats market has lower demand for sale, but this is probably due to the poor quality of flats available in the market. Property agents consider that if better quality of stock of flats becomes available, it could be leased or sold quickly. - The new development will contribute to the council's affordable housing requirement (estimated at around 220 new affordable homes each year in order to meet the local housing waiting list which currently stands at around 2,000 households).

Opportunities presented by the project

Investing in the scheme is not only needed in order to address the challenges outlined above, it also presents opportunities to:

- Enhance the heritage value of the station building and contribute to the appeal of Scarborough as a tourist destination.
- Maximise the potential to attract new residents looking to move away from major urban centres in the aftermath of the pandemic, by building on the high quality of life experienced by Scarborough

residents as a result of its coastal location and access to areas of Outstanding Natural Beauty.

- Maximise the potential to attract new businesses looking for a balance between affordable commercial rent and quality of the urban environment and improved accessibility. Retail and F&B activities will benefit from an increase in footfall in the town centre.
- Re-think the expectations and role of a town centre by re-purposing empty or underused buildings, in collaboration with the private sector, following commitment built through the process of the Town Centre Strategy.
- Create synergies with the other projects funded by the Towns Fund as well as other initiatives planned across the town in order to benefit the wider area served by Scarborough.
- Support a range of wider policy objectives with regards to health, active modes, air pollution and net zero as described in the next section.

However, in order to deliver these changes, public intervention and funding is required to address market failures and the lack of sufficient local funding as described below.

Need for public sector intervention

The need for public sector intervention to deliver the package of investments in this scheme and support the policy objectives described in the next section is based on a combination of: the socio-economic challenges faced by the town and the station area (summarised above); a range of market failures related to the characteristics of public transport and public realm investment, site-specific constraints and the need for coordination; and the absence of sufficient local funding.

Market failures

The nature of public transport and public realm included in this scheme means that it serves a wide range of beneficiaries and generates social and economic externalities. It is also non-rival and non-excludable in demand i.e. if it is provided for one, it is provided for all. These features make it unviable for one or even several developers / private operators to fully finance large public transport and public realm projects.

In addition, the constraints and dependencies attached to the various elements of the projects – and explained in more detail further on in this Strategic Case - mean that implementing this scheme in a coherent way will require coordination between agencies and investments. This is a role that can only be fulfilled by the public sector.

Finally, viability issues with regards to the development parts of this scheme (Comet building, Pavilion House and residential development) as well as a challenging housing market limit the private sector's ability to deliver the type of quality development and mix required to achieve the policy objectives and Town Fund objectives in terms of regeneration and transformation of Scarborough Town Centre.

Insufficient local funding

Like many other public sector bodies the Council has faced significant funding cuts in recent years, with the Council's annual core grant funding allocations reducing by more than £8m (65%) in cash terms over the period from 2010 to 2021.

Between 2015-16 and 2021-22 Settlement Funding Assessment (SFA) – the Council's main annual grant funding source – fell by £2.8m (almost 40%), and other funding sources such as New Homes Bonus have also reduced significantly. To address the funding gap Scarborough has had to increase its Council Tax by more than inflation, with our Band D charge increasing by 13% over this same period. Despite this increase the Council's core spending power has reduced by £1.275m (8%) in cash terms and £3m (19%) in real terms, which is significantly higher than the 5.1% average cash term reduction faced by district councils nationally.

The above issues, along with increased demand for services and inflationary cost pressures, has resulted in the need for the Council to identify year on year revenue budget savings over that period.

Additional pressures on the Council's capital and revenue budgets arising from deteriorating property, infrastructure and coastal defence asset bases and the need to fund £2m Covid-related pressures in the

2020/21 financial year has further restricted the Council's ability to provide the funding that is needed to support aspirational regeneration schemes within the borough.

POLICY ALIGNMENT

The Scarborough Station Gateway project will be instrumental in addressing a range of policy priorities and objectives at the national, regional and local levels. The most directly relevant are summarised next.

National policy

National Planning Policy Framework (2021)

The National Planning Policy Framework sets out the Government's planning policies for England and how these should be applied. It provides a framework within which locally prepared plans for housing and other development can be produced. It defines three overarching objectives, which are interdependent and need to be pursued in mutually supportive ways:

- *An economic objective* – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure.
- *A social objective* – to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations; and by fostering a well-designed and safe built environment, with accessible services and open spaces that reflect current and future needs and support communities' health, social and cultural well-being.
- *An environmental objective* – to contribute to protecting and enhancing the natural, built and historic environment; including making effective use of land, helping to improve biodiversity, using natural resources prudently, minimising waste and pollution, and mitigating and adapting to climate change, including moving to a low carbon economy.

The Environment Act 2021

The Environment Bill was first introduced into Parliament 15th October 2019 and received Royal Assent on 9th November 2021. The Bill sets out to protect and improve the natural environment in the UK, legally obliging policymakers to choose policy options which cause the least environmental harm and bolsters the environmental role of local leaders by providing additional powers and flexibilities to deliver action. Of particular relevance to this scheme, are The Bill aims to:

- Improve the air we breathe;
- Deliver sustainable water resources;
- Restore and enhance nature and green spaces; and
- Deliver environmental ambition at local level.

UK Climate Change act 2008 (as amended)

The UK Government declared a climate emergency in May 2019. On 12 June 2019, the Government enacted the Climate Change Act 2008 (2050 Target Amendment) Order 2019 to amend the Climate Change Act 2008 by introducing a new higher target for at least a 100% reduction of greenhouse gas emissions (compared to 1990 levels) in the UK by 2050 i.e. net zero. In 2018, the UK had reduced its carbon emissions by 44% compared to 1990. It is this primary legislation that is driving national, regional and local policy on climate change.

Glasgow Climate Pact (COP26)

The 26th United Nations (UN) Climate Change Conference of the Parties (COP) brought almost every country together in Glasgow to accelerate action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change. One key aspect of the Pact is the new declaration to end the sale of internal combustion engine vehicles by 2040 with all new vehicle sales being zero-emission by 2035 in leading markets.

Build Back Better: Our Plan for Growth (2021)

The UK Government's plan to Build Back Better aims to address long-term challenges to deliver growth that creates high-quality jobs across the UK and capitalises on the country's key strengths. It is underpinned by 3 core pillars of growth - infrastructure, skills and innovation – and the following priorities:

- Levelling up the UK;
- Supporting the transition to net zero; and
- Supporting the government's vision for a global Britain.

Our Plan to Rebuild: The UK Government's Covid-19 Recovery Strategy (2020)

The UK Government's Covid-19 Recovery Strategy is focused on allowing a "return to life as close to normal as possible, for as many people as possible, as fast and fairly as possible.....in a way that avoids a new epidemic, minimises lives lost and maximises health, economic and social outcomes." The strategy is based on balancing three main factors:

- *Health effects* – consideration of overall health outcomes, not just those directly caused by Covid-19.
- *Economic effects* – protecting and restoring people's livelihoods and improving people's living standards.
- *Social effects* – consideration of the wider effect of the social distancing measures on how the public live their daily lives.

UK Clean Growth Strategy (2017)

The UK Clean Growth Strategy sets out a comprehensive set of policies and proposals that aim to accelerate the pace of 'clean growth', i.e. deliver increased economic growth and decreased emissions. It explains how the whole country can benefit from low carbon opportunities, while meeting national and international commitments to tackle climate change. The key actions that the Government will take as part of this Strategy are set out below:

- Accelerating clean growth
- Improving business and industry efficiency
- Improving the energy efficiency of our homes
- Rolling out low carbon heating
- Accelerating the shift to low carbon transport
- Delivering Clean, Smart, Flexible Power
- Enhancing the benefits and value of our natural resources
- Leading in the public sector

Cycling and Walking Investment Strategy (2017)

The Cycling and Walking Investment Strategy outlines the Government's ambition to make cycling and walking the natural choice for shorter journeys, or as part of longer journeys, by 2040. The Strategy aims to support the transformation of local areas through sustained investment in cycling and walking infrastructure, realising change which will tackle congestion; extend opportunity to improved physical and mental health; and support local economies. By 2040 the Government aims to deliver:

- *Better Safety* – "a safe and reliable way to travel for short journeys"
- *Better Mobility* – "more people cycling and walking - easy, normal and enjoyable"
- *Better Streets* – "places that have cycling and walking at their heart"

Homes England Strategic Plan

The Homes England Strategic Plan details the mission to intervene in the market to ensure more homes are built in areas of greatest need, to improve affordability and make this sustainable by creating a more resilient and diverse housing market. The Strategic Plan outlines the following objectives:

- *Unlock public and private land where the market will not*, to get more homes built where they are needed.
- *Ensure a range of investment products are available* to support housebuilding and infrastructure, including more affordable housing and homes for rent, where the market is not acting.
- *Improve construction productivity*.
- *Create a more resilient and competitive market* by supporting smaller builders and new entrants, and promoting better design and higher quality homes.
- *Offer expert support for priority locations*, helping to create and deliver more ambitious plans to get more homes built.
- *Effectively deliver home ownership products*, providing an industry standard service to consumers.

Visit England's Five-Year Strategy 2020-2025

Visit England's Five-Year Strategy sets out not only how it will support the delivery of the Tourism Sector Deal, but also the vision for the next half decade. The Strategy is set against an ambitious growth target for the whole of Britain to attract 49 million visits by 2025 and £35 billion in spending, with activities focused on the key themes of:

- *Growing the value of tourism* – Encouraging repeat visitors to grow lifetime visitor value.
- *Driving the dispersal of tourism value* – Supporting the regional tourism offer to optimise visitor dispersal and address product gaps.
- *Supporting productivity optimisation* – Focusing on developing a tourism product that extends seasonality and length of stay.
- *Being the expert body on growing tourism* – Strengthening Visit England's statutory role to advise Government on tourism, to ensure that the industry is factored into policy development.
- *Delivering a clear strategy for England* – Visit England will deliver a clear strategy for England, continue to be a "voice for England" and work with industry to support productivity, grow value and reach new markets and segments.

Emergency Active Travel Fund (2020)

The £250m Emergency Active Travel Fund was introduced in May 2020 during the Covid-19 pandemic to ease pressure on public transport and make cycling and walking easier, safer and more accessible through interventions such as pop-up bike lanes, wider pavements, safer junctions, and cycle and bus-only corridors. Following unprecedented levels of walking and cycling across the UK during the pandemic, the plans aim to encourage more people to choose alternatives to public transport when they need to travel, making healthier habits easier and helping make sure the road, bus and rail networks are ready to respond to future increases in demand. North Yorkshire was allocated £133,000 in Phase One and £1,065,000 in indicative allocation Phase Two.

Equality Act 2010

Fundamentally, the Phase 1a Public Realm concept design has established a scheme in full cognisance of the latest Equality Act (formerly DDA act), providing a scheme which delivers a public realm with spaces accessible for all, designed for the inclusion and enjoyment of everyone, including those with differing cognitive, sensory, physical, or developmental abilities. The goal being to make sure that everyone can feel comfortable using, navigating and passing through all areas and spaces involved.

Furthermore, the design is to comply with or exceed all applicable British Standards, product manufacturer's guidelines, quality assurances, all other statutory and local authority prevailing requirements, as applicable.

How Scarborough Station Gateway supports national policy objectives

NPPF	<p>The Scarborough Station Gateway project aligns with the <i>Economic Objective</i> of the NPPF by addressing the underutilisation of a key infrastructure asset – Scarborough Station – to support growth and productivity, whilst the provision of high-quality commercial space as part of the project will also support growth, innovation and improved productivity. The <i>Social Objective</i> will be met through the provision of residential units to meet the housing needs of Scarborough’s residents while interventions to improve the public realm and support active travel will support communities’ mental and physical wellbeing. Moreover, the <i>Environmental Objective</i> will be addressed through improvements to the transport infrastructure in the Station Gateway area, supporting active and sustainable modes, and repurposing vacant and underutilized buildings within the Conservation Area thereby protecting and enhancing the built and historic environment.</p>
The Environment Act 2021	<p>The Scarborough Station Gateway project will contribute to a reduction of air pollution through interventions such as the delivery of a high quality green public realm, the delivery of EV charging point facilitating and accelerating the transition to electric vehicles by local residents, the provision or enabling of alternative forms of transport through the transport hub (bicycle facilities, train to bus transfer, etc.) and improved permeability of the site (high quality public realm and improvement to the highway) contributing to an increase in active modes of transport and increase use of public transport over private cars.</p> <p>The Station Gateway will also demonstrates the ambitions of Scarborough Council in terms of environment and commitment to fight climate change. The relocation of SBC to the Pavilion House will contribute to the Council’s Climate Change strategy.</p>
UK Climate Change act 2008 (as amended)	<p>The scheme will contribute to reduce carbon gas emissions in Scarborough through the delivery of green infrastructure, the enabling of alternative modes of transport including active modes of transport and infrastructure to support the transition towards greener motorised vehicles (i.e. electric vehicles). The relocation of public services to the Pavilion House will also contribute to a net reduction in carbon emissions as the Town Hall is considered outdated and energy inefficient. Similarly, the redevelopment of the Comet building and the residential development will deliver high quality, energy efficient commercial and residential space in Scarborough.</p>
Glasgow Climate Pact (COP26)	<p>The Transport Hub will play a major role in accelerating the switch to zero-emission vehicles by 2035 with the provision of EV infrastructure.</p>
Build Back Better	<p>Build Back Better highlights that high-quality infrastructure is crucial for economic growth, boosting productivity and competitiveness. The Station Gateway project is clearly aligned with the <i>Infrastructure</i> pillar, investing in a vital piece of economic infrastructure – Scarborough Station – as well as wider transport infrastructure, the public realm and improving the built environment. This will act to underpin the town’s economic recovery, deliver long-term growth and <i>support levelling up across the UK</i>.</p>
Our plan to rebuild	<p>As set out in its phased recovery strategy, the Government will deliver fourteen programmes of work, including the need for “<i>economic and social support to maintain livelihoods and restore the economy</i>”. With the global economy set to change markedly, the UK will need to be agile in adapting to and shaping changes to improve living standards across the nation as it recovers from Covid-19. Such changes are of particular relevance to the Station Gateway project, having implications for how people interact with the town centre which will impact and inform project elements such as the public realm, the station buildings and wider commercial spaces.</p>

UK Clean Growth Strategy	The investment in the Station Gateway stands to accelerate the shift to low carbon transport . A key aspect of the Station Gateway investment plans is to enhance active and sustainable transport infrastructure to support access to the station and onward journeys, making public transport, cycling and walking a natural choice for station users. Moreover, improvements to the station buildings and wider public realm will boost the vibrancy and vitality of the Station Gateway area, which may prompt more people to engage with the station and utilise services. Sustainability targets will also ensure that the new commercial and residential floorspace delivered contributes to improving business and industry efficiency and improving the energy efficiency of our homes .
Cycling and Walking Investment Strategy	The Station Gateway project will deliver <i>Better Streets, Better Mobility</i> and <i>Better Safety</i> , with a key driver of the project to address the lack of pedestrian and cycling infrastructure in this part of the town centre, making the gateway area more walkable, safe and attractive and helping support a shift to active modes. In turn this will boost footfall, supporting local businesses and the local economy, while promoting walkability and active travel will have positive impacts on people’s health and wellbeing.
Homes England Strategic Plan	A key element of the Scarborough Station Gateway project will be to increase town centre residential capacity, which is currently lacking, thereby aligning with the objectives of the Homes England Strategic Plan and in particular the priority <i>to unlock public and private land where the market will not, to get more homes built where they are needed</i> .
Visit England 5-year Strategy	The Station Gateway investment will create a more attractive gateway to Scarborough, incorporating new uses and raising the amenity value through improvements to the public realm and rejuvenating underutilised and unfit-for-purpose buildings. This stands to not only improve the town centre as a destination but also to address negative perceptions that visitors (or prospective visitors) may have of Scarborough when alighting or passing through the station. Such interventions have the potential to <i>Grow the Value of Tourism</i> by attracting new and repeat visitors to the town, driving expenditure within the tourism and hospitality sectors.
Emergency Active Travel Fund	Active travel forms a key component of the Station Gateway plans, to prioritise pedestrians and active travel within the proposed public realm and highways improvements, acting to make this vital gateway better connected and more accessible by active modes, whilst also providing supporting infrastructure such as secure cycle storage facilities.

Regional policy

North Yorkshire Council Plan 2021-2025

The North Yorkshire Council Plan sets out a vision for tackling the challenges and ambitions for North Yorkshire. The plan includes values which underpin the council’s actions, such as,

“Valuing local democracy which involves strengthening community leadership and delivering what has been agreed and being environmentally aware which encompasses making decisions which allows the council to become carbon neutral and climate resilient.”

The Plan includes a programme of work which will allow the council to provide the structure required to meet the needs of the people of North Yorkshire. In this programme the council aims to take proactive steps to support and empower communities, families and individuals to do things for themselves and increase control for their future, focus on improving the effectiveness and efficiency of the council and make effective decisions in order to better the people and communities of North Yorkshire. Various ambitions aim to create important outcomes for North Yorkshire, such as creating strong families and vibrant communities and reducing the causes and impacts of climate change, now and for future generations. The Plan sets out how the council shall achieve these points for the respective outcomes include improving social, emotional, and mental health and resilience, and reducing health inequalities, in addition to reducing carbon emissions, with an aspiration of becoming carbon neutral by 2030.

York, North Yorkshire and East Riding LEP Local Industrial Strategy

The Local Industrial Strategy (LIS) outlines the vision for the York and North Yorkshire Local Enterprise Partnership (LEP) area to become England's first carbon negative region. This will be achieved by transforming the way the LEP area's economy works to deliver a carbon negative, circular economy that increases productivity and provides higher paid jobs. The LIS is underpinned by four priorities:

- *Connected and resilient places* – Digitally enabled places that connect residents and businesses to opportunity. Settlements that are resilient to climate change and contribute to a carbon negative region.
- *People reaching their full potential* – People with the skills and aspiration to reach their full potential, earning higher wages and living healthy lives in thriving communities.
- *An economy powered by Good Businesses* – Good businesses with great leadership that prosper from our distinct assets and contribute to a carbon negative region.
- *World leading land management* – World leading land management that transforms the value of the rural economy in the transition to a carbon negative region.

York, North Yorkshire and East Riding LEP Covid-19 Recovery Plan

The Greener, Fairer and Stronger Plan is York & North Yorkshire LEP's Covid-19 Economic Recovery Plan. It aims to set a positive vision of the future, enable collaboration, learning and economies of scale and develop significant economic stimulus projects to reshape the economy in a way that will underpin longer term growth. It is split up into four themes:

- *Place and Infrastructure* – Rejuvenate public spaces and town centres as places that work better, making them safe, greener and fairer for those who live, work and visit in them;
- *People and Community* – Help people into back into employment and rapidly reconfigure skills delivery by responding to new demands and new ways of learning;
- *Business and Innovation* – Support businesses to survive Covid-19 and thrive through resilience and innovation, delivering a greener, fairer, stronger economy; and
- *Land Use and Environment* – Stimulate job creation and business growth by accelerating the transition to a greener, carbon negative, region.

North Yorkshire Draft Air Quality Strategy (2020)

Currently under consultation; one of the key objectives of the Air Quality Strategy is to support the use of ULEVs in North Yorkshire, including the provision of EV charging infrastructure.

How Scarborough Station Gateway supports regional policy objectives	
NYCC Plan 2021- 2025	The Station Gateway project will contribute to increasing the vibrancy of communities in Scarborough but enhancing the heritage character of the station and delivering new civic spaces for local residents and visitors to use. The public realm will be delivered using local and regional materials (such as the stones), promoting the cultural heritage of North Yorkshire. The Station Gateway will also contribute towards the fight against climate change through the delivery of high quality, energy efficient building. The redevelopment of the Comet building to host new NHS services aligns with the Plan in terms of outcomes such as improving social, emotional, and mental health and resilience, and reducing health inequalities. Finally, the delivery of commercial space (including Live/Work units) will provide new opportunities for some local residents to develop their full professional potential.
YNYLEP Local Industrial Strategy	The Station Gateway project will contribute to the <i>Connected and Resilient Places</i> priority, with the proposed investment leading to a more thriving town centre, supporting footfall through making the station gateway area more vibrant, accessible and connected via active and sustainable modes. The investment will also contribute to the resilience of

	the town's infrastructure through improvements to (and modernisation of) the station buildings and investment in the wider built environment and public realm.
YNYLEP Covid-19 Recovery Plan	Under the <i>Place and Infrastructure</i> theme, key pledges include to reshaping town and city centres; supporting active travel and public transport usage and delivering clean, connected and affordable housing. These areas of activity are key elements of the Station Gateway project, which will see a previously underutilised area transformed through investment in the station and ancillary facilities, transport and active travel connectivity, the public realm and wider buildings which are viewed as eyesores and drive negative perceptions of Scarborough town centre. Moreover, plans to support active and sustainable travel will support Scarborough's transition to a greener, carbon negative region, aligning with the <i>Land Use and Environment</i> theme, while the focus on redeveloping existing buildings to deliver high-quality commercial floorspace to meet the needs of local businesses and prospective inward investors will support the <i>Business and Innovation</i> theme.

Local policy

Scarborough Borough Council Town Centre Strategy 2018-2025

The Town Centre Strategy establishes the vision for Scarborough Town Centre to re-align itself for the 21st century and become a hub of leisure, learning and living by building on its rich heritage, culture and traditional retail and leisure offer. This is underpinned by three strategic objectives:

- Be the best performing Coastal Town Centre in England by 2025 and the primary economic hub for retail, leisure, learning and living within the Yorkshire Coast Area.
- Increase residential living within our town centre by 25% by 2025.
- Work together with public and private property owners and agencies to ensure the built environment and infrastructure exceeds the expectations of our customers and community by 2025.

Scarborough Local Plan (2017)

The Local Plan sets out the vision and objectives for the borough to 2032, allocates sites for housing and other forms of development and sets out development management policies for the Scarborough Borough planning area. The local plan lists a number of aims:

- To minimise the impacts of the built environment on climate change and mitigate associated localised impacts;
- To concentrate development within and adjacent to the main settlements along the coast;
- To facilitate the delivery of a range of housing to meet local needs;
- To support growth and diversify the economic base including the rural and marine economy;
- To recognise and build upon the tourism opportunities the area offers in respect of its unique position having easy access to both the coast and the countryside (including the North York Moors National Park);
- To minimise the use of resources and to safeguard, enhance and realise the potential offered by the natural, built and historic environment;
- To safeguard and reinforce the distinctive character of the various settlements;
- To make best use of existing infrastructure and secure new or improved infrastructure where required;
- To build upon the excellent opportunities for communities to access good quality open space for recreational and reflective purposes and to increase opportunities for participation in sport and health benefiting activities; and
- To enhance accessibility and connectivity to and from key services, between settlements and outside of the Borough.

Scarborough Environmental Sustainability Strategy and Policy

A progress report is produced every year showing the progress of the sustainable development strategy for Scarborough. As stated in the Environmental Sustainability Strategy, Scarborough Borough Council is committed to ensuring that minimal impact on the environment results. The aim of the Strategy is to safeguard and improve the lives of people in the Borough now and in the future. Scarborough Borough Council aim to achieve holistic sustainability by adopting principles of sustainability as set out in the policy, the council also include a vision, which is for:

'A sustainable Borough that focuses on improving the quality of life for all who live and work within the Borough without compromising the ability of future generations to meet their own needs.'

The strategy includes the following set of priorities:

- Improving energy efficiency and reducing fuel poverty
- Reducing waste, increasing recycling, and improving use of resources
- Encouraging and promotion of the use of more sustainable forms of transport

- Enhancing parks and open spaces
- Promoting healthier lifestyles

Scarborough Borough Council: Building a Better Borough

Building A Better Borough aims to shape the future of the Council and, more importantly, the communities it serves for the benefit of the people who live, visit and invest in Scarborough. Ten themes are highlighted:

- *Vibrant town centres* – Attractive, clean and well supported town centres with something for everyone.
- *A premier visitor destination* – To develop a premier visitor destination that will encourage visitors to spend more, stay longer and return.
- *Happy, healthy people* – A borough where people are healthy, active and happy doing what they enjoy. For people to have a good work/life balance and improved health and wellbeing. To enjoy our parks and open spaces.
- *A good quality home for all* – Ensuring everyone in the borough has a decent home to live in and avoids homelessness, with no-one forced to sleep on the streets. To ensure everyone has access to good quality, affordable housing.
- *A clean, green and attractive environment* – To be a more sustainable borough, to live in a borough we are proud of with clean, green and attractive open spaces that we all look after and enjoy. To be a borough where climate change matters.
- *Economic growth that benefits everyone* – Residents to be able to develop their skills, more businesses and residents will benefit from regeneration and investment in the borough. To create an inclusive economy that benefits everyone. Support work to provide quality jobs for everyone.
- *A vibrant culture and heritage offer* – Culture can bring communities together, attracting visitors and businesses. A culture that enhances our borough and creates a place where people want to live, work and visit.
- *Thriving and engaged communities* – A thriving community participating in their local area, feeling engaged and part of the conversation.
- *A well-connected place* – Support work to improve transport and internet connections so people and businesses can connect with each other more easily. Harness the power of digital to improve people's opportunities and improve connectivity in the borough.
- *A borough where we all feel safe* – Working in partnership to reduce crime and anti-social behaviour throughout the borough and ensure residents and visitors feel safe and are safe.

Scarborough Station Rail Travel Plan (Transpennine Express, March 2021)

Objectives set by TPE in this document are:

- Encourage travel to/from our stations by sustainable methods
- Increase awareness of the facilities which are available at our stations and in the surrounding area to support travel by sustainable modes
- Make improvements to the facilities at our stations to support travel by sustainable modes to provide a consistent standard across all TransPennine Express stations, adopting industry best practice where possible
- Implement innovative solutions to enhance the experience of travelling to/from our stations by sustainable methods by working with the cycle rail forum and Sustrans to collaborate on solutions.

How Scarborough Station Gateway supports local policy objectives

<p>SBC Town Centre Strategy</p>	<p>A range of activities to achieve the three core objectives are outlined in the Strategy, one of which is to deliver “<i>An inviting public realm we can be proud of</i>”. The public realm forms a core element of the Station Gateway plans, to create a new welcoming arrival square and civic space that sells Scarborough and presents that positive first impression for residents and tourists alike whilst also making it more walkable, safe and attractive. Moreover, the public realm plans will harness the unique heritage of the site, using appropriate scale, materials and built form, with important views being protected or revealed. Another core area of activity is focused on “<i>Making the Town a mixed-use environment</i>”. The Station Gateway project will redevelop prominent, vacant or underutilised buildings at the station and its environs to support mixed use development and meet the needs of the local community and its economy. This in turn, has the potential to contribute to the strategic objective of <i>increasing residential living within the town centre by 25% by 2025</i>.</p>
<p>SBC Local Plan</p>	<p>The whole of the Station Gateway area sits within the Conservation Area. The Local Plan highlights this as being “particularly important to the economic prosperity of the Borough and its reputation as a resort area”. The Station Gateway project will celebrate and harness the unique heritage of the site, with proposals carefully considering the context of the Conservation Area, while the reuse of underused elements of the Grade II listed station is a positive step and contributes to the continued viability of the building in its original and continued use. The plans therefore demonstrate alignment with the wider aim “<i>To minimise the use of resources and to safeguard, enhance and realise the potential offered by the natural, built and historic environment</i>”.</p> <p>A key objective of the Local Plan is to <i>enhance accessibility and connectivity to and from key services, between settlements and outside of the Borough</i>, with Policy INF1 noting that “The Borough Council will work with North Yorkshire County Council, relevant local authorities and other key partner organisations to improve accessibility within and beyond the Borough which will support economic, tourism and sustainable regeneration objectives.” This will centre on activities to improve bus, pedestrian and cycle links to rail stations; promote Scarborough town centre as a strategic public transport hub; and promote sustainable modes of transport other than the private car. These are key areas which the Station Gateway project will focus on.</p> <p>Furthermore, the proposed residential and commercial floorspace to be delivered as part of the scheme will also align with the identified aims <i>to facilitate the delivery of a range of housing to meet local needs and to support growth and diversify the economic base</i>, respectively.</p>
<p>Scarborough Environmental Sustainability Strategy and Policy</p>	<p>The Station Gateway will encourage and promote the use of more sustainable forms of transport through the provision of alternatives such as active modes of transport (walking, cycling), improved transport connectivity between public transport modes (from rail to bus/taxi) and the delivery of infrastructure to support the transition from combustible engines to electric vehicles.</p> <p>Phase 1A will also deliver over 14,000 sqm of new high quality and sustainable public realm, contributing to increasing the permeability and walkability of the Station Gateway area and dwell time. The new public realm will deliver sustainability features such as rain gardens and tree planting to increase floor protection, co2 absorption and create localised improvements in air quality through the reduction in NOx gases and particulate matter from vehicle exhaust emissions.</p> <p>The re-greening of the streets will link the series of Victorian squares around the site and by focusing on trees with a higher Urban Tree Air Quality (UTAQ) rating it will further contribute to improved air quality. Going local, the proposed materials will be local, to remain contextual, reduce carbon, be enduring and more resource efficient.</p>

SBC Building a Better Borough	The Station Gateway aligns with the <i>Vibrant town centres</i> theme through its ability to regenerate this vital town centre gateway, thereby boosting footfall and addressing negative perceptions in relation to underutilised and unattractive buildings such as the Comet Building and Pavilion House. “ <i>A clean, green and attractive environment</i> ” and “ <i>Happy, healthy people</i> ” objectives will be supported through ambitious plans to revitalise the public realm and support active travel, which will in turn reduce emissions and boost the physical and mental wellbeing of Scarborough’s residents.
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VISION AND OBJECTIVES

The vision for the Scarborough Station Gateway is:

“To transform the station and the surrounding area to create a strong arrival in the town centre through the provision of an integrated 21st century transport hub, together with significant new commercial and residential uses and high-quality public realm.”

It is underpinned by the following SMART objectives, based on the Heads of Terms agreed for the project and refined as a result of the design work carried out by AECOM and 5Plus for the RIBA Stage 2 Report.

Phase 1A – Public Realm, fully funded by Towns Fund, is underpinned by the following SMART objectives:

- To improve the quality of public realm in the Station Gateway area, providing 14,970 sqm of new and enhanced public realm including a prominent new Station Square by August 2026, driving an increase of 2% footfall and dwell times per annum.
- To improve the permeability and walkability of the Station Gateway area without impacting on road traffic (i.e. no impact on congestion/travel time) 2019 level (pre-pandemic);
- To improve road safety for all users through the remodelling of the highway and delivery of traffic calming measure;
- To improve connectivity between the Station Gateway and the Harbour, driving pedestrian flows to the Town Centre.
- To contribute climate resilience with the introduction of rain gardens.

Additional phases of the Scarborough Station Gateway, enabled by Phase 1A – Public Realm, are underpinned by the following SMART objectives:

- To enhance interconnectivity between different modes of transport through a multimodal transport hub and highways improvements, acting to increase travel choices and the number of journeys by sustainable and active modes.
- To redevelop and repurpose unattractive and underutilised buildings in the Station Gateway area creating approximately 8,000sqm of commercial and 3,150sqm of residential uses, driving increases in land values and the number of enterprises utilising high quality, affordable and sustainable commercial space.
- To deliver improvements to Scarborough Station, its ancillary buildings and the surrounding area, enhancing the user experience and increasing station patronage / commuter flows.

The extent to which the SMART objectives are met will be underpinned by the following measures of success:

- Increased number of trips undertaken by active and sustainable modes in Scarborough (i.e. walking, cycling and public transport services accessing the station).
- Increased station entries and exits
- Increased footfall as measured by nearby counters (town centre and station)
- Improved vehicle flow and air quality in the Station Gateway area
- Improved business, visitor and resident perceptions of Scarborough
- Increased land values in the Station Gateway area
- Increased business counts

THE PROPOSED INVESTMENT

Summary of options considered and how this project was shortlisted

The Scarborough Station Gateway project was identified from a long-list of projects considered for inclusion in the Towns Fund Deal across five workstream areas, namely: connectivity; culture, leisure and special places; resilience and sustainability; skills and enterprise; and thriving town centre.

The workstreams were led by Town Deal board members who engaged with relevant parties and external expertise to develop detailed project proposals for Town Deal investment. This resulted in a long list of around 30 projects for further consideration. These project proposals were then tested and prioritised by the Scarborough Town Deal Board with input from external consultancy support as well as extensive stakeholder engagement (see TIP for details).

This long list required shortlisting into a set of priority projects that fit with requirements of the Town Deal. The approach to prioritisation was tested and agreed with Scarborough Borough Council and the Scarborough Town Deal Board. It scored long listed projects based on a two-phase method:

- The first phase scored the projects for strategic fit assessing the extent to which schemes aligned with the objectives of the Town Deal Prospectus and local economic development priorities such as those defined in Scarborough's 'Building a Better Borough' initiative and the York and North Yorkshire Local Enterprise Partnership's Local Industrial Strategy.
- The projects were then assessed against the principles of the Green Book and typical approaches to business case appraisal. A proportional approach was taken to testing scheme assurance as most of the schemes identified were at an early stage of development.

The result of this process was a list of nine projects (including the Station Gateway) taken forward in the Town Investment Plan.

The specification of the Station Gateway project has evolved since that outlined in the TIP, based on a detailed review of the existing masterplan (produced in 2010) in the new economic and property market environment as well as considering the latest stakeholder engagement findings and considering other strategic imperatives such as climate adaptation and net zero objectives and the vision set out in Scarborough Blueprint 2021.

This process resulted in the preferred specification for the scheme described below along with the assumptions for the baseline scenario (i.e. should funding for the scheme not come forward). Going forward this Preferred Option will need to be reviewed and refined in order to take affordability and funding considerations into account.

Table 6 – Descriptions of shortlisted options

	Preferred Option	Baseline / Counterfactual
Redevelopment of the station building (Phase 1A)	New design and layout to consolidate and improve existing station building, and to greatly enhance the current station food & beverage and retail offerings. It will also involve the refurbishment of the unused station hotel, capitalising on its heritage value. The redesigned station will include: <ul style="list-style-type: none"> - 230sqm + 85sqm food and beverage space - 45sqm retail - 250sqm hotel - Plus existing station amenity c. 350sqm 	The station and its surroundings would remain unchanged and the resulting challenges would not be addressed.
Public realm (Phase 1A)	14,970sqm of new and enhanced public realm and planted / green space	
Transport hub (including multi-storey car park) (Phases 1B & 4A)	Re-organise layout of the station's surroundings and consolidate existing car parks in order to liberate space at the rear where a transport hub can be located. The transport hub will provide:	The taxi ranks and bus station would remain in place as they could not be moved to the rear of the station and the car parks would not be consolidated.

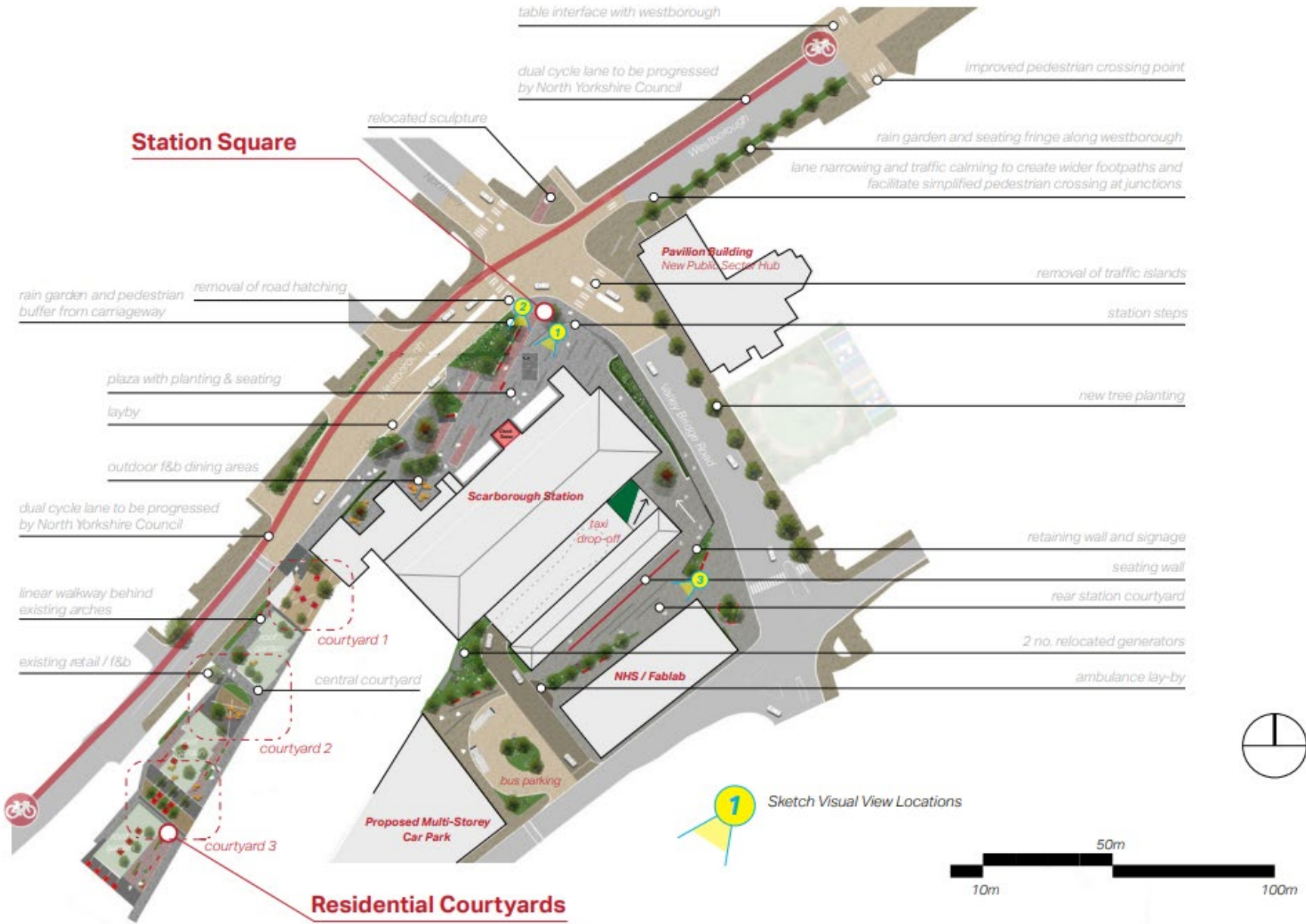
	<ul style="list-style-type: none"> - the provision of cycle spaces (x64 bike parking) - electric car and bike rental facilities (x15 e-cars and x25 e-bikes) - electric vehicle charging points (x10) - a relocated taxi rank - a new Multi Storey Car Park (MSCP) with 200 spaces - space for a cycle repair shop - 150sqm space for staff (TBC) 	As a result, no transport hub could be implemented.
Demolition and replacement of Comet Building (Phase 2)	Demolish the Comet Building which is low-grade and in poor condition and provide 3,000sqm of new employment space on the site, possibly for incubation and tech businesses.	The site would remain in its current condition with Poundland occupying part of it and the rest being vacant. Comet has gone into administration and the building has been on the market for years without finding a potential buyer or leaseholder.
Pavilion House (Phase 3)	Remove the façade and re-clad the building in a new intelligent and environmentally responsive envelope. Refurbish the building to provide 4,791 sqm of fit-for-purpose office space. The intention is that this space will be used by SBC, the Police and Beyond Housing association.	Pavilion House is currently vacant with planning permission to be converted into 55 flats. SBC is in the process of purchasing the site so that it is available for the implementation of the scheme. Should the scheme not come forward, the most likely scenario is that the site would be re-sold by SBC for conversion into dwellings. For this reason, the Reference Case assumes 55 dwellings built on this site. Such an approach would most likely retain the Pavilion in its current form i.e. without improving the envelope.
Residential development (Phase 4B)	Build a new development on the site of the Transpennine Express car park, providing 3,150sqm of residential accommodation over 36 units (12 one-bed flats and 24 two-bed flats) and 630 sqm commercial space	This site would remain as a car park and no housing development would take place.

The Towns Fund will be used to fully fund Phase 1A – Public Realm which consist in the delivery of 14,970 sqm of new and enhanced public realm and planted / green space and highway improvements on Westborough, Nortway and Valley Bridge Road to improve the permeability and walkability of the site without impacting on traffic flow.

Later phases of the project will be funded by other grants and funding, primarily the Levelling Up Fund for which SBC and NYCC will be submitting applications in Spring 2022 for Round 2.

A concept masterplan is presented in Figure 3 below.

Figure 3: Scarborough Station Gateway Public Realm Concept Masterplan



Project's theory of change and how it addresses objectives and vision

Based on the understanding of the local socio-economic context, policy objectives and project specifications described in the preceding sections, the scheme's ability to effect change can be summarised through a logic mapping approach in line with the guidance AECOM co-wrote with the Tavistock Institute ('Guidance for Transport Impact Evaluations'). This summarises the challenges which the scheme aims to address, the critical success factors, the desired outcomes/ impacts and sets out the causal mechanisms between the core elements of the intervention and expected changes, developing a robust Theory of Change.

Rationale for intervention

Local needs

Struggling town centre with stagnating population, declining employment and footfall, dependence on tourism, lack of job opportunities, impacts of Covid-19.

Disconnect between high street and shore, poor sense of arrival, outdated and under-performing buildings at the station and surroundings, lack of active mode facilities.

Strategic context

National policy supports projects which aim to strengthen and develop local economies, unlock housing and facilitate a transition towards a greener and healthier society.

Regional and local policy documents have a strong focus on revitalising town centres, improving connectivity and the use of active modes, and creating healthier environments for residents.

Market failure

Public realm and public transport are public goods

Need for coordination across different stakeholders and elements of the scheme

Viability issues

Lack of sufficient local funding

Project objectives

To improve the quality of the public realm in the Station Gateway area, driving an increase in footfall and dwell times

To enhance interconnectivity between different modes of transport and increase travel choices and use of active modes

To redevelop and repurpose buildings for commercial and residential uses

To deliver improvements to Scarborough Station, enhancing the user experience and increasing station patronage

To improve connectivity between the Station Gateway and the Harbour

Inputs

Towns Fund: £6.68m

Levelling Up Fund: £17m

Other public funding: TBC

Private sector funding: TBC

Stakeholder support and commitment

Activities

Station redevelopment & transport hub

Refurbishment of Pavilion House

Demolition & replacement of Comet building

Construction of residential development

Creation of new and improved public realm

Outputs

Fit for purpose station building with approx. 600sqm commercial space (including hotel)

14,970sqm new and improved public realm

8,600sqm commercial and office space

36 new dwellings

New transport hub and redesigned highway network

Improved transport flows and infrastructure for pedestrians and cyclists

Outcomes

Increased use of Scarborough station and surrounding area

Improved experiences for visitors

Increase in number and value of tourism visits

Increased footfall throughout Scarborough and create jobs

Improved opportunity and prosperity of Scarborough with the development of a thriving town centre

Uptake of active modes and associated health benefits

Opportunity to redevelop the Town Hall into a boutique hotel

The activities described above and the changes they will generate for Scarborough directly align with the mission of the Towns Fund to drive the economic regeneration of towns and deliver long term economic and productivity growth through:

- *Urban regeneration, planning and land use*: ensuring towns are thriving places for people to live and work, including by: increasing density in town centres; strengthening local economic assets including local cultural assets; site acquisition, remediation, preparation, regeneration; and making full use of planning tools to bring strategic direction and change. Under this theme, the Towns Fund prospectus highlights the importance of perception of place as an important 'pull' factor in business location decisions and a place's capacity to attract and retain workers. The investment proposed here will significantly improve the perception of the area and the town as a whole as well as directly redevelop vacant sites / premises for new business and leisure uses supporting the regeneration of the town centre.
- *Skills and enterprise infrastructure*: driving private sector investment and ensuring towns have the space to support skills and small business development. As recognized in the Towns Fund prospectus, in many post-industrial towns, office space and other employment land is affordable, but is not always well connected to workers or attractive to business. This scheme will provide modern commercial space in a central and connected location, developed with the needs of businesses and workers in mind as informed by BE Group's property market review. It will offer opportunities for serviced and shared workspace for smaller companies, supporting the diversification and vitality of the local economy.
- *Connectivity*: developing local transport schemes that complement regional and national networks. The scheme will ensure that Scarborough station, which provides connections to the wider region, is fit-for-purpose and better connected to the rest of the town through a range of integrated modes, opening up better connections and opportunities for residents and businesses. With the provision of facilities for active modes it also supports wider health and environmental ambitions.

Project risks, constraints, and interdependencies

Implementing the Preferred Option for the scheme presents a number of risks and constraints which need to be managed. These are summarised below and a detailed risk register, with mitigation measures, is provided in the Management Case.

The main risks related to the Phase 1A Public Realm in terms of the severity and likelihood of their potential impacts are:

- Failure to secure Towns Fund grant will result in Phase 1A Public Realm not proceeding.
- Interdependency between the different phases of the programme means that failure to secure additional fund could compromise the delivery of Phase 1A Public Realm as currently considered as the delivery of Phase 1A Public Realm (as currently proposed) is dependent on the relocation of the taxi rank to the rear of the station (Phase 1B Transport Hub).
- Traffic modelling showing highway alterations are unviable.
- Traffic modelling too costly, leading to budget overspend. Traffic modelling is required to finalise the design of highway alterations as well as the transport hub.
- Variations to works contract as the project progresses, leading to cost increases and / or delays.

The main risks related to the other phases of the programme are:

- Failure to finalise and sign off the collaboration agreement between the different stakeholders.
- Land transactions with Network Rail do not progress.
- Insufficient funding: this is the main risk as at the moment. No funding for delivery has been secured at this time. This is a funding application for the Towns Fund and a decision is expected in June 2022. Funding applications will be submitted to the Levelling Up Fund once applications open. Without all the funding being secured, the project cannot proceed.
- Any development proposal to include the Grade II listed train sheds would need to see the retention of these structures, as well as any alterations to them being sympathetic to their special architectural

and historic interest; such works would need to be assessed as part of a separate Listed Building Consent application.

- Any development proposal to include the Grade II listed Scarborough Excursion Station, including the pedestrian ramps and attached walls would need to see the retention of these structures, as well as any alterations to them being sympathetic to their special architectural and historic interest; such works would need to be assessed as part of a separate Listed Building Consent application.
- The land beneath the Comet Building (and perhaps some of the adjacent car park) in the 19th century was used as a coal depot and railway goods yard, and therefore I would suggest that any proposals to excavate and develop the land really ought to consider what environmental mitigation measures are required.
- The Comet Building site, car park to the rear of the comet building, the existing bus depot and the existing car park sited off of Westborough all have the potential to have buried railway/industrial archaeology which would contribute to the understanding of Scarborough's railway past. Therefore, any development of these sites are likely to be required to investigate, record, and mitigate against harm to these buried remains.

Mitigations are in place for all of these risks.

There are also a number of constraints and dependencies which will shape the phasing and influence the deliverability of the scheme. These include:

	Landownership & leaseholds	Consents	Agreements	Operations
Phase 1A (public realm & station)		<p>Securing planning permission and listed building consents</p> <p>Highways consents</p> <p>Network Rail consents</p>	<p>Initial Heads of Terms between Network Rail, TPE, SBC, NYCC</p> <p>Funding Agreements between Network Rail, NYCC and SBC.</p> <p>Development / construction agreements to complete works</p>	
Phase 1B (transport hub)	<p>Network Rail needs to implement buy-back options for the rear car park in order to facilitate the relocation of taxis and buses to the rear of the station and enable the public realm and transport hub investments.</p>	<p>Securing planning permission and listed building consents</p> <p>Network Rail consents</p>	<p>Initial Heads of Terms between Network Rail, TPE, SBC, NYCC</p> <p>Agreement from TPE and bus operators to changes of bus routes.</p> <p>Funding Agreements between Network Rail, NYCC and SBC</p> <p>Development / construction agreements to complete works</p>	<p>Changes to franchise agreement between TPE and Network Rail</p> <p>TPE requirement to identify and manage tenants for car rental, Ebike, Cycle Repair Shop. Tenancies to be agreed on commercial terms.</p>
Comet building (Phase 2)	<p>Purchase of building by Council – completed October 2021</p> <p>Obtaining vacant possession of ground floor retail area (by summer 2023 at the latest)</p>	<p>Planning permission</p>	<p>Funding Agreements and Heads of Terms between SBC and Fablab operator.</p> <p>Development / construction agreements to complete works</p>	<p>Tenants to agree to lease on commercial terms.</p> <p>Pre-let agreements to support funding package for the works</p>

	Landownership & leaseholds	Consents	Agreements	Operations
Pavilion House (Phase 3)	<p>Purchase of building by Council – completed October 2021</p> <p>Obtaining vacant possession of ground floor retail areas.</p>	Planning permission	Development / construction agreements to complete works	<p>Identification and confirmation of new tenants (SBC, Police, Beyond Housing). Tenants to agree to lease on commercial terms.</p> <p>Pre-let agreements with tenants to support funding package for the works</p>
MSCP (Phase 4A)	<p>Network Rail implement buy-back options for bus depot from The Arch Co. Implementation of the MSCP is dependent upon relocation of the buses to the Seamer Road Park & Ride.</p>	<p>Planning permission</p> <p>Network Rail consent</p>	<p>Initial Heads of Terms between Network Rail, TPE, SBC, NYCC</p> <p>EYMS relocation from bus depot</p> <p>Funding Agreements between Network Rail, NYCC and SBC (including cross subsidies from income generating phases)</p>	<p>Network Rail - identification of car park operator</p> <p>Potential pre-let agreement to support funding package for the works.</p>
Housing (Phase 4B)		<p>Planning permission</p> <p>Network Rail consent</p>	<p>Initial Heads of Terms between Network Rail, TPE, SBC, NYCC</p> <p>Funding Agreements between Network Rail, NYCC and SBC (including cross subsidies from income generating phases)</p>	<p>Changes to franchise agreement between TPE and Network Rail including relocation of current car park space to MSCP</p> <p>Identification of residential developer</p>

STAKEHOLDERS

The scheme involves a wide range of internal and external stakeholders listed below.

Internal stakeholders (SBC)	Role and interest
Capital Project Board	Provides project governance, steering and oversight to the Towns Fund Programme.
Executive Management Team (EMT)	Council CE & Directors. Provides management of the Council
Project team	Provides management of the project
Leader of the council	Leader of the Council
Cabinet members - [REDACTED]	Form part of the Council Executive
Ward councillors	Interest as local Councillor for the ward the works are done in.
Councillors – general	The Council decision making body for Full Council
Planning team [REDACTED]	Local planning authority
Estates Team [REDACTED]	Responsible for property on behalf of the Council
Legal Team [REDACTED]	Responsible for contracts and legal agreements on behalf of the Council
Finance Team [REDACTED]	Responsible for Finance on behalf of the Council
Tourism team [REDACTED]	Responsible for tourism on behalf of the Council
Events team [REDACTED]	Responsible for events on behalf of the Council
Parking team [REDACTED]	Responsible for parking enforcement on behalf of the Council
Regeneration project teams	Responsible for economic regeneration on behalf of the Council

External stakeholder	Role and interest
Network Rail [REDACTED]	Principal landowner of the station buildings
Transpennine Express [REDACTED]	Train Operating Company and leaseholder of Scarborough Railway Station
Bus Operators [REDACTED]	Bus operators
Taxi Association [REDACTED]	Represent taxi operators who operate out of the station
Neighbouring residents/businesses	Interested parties
Historic England	Statutory consultee for matters affecting listed buildings
DLUHC (Towns Fund)	Grant funding authority
Scarborough Town Deal Board	Oversight of the Towns Deal Process
Robert Goodwill MP	Local MP
North Yorkshire County Council highways [REDACTED]	Highway Authority
North Yorkshire County Council Transport Planning	Transport Authority
North Yorkshire County Council Transport [REDACTED]	Passenger Transport Authority
National Powergrid	Electricity provider
Yorkshire Water	Water and drainage provider
Town Centre Team	Team of interested residents and business owners used as a consultation panel.
Residents and visitors – general	Users of the station

Summary of engagement to date

The preparation of the Scarborough Town Deal Investment Plan has been driven by extensive engagement with stakeholders from across the borough, representing anchor institutions, local

communities and businesses with a commitment to a collaborative approach to scheme development and prioritisation.

The work to develop the Town Investment Plan was driven, guided and challenged by the Scarborough Town Deal Board. The Board was established by Scarborough Borough Council in 2020 comprising a diverse representation of expertise from the public, private and community sectors. The Board is chaired by David Kerfoot MBE (also chair of the York and North Yorkshire Local Enterprise Partnership). The Town Deal Board was established to develop and agree a programme of interventions; approve a capacity funding expenditure plan; oversee its delivery; approve the approach to communications and engagement associated with the Scarborough Town Deal; and oversee its implementation. Importantly, the Town Deal Board have played an active role in the development of project priorities that have been put forward for investment in this plan. Board members formed working groups to identify thematic visions for Scarborough and a set of projects that would deliver these aspirations. To date there have been more 10 meetings of the Town Deal Board and 60 workstream meetings. External stakeholders have also been involved in proposing projects that align with the requirements of the Town Deal and were considered realistic and deliverable.

The following engagement has taken place to inform the development of the Town Investment Plan which includes the Station Gateway.

Anchor institutions, businesses, public & voluntary agencies

Several of the key organisations in this category are represented on the Scarborough Town Deal Board. Stakeholders have been engaged individually throughout development of the Town Investment Plan, as well as being part of thematic workstream group discussions.

The engagement focused on:

- Informing development of the evidence base to understand challenges, needs, opportunities and interventions required;
- Informing vision, key themes and interventions;
- Testing and prioritizing project ideas, ensuring alignment with local needs and understanding of interventions required which could unlock development;
- Establishing buy-in from stakeholders for the proposed interventions.

Engagement has been undertaken with the following organisations:

- Public organisations such as Scarborough Borough Council (including elected members), Y&NY LEP, Parish Councils, CAVCA, and Job Centre Plus;
- Key businesses and business organisations such as Scarborough Town Centre Strategy Group, Save9, Woodend, AECOM, West & North Yorkshire Chamber of Commerce, Yorkshire Coast Business Improvement District;
- Anchor institutions and skills organisations including CU Scarborough, Scarborough TEC, and Scarborough UTC.
- Arts and culture organisations and stakeholders including COAST/Invisible Dust, Stephen Joseph Theatre and officers from Scarborough Borough Council.

Engagement with the Local Community

The general public were invited from the outset to submit their ideas for what they thought was needed most in the town. The consultation process has included at least 9 public consultation events and exhibitions, over 30,000 engagements/views via electronic and social and traditional media and over 400 direct contributions, 10 Town Deal Board meetings and over 30 development meetings.

The outcomes of consultation with the community played an important role in prioritization overall both initially and once the projects for inclusion were identified.

Engagement via a range of communication techniques, media and social media was key to achieving a strong level of outreach across the town. The following sources and mediums were utilised:

- HM Government #MyTown website
- The Scarborough News
- Scarborough Borough Council Website
- Radio: Local Radio Stations
- Twitter: ScarboroughMyTown@ScarboroughMy
- LinkedIn: ScarboroughMyTown
- Leaflet Distribution
- Email and written communications
- Facebook: Scarborough Borough
- Council and HM Government Cabinet pages

Overall it is estimated that tens of thousands of residents and visitors were reached and invited to contribute to the plans and proposals which were prioritized for inclusion within this Town Investment Plan for Scarborough.

Station Gateway engagement

More targeted engagement in the form of meetings has been undertaken by AECOM and 5Plus architects to refine the scope and identify the challenges of the various elements of the scheme. Key points discussed through this engagement process and the stakeholders involved are summarized below.

Project	Stakeholders	Key discussion topics
Public realm & highways	SBC North Yorkshire County Council (NYCC)	<ul style="list-style-type: none"> - Pedestrianising the top of Westborough and the related difficulties in managing heavy good vehicles servicing the shops - Traffic signaling arrangements - Need for traffic data in order to finalise design options e.g. with regards to road closure in front of the station, impacts of redirecting traffic, creating a pedestrian square in front of the station.
Station & transport hub	SBC NYCC Network Rail Transpennine Express	<ul style="list-style-type: none"> - Spatial requirements for operational activities to see what space might be freed for retail / food and beverage activities - Buses and taxi booking office move to the rear of the station - Commercial case for the changes - Specifications for the transport hub with regards to: shared mobility, bike-share / hire, e-scooters, car-clubs / hire, car park spaces, EV charging stations. - Data needs to refine project specifications - Car park and utilities requirements for the station.
Pavilion House	SBC Beyond Housing	<ul style="list-style-type: none"> - Workplace analysis to establish space requirements of potential tenants (NHS eventually removed from potential tenants, to be located in Comet building instead) - Potential for additional floor - Potential to include Pavilion Square into the project (later abandoned due to landownership problems) - Approach to ground floor retail - Cost and rents - Net zero carbon objectives
Comet building	SBC, NHS, Save9, Anglo-American, GCHQ, Plexal	<ul style="list-style-type: none"> - NHS workspace requirements - Purpose and objectives of FabLab as a maker space with input from all stakeholders - Commercial model for FabLab - Space requirements (co-working, meeting space, event space, auditorium space) - Staff requirements and potential occupiers

Ongoing and future engagement to support delivery of the Station Gateway scheme will be managed through a Consultation and Communication Plan. The Plan considers the level of involvement across groups to date, appropriate engagement methods and any changes in social circumstances to ensure compliance with any future restrictions and guidance.

Further detail on stakeholder engagement is provided in the Management Case.

ECONOMIC CASE

ECONOMIC CASE

INTRODUCTION

This section of the Business Case sets out the Economic Case for the **Scarborough Station Gateway scheme**.

Whilst the focus of this Business Case is on Phase 1A – Public Realm only (Preferred Option), we also consider the additional interventions forming the Station Gateway programme (Do More Option) to demonstrate the incremental benefits of the wider regeneration programme that will be enabled by the delivery of Phase 1A – Public Realm.

In line with the requirements of the latest HM Treasury Green Book (2020), this Economic Case quantifies the economic costs and benefits associated with the project. It sets out:

- The approach to economic case, including how the Preferred Option was defined;
- The assumptions and approach to quantifying economic benefits;
- The assumptions and approach to quantifying economic costs;
- The value for money assessment for each option, including identification of a preferred option and the sensitivity tests;
- Description of non-quantified benefits.

APPROACH TO ECONOMIC CASE

Options considered

Design work on the redevelopment of the station and its surroundings started in 2010, when SBC commissioned SNAP Architects to prepare a Masterplan for the Station Area Redevelopment which aimed to make radical improvements to the townscape of the whole area.

The first phase of the Masterplanning process was to carry out in-depth consultations with interested parties, including groups and individuals identified by Scarborough Borough Council as being amongst the key stakeholders. Following the stakeholder consultation process three Feasibility Study Options were developed and informed the contents of the Masterplan. Each of the studies explored a different theme: sustainability / community; arts / leisure; business / retail.

The Masterplan aimed to address areas of improvements identified by SBC's Improving Transport Task Group (ITTG) including:

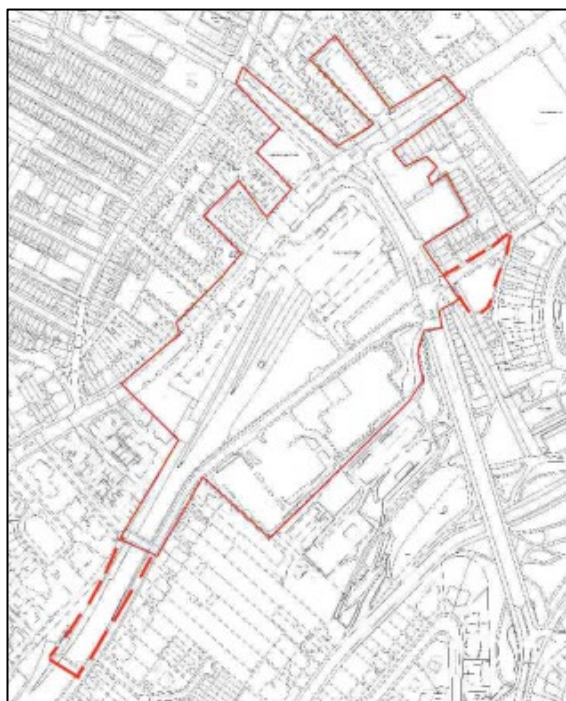
- Clearer separation between pedestrians and vehicles at the front of the station.
- The provision of dedicated taxi facilities, off the forecourt, either on Westborough, or preferably the rear of the buildings by adaptation of the existing sheds.
- The opening-up of views of the South Elevation of the main station buildings, by removal of the disused conveniences on Valley Bridge Rd, alterations to the goods sheds, and re-working the area to provide a new entrance / exit for taxis / cars.
- The provision of a covered pedestrian access from the car park at the rear onto the Station platforms, to encourage modal transfer.
- Provision of cycle facilities, including storage and cycle hire.
- Improved tourist information, by provision of a tourist information centre at the front of the Station which will also provide transport information for rail / bus / taxis / park & ride.
- Dedication of the forecourt to pedestrian use including repaving / environmental improvements.
- Reconstruction of the bus stopping area on Westborough to provide additional stops.

In addition to the recommendations of the ITTG listed above, the feasibility studies were also required to address other specific issues, including :

- Create significant public realm improvements
- Improvements to taxi and bus interchange facilities
- Establish the regeneration and development potentials through, for example, restorative use of the listed train sheds, along with the public and rail station car parks and the bus depot.
- Establish the potential for the complete re-development of the Tile Centre and Comet buildings.
- Determine whether any development value can cross fund public realm and street scene improvements in the surrounding area.
- Changes to traffic arrangements providing inter alia pedestrian priorities.
- Consideration of all current and future bus, taxi and public traffic movements through the area.

The scope area for this initial Masterplan is illustrated below.

Figure 4: 2010 Masterplan study area



The Masterplan established a long-list of projects, phased over three periods and shaped by the feedback received from stakeholders and consideration of constraints and dependencies. This is summarised below, not including the multiple transport interventions designed to revise the road and parking layouts and improve pedestrian and cycling access to and around the station. Drawings and extensive detail on each component can be found in the 2010 Masterplan by SNAP.

Masterplan area	Phase 1 (0-5 years)	Phase 2 (5-10 years)	Phase 3 (10+)
Station buildings & access	<ul style="list-style-type: none"> - Station forecourt improvements - Platforms upgrade & landscaping - Extension station refurbishment - Open up South route from Station / Arts Trail 	<ul style="list-style-type: none"> - Glazing to 'Link' roof, connecting the rear of the main station building with the Goods Shed. This will help open up the potential of the space for new uses and connect with the refurbishment of the Goods Shed. - Goods Shed conversion into a multipurpose performance / gallery space. This Arts Centre is part of a wider vision which includes the Arts Trail; the 'Link' 	<ul style="list-style-type: none"> - Station forecourt - Sculpture Park - Rear exit to Plantation Square - Long distance bus station

		exhibition space; and Sculpture Gardens. - Further landscaping to continue the green route / Arts Trail along Valley bridge Road.	
West Square	- West Square relandscaping - A new development on north side of West Square		Linear Park / relandscaping
Westborough arches / south	Pavement and road improvements	Refurbishment of the Tiles Centre and other premises	
Station Square / public realm	New pedestrian crossing and relocating Obelisk		
Westborough north	First phase of pedestrianisation of Westborough	New arcades will provide shelter at bus stops and improve the connection between the station area and the town centre for pedestrians	Pedestrianisation
Pavilion Square	New railings and trees at Pavilion Square		Pavilion Square reinstated and new development to replace Pavilion House
Plantation Hill	Open up Plantation Hill	New pedestrian crossing / Plantation Square New development accessed from Plantation Hill	
Northway			New road layout / cycle lanes
Tesco site			New development



Following the Masterplan, the project was put on hold for a several years due in large part to a lack of funding. New funding has now been secured from the Towns Fund which provides the Council and its partners with the opportunity to develop this project. However, the funding available could not cover all the interventions envisaged in the 2010 Masterplan.

In order to take into account the level of funding available and develop a coherent investment plan, the scope of the scheme was refined in collaboration between SBC, the Towns Deal Board and AECOM. This process factored in a number of critical success factors:

- **Strategic fit:** alignment with SBC vision for the town centre, alignment with Town Deal Objectives and priorities, and support from stakeholders including Network Rail, SBC, existing and potential tenants of the buildings concerned, the local community;
- **Achievability:** ability to secure planning consent, ability to attract suppliers and operators based on performance and characteristics of the local property market, also taking into consideration land ownership and other specific constraints;
- **Affordability:** overall cost and ability to fund the option;
- **Benefit optimisation:** delivering value for money
- **Sustainability:** ensure the optimisation of sustainable benefits (environmental, social, economic).
- **Catalytic:** ability to act as catalyst for further regeneration into the Station Gateway

These criteria fed into an iterative process of refinement of the design and specifications of a preferred way forward, with a narrower geographical scope for the scheme (illustrated in Figure 1 presented in the Project Summary section of the Introduction) than set out in the 2010 Masterplan.

Table 7 – RAG Rating of Long Listed Options

Option	Strategic fit	Achievability	Affordability	Benefit optimisation	Sustainability	Catalytic	Conclusion
Do Nothing	Red	Green	Green	Red	Red	Red	Under this option, nothing changes. This is the most affordable and achievable option but it does not deliver any of the intended benefits for Scarborough and will contribute to the continued poor performance of the town and lack of economic resilience. Taken forward
Station buildings & access	Green	Green	Yellow	Green	Green	Green	This option would make the best use of a heritage asset at the heart of the Station Gateway and deliver benefits for users and visitors. This option is however costly and is not affordable within the Towns Fund allocation. Taken forward as Do More (pending LUF)
West Square	Yellow	Yellow	Red	Red	Yellow	Yellow	This option would contribute partially towards intended benefits established in the TIP but is unaffordable and would not focus on an area of the Station Gateway in most needs for intervention therefore delivering limited benefits and lower Value for Money than comparable projects. Discounted
Westborough arches / South	Green	Green	Green	Green	Green	Green	This is identified as the preferred option and repackage as one option to form one holistic approach to improvement of the public realm and highway. It aligns with the TIP by delivering a high quality public realm and improved highway which will act as catalyst for further investment into the Station Gateway. This option is fully affordable and achievable within the Towns Fund allocation. Taken forward
Station Square / public realm	Green	Green	Green	Green	Green	Green	
Westborough North	Green	Green	Green	Green	Green	Green	
Northway	Green	Green	Green	Green	Green	Green	
Pavilion Square	Green	Yellow	Yellow	Green	Yellow	Green	The redevelopment of Pavilion Square would deliver benefits for Scarborough, in line with the objective of the TIP. However this option was judged to be complicated to deliver due the difficulty to relocate the car park. This option was discarded, with only the renovation of Pavilion House brought forward. The renovation of Pavilion House will enable to relocation of public services (SBC, Police, Beyond Housing) under one roof, in a location that is fully accessible to the public and would act as catalyst for investment into the Station Gateway area. However, this cannot be fully funded through Towns Fund. Partially taken forward as Do More (pending LUF)
Plantation Hill	Yellow	Red	Yellow	Yellow	Yellow	Yellow	This option would see Plantation Hill being opened up, with improved connectivity between the site and the station. The existing car park would be redeveloped. This option had to be discounted to as it was judged to be too expensive and unachievable due to the difficulty or relocating the existing car park. Discounted
Tesco site	Yellow	Red	Yellow	Green	Yellow	Yellow	This option aimed at providing a new development on the Tesco site, using the car park facilities. This option in not achievable within the scope of the Towns Funds or Levelling up Fund, having been rejected by Tesco. Discounted

The sifting process excluded a number of elements initially included in the Masterplan, namely the development on the Tesco site, West Square, Plantation Square development and part of Pavilion Square.

Options shortlisted for appraisal

The refinement of the design (from the 2010 masterplan) also led to some necessary changes to the retained projects:

- Pavilion House and Comet building: these were initially envisaged for both commercial and residential uses. However, in order to align with the Heads of Terms specifications and based on the buildings' characteristics, both are now set to provide employment space only.
- Station building (front): the initial scope has evolved towards freeing up as much of the station building as possible to accommodate food and beverages (F&B) and retail units which will activate the new public square in front of the station building. The former hotel element will either be a new boutique hotel or further F&B offering(s).
- Transport Hub: the scope of the hub has expanded to encapsulate a multi-storey car park (with car hire and E-charging facilities), to compensate for the loss of spaces due to other developments, in addition to the relocated taxi rank and bus interchange.
- Residential content: the initial brief was to provide 5,000sqm of quality residential space, but with Pavilion House and the former COMET site given over to commercial uses and the MSCP taking up the former coach park plot, there was no other viable location within the original plot boundary. The scheme's area was therefore increased to include Westborough car park which became the proposed location for a residential offering. However, plot size and height constraints as well as proximity to the listed station buildings means that the size of residential development currently stands at 3,150sqm.
- The final scheme also includes a new multi-storey car park, to compensate for the conversion of the two existing car parks (Westborough and behind the station) into housing and commercial space.

This work and further engagement with SBC to define the Business As Usual scenario for use as a counterfactual resulted in the following short-list of options taken forward for Economic Appraisal:

- **Reference Case:** in the absence of Towns Fund monies, it is expected that none of the public realm and station refurbishment could happen. It also means that the changes necessary to deliver the transport hub (e.g. relocating taxis and buses) could not occur. In the absence of a new and revitalised station quarter, market interest for new commercial space is limited and it is expected that the Comet building would remain partially occupied by PoundStretcher until the end of their lease and then demolished. As there is a planning permission on Pavilion House for 55 dwellings, it is assumed that this would come forward eventually: this represents an optimistic Reference Case given the costs associated with transforming the building and the current status of the market in the area. In addition, assuming the purchase of the site by SBC is approved (in October 2021), this scenario would require the site to be re-sold to an interested developer.
- **Preferred Option:** this option is described in the Project Summary and Strategic Case as Phase 1A – Public Realm and includes the improvement of 14,720 sqm of existing public realm and highway outside Scarborough Station. This option will be fully funded through the Towns Fund and represent our preferred option.
- **Do More:** this option is described in the Project Summary and Strategic Case. As well as the outputs listed in the previous sections in terms of transport, residential and commercial space, and public realm, the scheme also directly enables the development of the Town Hall site, currently occupied by SBC and the Police. The Do More Option will create new premises for SBC at Pavilion House, which will allow the Town Hall to be vacated. As a result, the project to convert the Town Hall into an upmarket hotel will be able to proceed. As the value generated by the Town Hall development is directly dependent on the scheme coming forward, the economic benefits from this project are included in the appraisal for this option. This option aims to demonstrate the incremental impact that could be generated by the wider Station Gateway programme, which will be enabled by Phase 1A –

Public Realm. This option will require additional funding (identified mainly as coming from the Levelling Up Fund and private investment).

ECONOMIC BENEFITS

Given the nature of the schemes, and in line with Green Book guidance, the appraisal period used for the benefits is 30 years (recommended for refurbishment of existing buildings). The impact on Land Value Uplift is captured as a one off benefit realised at completion. The net present value of all benefits is presented in real terms in 2021 prices, applying the discounting factors set out in the Green Book (3.5% for the first 30 years and 3% for the next 30 years of the appraisal period).

The various elements of the scheme will support different types of benefits. The monetisable benefits covered by this section are listed and summarised by main categories in Table 8 below along with how they relate to the scheme’s objectives and how they have been appraised.

The assumptions and estimates for each are presented thereafter. Non-quantified impacts are described in a separate section but, as stressed in the Green Book, should not be overlooked when considering projects which aim to be transformational and address long-term challenges like spatial inequalities, town centre decline and climate change.

Table 8 – Economic Benefits

Scheme component	Link to theory of change / investment objectives	Types of benefits appraised
<p>Public realm and heritage</p>	<ul style="list-style-type: none"> Improvements to the Station’s environment will enhance user experience, create better linkages to the High Street and shore, and drive an increase in footfall, dwell times and spend. 	<ul style="list-style-type: none"> MHCLG Guidance on value of public realm amenity (Phase 1A – Public Realm) Wider Land Value Uplift (PERS) (applicable to all Phases of the Station Gateway) WebTAG Guidance on the value of prevention of road accidents (Phase 1A – Public Realm) Heritage benefits (Phase 1A – Station Redevelopment)
<p>New housing and commercial uses</p>	<ul style="list-style-type: none"> Support vitality of the town centre by creating centrally located dwellings and commercial space which in turn brings local spend in the area Contribute to housing targets Repurpose under-used sites and boost land values through new uses / higher occupancy Attract private investment and new jobs in Scarborough 	<ul style="list-style-type: none"> Land Value Uplift (Phase 2, Phase 3, Phase 4A, Phase 4B) Benefits in terms of local employment and GVA (Phase 1A – Station Redevelopment, Phases 2, Phase 3 and Phase 4B)

Amenity Benefits

This benefit is directly linked to the delivery of Phase 1A – Public Realm, under the Preferred Option. This scheme is also included in the Do More Option.

The proposed scheme will include significant public realm enhancements that will improve the experience of visitors to and around the Station through better accessibility and higher quality environment, stimulating footfall and creating new connections between different parts of the town centre.

The benefits associated with this improved public realm throughout city centre have been monetised using research produced for CLG on valuing benefits of regeneration (Tyler et al, 2010).

The paper provides a benchmark value of ██████████ per ha of public realm (in 2021 prices, adjusted using UK GDP Deflators). Under both the Preferred Option and Do More Option, public realm improvements will cover 14,970sqm (1.5ha), delivering **net additional benefits of ██████████ (2021, discounted)** over a 30-year appraisal period.

Without the scheme, none of the public realm improvements would occur so nil deadweight is assumed. Given the nature of the scheme, no displacement, leakage or substitution is assumed.

Wider Land Value Uplift

The regeneration of the Station Gateway will increase the permeability and walkability and in the area and improve connectivity between the Station Gateway and the Harbour, driving pedestrian flows to the town centre.

As a consequence of contributing to an increase in footfall and increased dwell time by visitors to the area and to the town centre and harbour, the Station Gateway programme will lead to an increase in land value of commercial properties and Scarborough (increase footfall leading to an increase in sales and therefore increase in value of retail properties) as well as residential properties (driven up by an enhancement of the surrounding public realm and improved retail offer in Scarborough and particularly in the Station Gateway area).

The impact of regeneration projects on Wider Land Value Uplift is documented and evidenced by a study published by the Design Council (Paved with Gold: the real value of good street design, 2007). The study shows that for each single point increase in the Pedestrian Environment Review System (PERS) street quality scale, a corresponding increase of 5.2% in residential prices could be calculated. Similarly, the study shows that for each single point increase in the PERS score, a corresponding increase of 4.9% in retail value could be calculated.

We have estimated that the overall interventions from the Station Gateway programme (Do More Option) could lead to an increase of 2.18 of the PERS score. This increase has been assumed to be pro rata of financial costs for the Preferred Option (Phase 1A – Public Realm), leading to an increase of the PERS score of 0.16. This is shown in Table 9.

It is recognised that this uplift in residential and retail properties would not apply to all properties in Scarborough but rather to properties in the proximity of the scheme, directly or indirectly impacted by the improvement and increase in footfall and dwell time. Therefore, we have assumed that the uplift in wider land value will impact:

- Residential properties within 100m of the scheme: 694 dwellings
- Retail properties within 100m of the scheme: 16 retail units
- Retail properties located in the Station-Harbour corridor: 173 retail units

The average residential value in Scarborough (Right Move, average home value in YO11) was £163,800 in 2021. The average retail value in Scarborough (within the impacted area) was £335,053 in 2021 based on CoStar data.

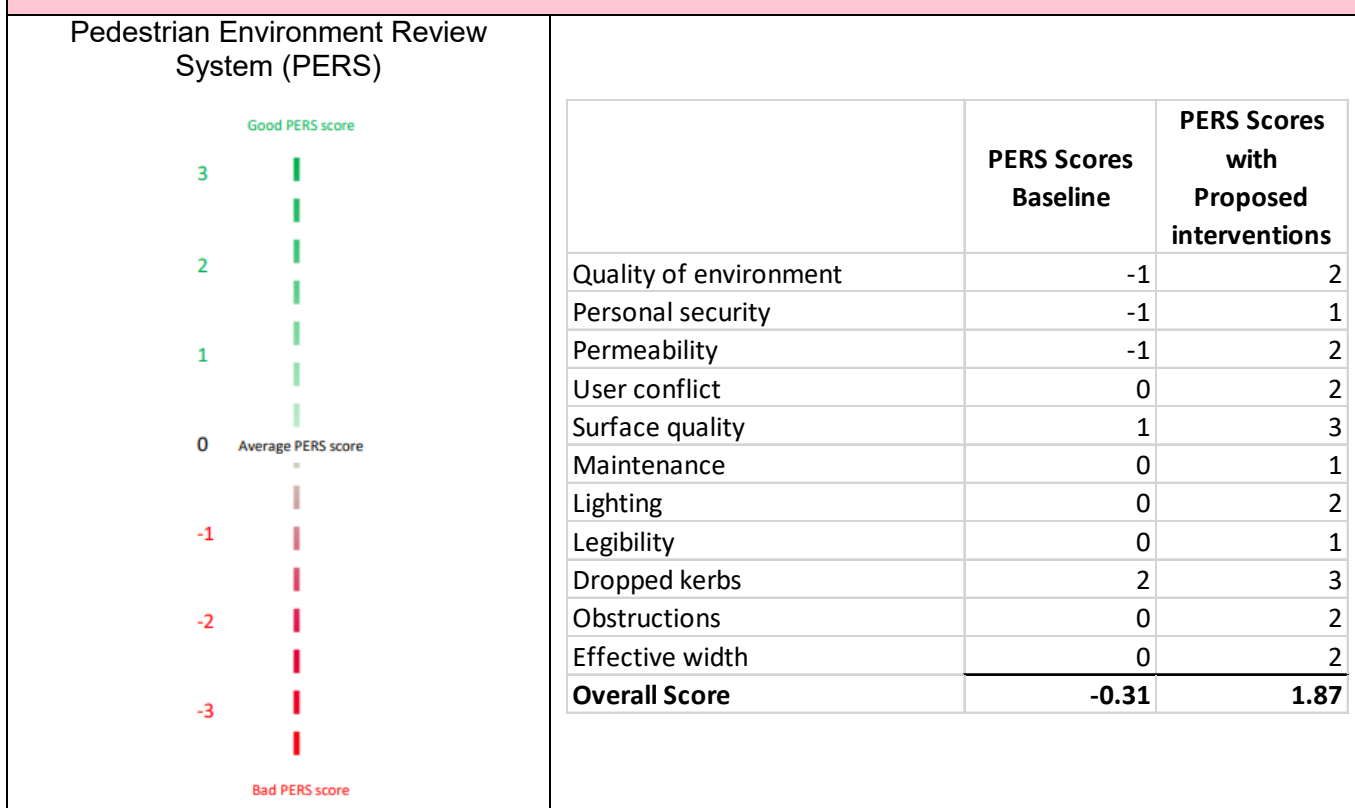
Table 9 – Station Gateway, Pedestrian Environment Review System (PERS)

The methodology for the audit was based on the Pedestrian Environment Review System (PERS). PERS is a multi-criteria assessment tool designed to assess the quality of the pedestrian environment by placing scores on several characteristics and assessing the qualities of a particular street regarding its link or place function.

The proposed weighting to be used for the street audit is contained in the “Paved with gold – the real value of good street design” document published by CABE in 2007. The intended use of the PERS outputs is to quantify the impact of street design improvements on property market prices as revealed through commercial rents.

The weightings are as follows:

Quality of environment: 24%; Personal security: 13%; Permeability: 12%; User conflict: 11%; Surface quality: 10%; Maintenance: 9%; Lighting: 7%; Legibility: 5%; Dropped kerbs: 4%; Obstructions: 3%; Effective width: 2%.



Based on the above assumptions and data, we have estimated that the net impact of the wider land value uplift, to be captured as a one off impact pro-rata of the delivery of each Phase of the Station Gateway, **amount to** [redacted] under the Preferred Option and **amount to** [redacted] under the Do More Option (2021 prices, discounted).

Without the scheme, none of the public realm improvements and station redevelopment would occur so nil deadweight is assumed. Given the nature of the benefits, no displacement, leakage or substitution is assumed.

Road Safety Benefits

The improvements to the public realm and highway outside Scarborough Station will lead to an increase in road safety and reduction in road related accidents (involving motorised vehicles, bicycles and pedestrians).

Data published by the Department for Transport⁷ indicates that between 2012 and 2019 a total of 43 road accidents, with casualties, were reported in the intervention area, or 5.38 accidents per year on average. A breakdown of the average number of accidents per year is presented in Table 10 below.

Table 10 – Economic Benefits

Involved	Casualties	Slight	Severe	Fatal
Bus	Bus	1.00	0.13	0.00
Bus, Truck	Truck	0.13	0.00	0.00
car, Bus	Bus	0.25	0.00	0.00
car, truck	car	0.13	0.00	0.00
Bus	Pedestrian	0.13	0.13	0.00
Car	Bus	0.13	0.00	0.00
Car	Car	1.38	0.00	0.00
Car	Pedestrian	1.13	0.13	0.13
Car	Bicycle	0.25	0.00	0.00
Car	Bike	0.38	0.00	0.00

A study by DfT⁸ indicates that highway improvements and traffic calming measures have a positive impact on decreasing the number of road accidents involving motorised vehicles, bicycles and pedestrians. This study found a:

- 63% reduction in pedestrian accidents where 20 mph zones were introduced
- 70% reduction in child pedestrian accidents where 20 mph zones were introduced
- 29% reduction in cyclist accidents where 20 mph zones were introduced
- 48% reduction in child cyclist accidents where 20 mph zones were introduced
- 30% reduction in injury accidents with improved road lighting
- 60% reduction in annual accidents when average speeds are reduced by 9mph (review of 230 zones in England, Wales and Scotland)
- 5% reduction in accidents for each 1mph speed reduction

Based on transport planning advice, we have assumed that the scheme (Phase 1A – Public Realm) could lead to a reduction of traffic speed of up to 5mph due to new traffic calming measure, improved pedestrian crossings and improved lighting and signalisation. We have therefore assumed a reduction of 25% in road traffic related accidents following the implementation of the scheme expected to be delivered by 2026.

The annual economic benefits generated by the reduction in road accidents is derived from the WebTAG average value of prevention of road accidents by severity, as presented in Table 11.

Table 11 – WebTAG Data Book, Table A 4.1.3: Average value of prevention of road accidents by severity and element of cost, £ (2021 prices & 2021 values)

Accident severity	Value (£)
Fatal	2,379,115
Serious	271,976
Slight	28,414

⁷ <https://www.think.gov.uk/thinkmap/>

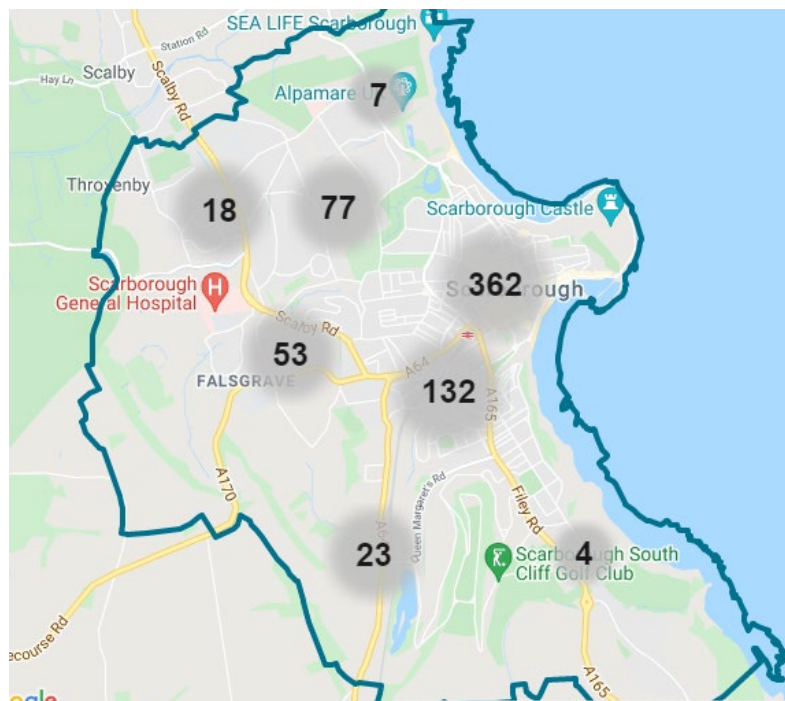
⁸ DfT, Local Transport Note 1/07: Traffic Calming, March 2007

The annual impact is estimated at £134,474 (2021 prices), occurring from 2025 over a 30-year appraisal period. This leads to a **net additional benefits of £2,232,027 (2021, discounted)** over the full appraisal period.

Crime Prevention

Based on official data published on police.uk, we can assume that 738 crimes are reported annually in the Scarborough Station Gateway area (based on figures from December 2020 to November 2021). This area around the station is particularly impacted by a high level of crime compared to the rest of Scarborough as shown in Figure 5 for November 2021.

Figure 5: Crime Map, Scarborough November 2021



Improvements to the public realm, redevelopment of vacant buildings, increase in footfall, etc. are all measures that have proved to reduce crime in areas going through regeneration. On the back of data published by the Home Office (Safer Places, The Plannign System and Crime Prevention, Home Office, February 2004), we have assumed a reduction of 19% in crime in the Station Gateway Area following the full delivery of the programme. This would lead to about 140 fewer crimes being committed a year in the area, delivering an economic benefit for individuals (consequence of crime) as well as for the public (reduction in cost of anticipation of crime and cost in response to crime).

The annual impact of the intervention is assumed to be £386,521 (2021 prices) and is based on figures presented in the following table:

	Economic & Social Costs (2018 prices)	# Crimes prevented	Annual Impact (2018 prices)
Violence & Sexual Offences			
Anti-Social Behaviour			
Public Order			
Bicycle Theft			
Drug			
Possession of Weapons			
Shoplifting			
Other Theft			
Criminal damage and arson			

Burglary					
Other					

The economic and social costs of crime is based on figures published by the Home Office (The economic and social costs of crime - Second edition, Home Office, July 2018). When there is no explicit cost of crime by type of crime available, we have assumed a cost saving of £40 only (corresponding to the cost of police response only).

The annual impact is estimated at [REDACTED] in 2021 prices and is appraised over a 30-year appraisal period. The benefits are assumed to occur from the delivery year of each phase (impact assumed pro-rata to the financial cost of each phase) and lead to a **net additional benefits of [REDACTED] (2021 discounted prices) under the Do More Option**. The impact under the Preferred Option (Phase 1A Public Realm) is proportional to its financial cost and captured from 2025. The **net additional benefits of the Preferred Option is estimated at [REDACTED] (2021 discounted prices)**.

Heritage Benefits

Historic buildings deliver a public benefit to those who visit, want to use them, and want to preserve the cultural heritage for future generations. The Station Building is Grade II listed and within Scarborough Conservation Area.

The aim to improve the sense of arrival at the station under the Preferred and Do More Options is a positive step and, if sensitively designed, should enhance the station’s heritage significance through improving access and wayfinding, reducing the dominance of vehicles in the station’s immediate setting and improving the public realm around the station, such that its architectural interest is enhanced in views from the street.

In addition, under the Do More Option, additional work would be done (Phase 1A – Station Redevelopment) to bring back the station to full use. The Station would benefit from the existing vacant Hotel to be redeveloped and become operating and additional F&B and rail facilities being delivered as well as substantial work done to the structure of the building to ensure its structural integrity and showcasing its heritage character fully.

The heritage benefits associated with this element of the scheme have been quantified using research by The Heritage Fund (Values and benefits of heritage: a research review). The study measures a willingness to pay by users and non-users to prevent the closure of a heritage building. The study found that users were WTP £35 per year, with non-users prepared to pay an average of £13 per year in 2015 prices (uplifted to £40.69 and £15.11 in 2021 prices, using GDP Deflators).

We recognise that the proposed intervention will contribute to the prevention of closure and that Scarborough Station would remain open and operational without intervention, although only a small part of the station is currently operational and accessibility and visibility is not currently optimal. Based on professional judgement, we have assumed that the willingness to pay following intervention would be limited to 15% of what was found in the Heritage Fund study (improvement rather than prevention of closure). Therefore, the impact assume (willingness to pay) is estimated at £6.10 per user per year and £2.27 per non-user per year.

The number of users has been derived from the annual frequentation at Scarborough Station which has been in average of 975,000 passenger per year over the past 5 years (excluding 2020). In the absence of data on unique users, we have made the simplifying and conservative assumptions that all users are regular users and that the average daily frequency should be considered as the number of unique users each year. This is a very conservative assumption as it assumes that passengers going through Scarborough Station are the same every single day of the year. The number of unique users (per year) is 2,671. The number of non-users is assumed to be the population of the Scarborough Built up Area (as defined in the ONS Census 2011). This population is of 51,217 people.

The annual impact is estimated at £132,436 and is appraised over a 30-year appraisal period. The benefits are assumed to occur from 2025 (completion of the Station Redevelopment and Public Realm) and **amount to [REDACTED]**. This level of benefits is associated with the Do More Option. Under the

Preferred Option, total heritage benefits are assumed to be pro-rata of Do More benefits based on their financial costs and therefore **amount to £162,885**.

Without the scheme, none of the public realm improvements and station redevelopment would occur so nil deadweight is assumed. Given the nature of the benefits, no displacement, leakage or substitution is assumed.

Land Value Uplift – Comet Building

The redevelopment of the Comet Building (Phase 2) will generate **land value uplift (LVU) benefits** as the site is converted into a more productive use. The approach taken for calculating land value uplift is informed by DCLG Appraisal Guide⁹ and LVU guidance detailed in Annex 1 of HM Treasury’s Green Book¹⁰. All prices are 2021 prices.

To perform the analysis, it is necessary to compare the value of the existing land use to the future land value. The change in land value as a result of the scheme is considered to be the land value uplift. The assumptions used to calculate LVU are presented in the table below and have been informed by BE Group’s local knowledge of the property market.

The calculation of the Land Value Uplift is based on the assumptions set in Table 12.

Table 12 – LVU Comet Building

	Do More Option	Source
Comet Building LVU		
Floorspace (NHS only)	1,739 sqm	AECOM – Cost estimates based on Stage 2 design
GIA to NIA ratio	86%	
Site size (ha)	0.173	AECOM, high level estimate measured on Google Map
Sites current land value	██████████	Site is currently occupied by a vacant/derelict building and considered as brownfield. Use of DCLG Guidance, net social value of typical non-residential development (city centre brownfield, Middlesbrough) - Figure 19, page 76)
Rental value (per sqm)	- ██████████/sqm/year - Yield of 6.5%	SBC Car Park Performance data BE Group property market review report (August 2021) and discussion with BE Group to choose most appropriate assumption.
Build costs	██████████	AECOM – Cost estimates based on Stage 2 design, excluding inflation
Phasing of delivery	Assume all are delivered by 2025	AECOM programme

The Land Value uplift is estimated at ██████████ and will be realised in 2025. This is based on a GDV of ██████████; funding of ██████████; construction costs of ██████████ and current land value of ██████████.

Drawing on the assumptions set out above, we have estimated the NPV of land value uplift for Phase 2 to be ██████████ (2021 prices, discounted).

⁹ DCLG (2016) Appraisal Guide

¹⁰ HMT (2021) The Green Book

Land Value Uplift – Pavilion House

The redevelopment of the Comet Building (Phase 2) will generate **land value uplift (LVU) benefits** as the site is converted into a more productive use. The approach taken for calculating land value uplift is informed by DCLG Appraisal Guide¹¹ and LVU guidance detailed in Annex 1 of HM Treasury’s Green Book¹². All prices are 2021 prices.

To perform the analysis, it is necessary to compare the value of the existing land use to the future land value. The change in land value as a result of the scheme is considered to be the land value uplift. The assumptions used to calculate LVU are presented in the table below and have been informed by BE Group’s local knowledge of the property market.

The calculation of the Land Value Uplift is based on the assumptions set in Table 13.

Table 13 – LVU Pavilion House

	Do More Option	Source
Pavilion House LVU		
Floorspace	2,672 sqm (NIA) office space 1,049 sqm (NIA) of other secondary space	AECOM – Cost estimates based on Stage 2 design
Site size (ha)	0.173	AECOM, high level estimate measured on Google Map
Sites current land value	██████████	Site is currently occupied by a vacant/derelict building and considered as brownfield. Use of DCLG Guidance, net social value of typical non-residential development (city centre brownfield, Middlesbrough) - Figure 19, page 76) Note that this lead to a higher current land value than if using the DCLG Estimate Land Value for office space in Scarborough (which seems too optimistic)
Existing/retained rental income	Ground floor retail: ██████████ year Telecom mast: ██████████	SBC AECOM estimate
Rental value (per sqm)	- ██████████ year for office space - ██████████ for secondary space - Yield of 6.5%	SBC Car Park Performance data BE Group property market review report (August 2021) and discussion with BE Group to choose most appropriate assumption.
Build costs	██████████	AECOM – Cost estimates based on Stage 2 design, excluding inflation
Phasing of delivery	Assume all are delivered by 2024	AECOM programme

The Land Value uplift is estimated at ██████████ and will be realised in 2024. This is based on a GDV of ██████████ funding of ██████████ construction costs of ██████████ and current land value of ██████████

¹¹ DCLG (2016) Appraisal Guide

¹² HMT (2021) The Green Book

Drawing on the assumptions set out above, we have estimated the NPV of land value uplift for Phase 3 to be [REDACTED] (2021 prices, discounted).

Land Value Uplift – MSCP Car Park

The construction of a new multi-storey car park (Phase 4A) will generate **land value uplift (LVU) benefits** as the site is converted into a more productive use. The approach taken for calculating land value uplift is informed by DCLG Appraisal Guide¹³ and LVU guidance detailed in Annex 1 of HM Treasury’s Green Book¹⁴. All prices are 2021 prices.

To perform the analysis, it is necessary to compare the value of the existing land use to the future land value. The change in land value as a result of the scheme is considered to be the land value uplift. The assumptions used to calculate LVU are presented in the table below and have been informed by BE Group’s local knowledge of the property market and SBC knowledge of car parks performance in Scarborough.

The calculation of the Land Value Uplift is based on the assumptions set in Table 14.

Table 14 – LVU MSCP Car Park

	Do More Option	Source
MSCP Car Park LVU		
No. spaces	[REDACTED]	AECOM – Cost estimates based on Stage 2 design
Site size (ha)	[REDACTED]	AECOM, high level estimate measured on Google Map
Sites current land value	[REDACTED]	Site is currently brownfield used as car park. Use of DCLG Guidance, net social value of typical non-residential development (city centre brownfield, Middlesbrough) - Figure 19, page 76)
Revenue	- [REDACTED] per space per year - Yield of 7%	SBC Car Park Performance data BE Group property market review report (August 2021) and discussion with BE Group to choose most appropriate assumption.
Build costs	[REDACTED]	AECOM – Cost estimates based on Stage 2 design, excluding inflation
Phasing of delivery	Assume all are delivered by 2023	AECOM programme

The Land Value uplift is estimated at [REDACTED] and will be realised in 2023. This is based on a GDV of [REDACTED]; construction costs of [REDACTED] and current land value of [REDACTED]

Drawing on the assumptions set out above, we have estimated the NPV of land value uplift for Phase 4A to be **£3,138,987** (2021 prices, discounted).

Land Value Uplift – Residential Development

The construction of a new residential development (Phase 4B) will generate **land value uplift (LVU) benefits** as the site is converted into a more productive use. The approach taken for calculating land

¹³ DCLG (2016) Appraisal Guide

¹⁴ HMT (2021) The Green Book

value uplift is informed by DCLG Appraisal Guide¹⁵ and LVU guidance detailed in Annex 1 of HM Treasury's Green Book¹⁶. All prices are 2021 prices.

To perform the analysis, it is necessary to compare the value of the existing land use to the future land value. The change in land value as a result of the scheme is considered to be the land value uplift. The assumptions used to calculate LVU are presented in the table below and have been informed by BE Group's local knowledge of the property market.

The calculation of the Land Value Uplift is based on the assumptions set in Table 15.

Table 15 – LVU Residential Development

	Do More Option	Source
Residential development LVU		
No. dwellings	27 (at Phase 4B, currently the car park for Transpennine Express), 2,311 sqm (Gross Internal Area)	AECOM – Cost estimates based on Stage 2 design
Retail floorspace	202sqm (Gross Internal Area)	
GIA to NIA ratio	76%	
Site size (ha)	0.25	AECOM, high level estimate measured on Google Map
Sites current land value	██████████	Site is currently car park for Transpennine Express. Use of DCLG Guidance, net social value of typical non-residential development (city centre brownfield, Middlesbrough) - Figure 19, page 76)
Sales/rental prices (per dwelling or sqm)	- Residential: ██████████ / sqm - Retail: rental of ██████████ /sqm/year with a yield of 7%	BE Group property market review report (August 2021) and discussion with BE Group to choose most appropriate assumption.
Build costs	██████████	AECOM – Cost estimates based on Stage 2 design, excluding inflation
Phasing of delivery	Assume all are delivered by 2027	AECOM programme

The Land Value uplift is estimated at ██████████ and will be realised in 2027. This is based on a GDV of ██████████; funding of ██████████ construction costs of ██████████ and current land value of ██████████

Drawing on the assumptions set out above, we have estimated the NPV of land value uplift for Phase 4B to be **£510,472** (2021 prices, discounted).

Local Employment & GVA

The Towns Fund's Green Book Checklist states that second round effects (e.g. genuine job creation) can be included in the Economic Case. This aligns with Green Book guidance in Appendix A2 on the use of place-based analysis for certain schemes. The guidance states that place-based analysis is appropriate for "proposal with an objective that is specific to a particular place or area or type of area / where proposals have a focus on a specific part of the UK". The core focus of the Towns Fund is to target specific areas around the UK, specifically towns, and drive their economic regeneration to deliver long term economic and productivity growth.

¹⁵ DCLG (2016) Appraisal Guide

¹⁶ HMT (2021) The Green Book

According to the guidance, place-based appraisal may include employment changes in the area under consideration. A core objective of this scheme is to bring employment space back into use to support the vitality of the town centre and wider functional economic area. For this reason, the economic benefits of Phase 1A (Station Building), Phase 2 (Comet Building), Phase 3 (Pavilion House) and Phase 4B (Residential Development – commercial component) are appraised in terms of employment and GVA.

With regards to Pavilion House, the new building will accommodate relocated SBC, the Police and Beyond Housing so these jobs are assumed to be fully displaced from one location to another. However, this move will free SBC's current premises at the Town Hall to be turned into an upscale hotel in the town centre. Given this direct dependency, the employment impacts of the Town Hall have been included in this economic appraisal.

As for the Comet building, the current expectation is that one of the floors will be occupied by FabLab, a separate project with a separate business case, while the other two floors will provide commercial space for other occupiers (assumed to be the NHS with functions such as audiology, podiatry and children's therapy services). In order to avoid double-counting, this appraisal only covers the two floors not considered for FabLab.

The potential number of jobs is estimated by applying the relevant job densities set out in HCA's 2015 Employment Density Guide to the commercial floorspace expected to be created by the scheme. This produces estimates for the direct gross job numbers which may be accommodated in the refurbished buildings.

In order to estimate additional employment impacts, leakage and displacement are applied as follows:

- Displacement: 50%. This represents a medium level of displacement as presented in the HCA Additionality Guide 4th Edition (2014). This has been increased to 80% for the Comet Building recognizing that NHS jobs are more likely to be displaced. However, a number of those jobs are expected to be additional given the specialisation of space delivered.
- Leakage: 15%. This is based on the analysis of travel-to-work pattern data provided by the 2011 Census which shows that 15% of workers in Scarborough come from elsewhere in the country.

The net additional direct job estimates are then multiplied by ONS data on GVA per filled job in North Yorkshire and converted to 2021 prices through the use of UK GDP deflators. These benefits are appraised over a period of 30 years, in line with the Green Book's recommendation for refurbished buildings. The results for each project are presented below.

Table 16 – Local Employment and GVA

	Station	Comet building (two upper floors)	Town Hall	Residential Development (commercial element)
Floorspace / bedrooms	875 sqm (GIA) of retail and F&B space; 11 boutique hotel rooms	1,739 sqm (GIA)	130 bedrooms	202 sqm (GIA) of F&B and Live/Work units
GIA to NIA ratio	80%	86%		76%
Job density (FTE per sqm NIA or FTE per bedroom)	20 sqm/FTE for retail and F&B 1 FTE per 2 bedrooms for upscale hotels	17 (based on 1.5m employees in the NHS and 26m sqm (GIA) of NHS estate)	1 FTE per 2 bedrooms for upscale hotels	20 sqm/FTE for F&B and studio space
Completion year	2025	2025	2024	2027
Estimated direct gross jobs (FTEs)	40.5	100	65	8
Net direct jobs (FTEs)	17.3	17.1	27.7	3.4
NPV GVA impacts (2021 prices)	£13,727,010	£13,601,863	£22,795,400	£2,533,519
Sources	AECOM stage 2 report HCA Employment Density Guide – 3 rd Edition (2015)	AECOM stage 2 report – This assumes the building will be used for a combination of co-working, workspace, event space and NHS services HCA Employment Density Guide – 3 rd Edition (2015)	Town Hall feasibility study shared by SBC HCA Employment Density Guide – 3 rd Edition (2015)	AECOM stage 2 report HCA Employment Density Guide – 3 rd Edition (2015)

The total combined present value of additional GVA impacts from the scheme based on the potential for new employment amounts to **£52,657,793** all being realised under the Do More Option only.

Deadweight

In order to establish the **net additional impacts** from these components of the scheme, it is important to determine what would happen in the Reference Case i.e. without this scheme. The following assumptions have been made:

- The Comet building has been partly vacant and on the market for a long-time. Only the ground floor is currently occupied (by PoundStretcher). SBC has purchased the site so that it is available for the implementation of the scheme. The expectation is that it will become vacant by 2023 at the latest and, in the absence of the scheme, the building will be demolished. The deadweight scenario therefore assumes no employment on this site.

- The Station will continue in its current form and uses, with approximately 410sqm of food and beverage space. The present value of the GVA impacts from the jobs located in this space are estimated at **£5,561,811** which are to be deducted from the impact calculated in Table 16.
- As explained in Table 2, Pavilion House is currently vacant with planning permission to be converted into 55 flats. SBC has purchased the site so that it is available for the implementation of the scheme. Should the scheme not come forward, the most likely scenario is that the site would be re-sold by SBC for conversion into dwellings. For this reason, the Reference Case assumes 55 dwellings are built on this site. Such an approach would most likely retain the Pavilion in its current form i.e. without improving the envelope. Using the land value uplift approach for residential development (based on very high level assumptions for design and costs), the deadweight for this site is estimated at - **£1,191,300** and is therefore ignored when calculating the net additional impact for Pavilion House

Based on these assumptions, the total net additional present value of economic benefits from Phase 1A (station development), Phases 2, 3 and 4A (commercial floorspace only) is **£47,095,981**, all being realised under the Do More Option only.

Summary of Benefits

Table 17 summarises the economic benefits presented above.

Table 17 – Summary of Economic Benefits (2021 prices, discounted)

Economic Benefits (£m, discounted, 2021 prices)	Do Nothing	Preferred Option	Do More Option
Amenity Benefits			
Wider Land Value Uplift			
Road Safety Benefits			
Heritage Benefits			
LVU Comet Building			
LVU Pavilion House			
LVU MSCP Car Park			
LVU Residential Development			
GVA Station Redevelopment			
GVA Comet Building			
GVA Pavilion House			
GVA Residential Development			
Total economic benefits	£0.0	£7.6	£84.5

ECONOMIC COSTS

Given the nature of the schemes, and in line with Green Book guidance, the appraisal period used for the costs is 30 years (recommended for refurbishment of existing buildings). The net present value of all costs is presented in real terms in 2021 prices, applying the discounting factors set out in the Green Book (3.5% for the first 30 years and 3% for the next 30 years of the appraisal period).

The building costs for the Preferred Option have been estimated by AECOM based on concept design drawings prepared by 5Plus architects for the Stage 2 Report dated November 2021. The rates used are current day fixed prices at Q4 2021 price levels.

In line with the HM Treasury Green Book (2020), costs have been adjusted to include optimism bias (OB) relevant to the type of construction work involved and exclude inflation.

OB was applied to each Phase individually based on the nature of the project and the rate was determined by starting from the upper bound and reducing it following HM Treasury Green Book Optimism Bias additional guidance and based on the stage of design of each phase and external factors. The OB rates applied are presented in Table 18.

Table 18 – Optimism Bias

Project	Category	Upper OB	Lower OB	Applied OB
Public Realm Redevelopment	Standard Civil Engineering	44%	3%	10.1%
Station Hotel Development	Non-standard Buildings	51%	4%	23.1%
Station Food and Beverage Units	Standard Buildings	24%	2%	8.2%
Station Rail Facilities	Standard Buildings	24%	2%	8.3%
Transport hub	Standard Buildings	24%	2%	8.3%
Comet Building Redevelopment (NHS only)	Standard Buildings	24%	2%	9.7%
Pavilion Refurbishment	Standard Buildings	24%	2%	9.4%
Multi Storey Car-Park	Standard Buildings	24%	2%	10.6%
Residential development	Standard Buildings	24%	2%	8.0%

The current cost estimates includes capital costs, operating costs that cannot be passed onto private investors and site acquisition costs. These costs are summarised in Table 19 and Table 20.

Table 19 – Economic Costs by Phase (2021 prices, discounted)

Economic Costs (£m, discounted, 2021 prices)	Do Nothing	Preferred Option	Do More Option
Phase 1A - Public Realm Redevelopment	£0.0	£4.9	£4.9
Phase 1A - Station Redevelopment (Hotel)	£0.0	£0.0	£4.3
Phase 1A - Station Redevelopment (F&B)	£0.0	£0.0	£3.4
Phase 1A - Station Redevelopment (Rail Facilities)	£0.0	£0.0	£0.7
Phase 1B - Transport hub	£0.0	£0.0	£3.8
Phase 2 - Comet Building Redevelopment (NHS only)	£0.0	£0.0	£6.6
Phase 3 - Pavilion Refurbishment	£0.0	£0.0	£15.7
Phase 4A - Multi Storey Car-Park	£0.0	£0.0	£6.3
Phase 4B - Residential development	£0.0	£0.0	£6.3
Total economic costs	£0.0	£4.9	£52.1

Table 20 – Economic Costs by Source of Funding (2021 prices, discounted)

Economic Costs (£m, discounted, 2021 prices)	Do Nothing	Preferred Option	Do More Option
Towns Fund	£0.0	£4.9	£5.6
Levelling Up SBC	£0.0	£0.0	£12.8
Levelling Up NYCC	£0.0	£0.0	£7.4
Other Public Funding	£0.0	£0.0	£2.9
Private sector funding	£0.0	£0.0	£23.3
Total economic costs	£0.0	£4.9	£52.1

VALUE FOR MONEY ASSESSMENT

The Economic Appraisal of the Preferred Option presented below combines the cost and benefit estimates described above, applying the discounting, deadweight and appraisal period presented in the previous sections and summarised here:

- Optimism bias applied in line with the HM Treasury Green Book Supplementary Guidance and reflecting the early stages of design;
- A 30-year appraisal;
- Land value uplift captured in the year of completion;
- Costs and benefits are presented in 2021 prices (discounted);
- A discount rate of 3.5% has been applied in line with the HM Treasury Green Book;
- Costs discounted based on phasing assumptions of the works.

Table 21 – Value for Money Assessment

(£m, discounted, 2021 prices)	Ref	Do Nothing	Preferred Option	Do More Option
Economic benefits				
Amenity Benefits		■	■	■
Wider Land Value Uplift		■	■	■
Road Safety Benefits		■	■	■
GVA Impacts		■	■	■
Land Value Uplift		■	■	■
Heritage benefits		■	■	■
Total economic benefits	(A)	£0.0	£0.2	£2.2
Economic costs				
Towns Fund	(B)	■	■	■
Levelling Up SBC	(C)	■	■	■
Levelling Up NYCC	(D)	■	■	■
Other Public Funding	(E)	■	■	■
Total public sector funding	(F) = (B) + (C) + (D) + (E)	■	■	■
Private sector funding	(G)	■	■	■
Total economic costs	(H) = (F) + (G)	£0.0	£4.9	£52.1
Benefit-Cost Ratio (BCR)	(I) = ((A) - (G)) / (F)	0.00	1.55	2.12
NPV	(A) - (H)	£0.0	£2.7	£32.4

The sensitivity analysis below tests the impact on the BCR of changing some of the key assumptions and variables. The sensitivity tests undertaken are summarised include:

- Higher Benefits (+10%) to provide a sense of potential societal value of the scheme if at least some of the wider impacts presented in the next section could be monetised;
- Optimism Bias on Benefits of 10% applied;
- Higher costs (+10%) to test the sensitivity of the Optimism Bias applied on Economic Costs

- Exclusion of LVU benefits
- Exclusion of Wider LVU benefits

Table 22 – Sensitivity Analysis

	Preferred Option	Do More
Central Case	1.55	2.12
Benefits +10%	1.70	2.42
Benefits -10%	1.39	1.83
Benefits -15%	1.31	1.68
Benefits -20%	1.24	1.54
Exclusion of LVU benefits	1.55	1.93
Exclusion of Wider LVU	1.29	1.52

NON-QUANTIFIED BENEFITS

The scheme will also provide significant non-monetisable benefits which cannot be captured in the Value for Money assessment presented above but need to be considered seriously when assessing this scheme and its potential benefits to the local economy and community over the long-term. They include transport benefits, environmental sustainability benefits and the spillover effects of the scheme on the high street and town centre through its improved appeal to visitors and associated spend.

Transport benefits

The Scarborough Station Gateway scheme will provide and promote sustainable and active transport options for people arriving into Scarborough to create a better experience for non-motorised users. This will be achieved through a variety of interventions:

- **Highways** – Interventions include the removal of the pedestrian island on the southern side of Valley Bridge Road; traffic calming measures along Westborough to mitigate speeding; and a 2m segregated cycle lane to link up with the nearby Cinder track cycleway, connecting trips towards Scarborough Town Centre. These interventions will allow pedestrian and cyclist access towards the town centre to become easier, faster and safer, while traffic calming measures and the provision of segregated cycle lanes will support a shift active modes whilst maintaining capacity, with no reduction in the number of lanes proposed for motorized users.
- **Multi Storey Car Park (MSCP)** – A new MSCP will be designed to the south of the station along Westwood to replace the current car parks within the vicinity of the station by consolidating these car parks into one area. It will also function as the station drop off with a vehicle turnaround space. This will provide a central location with easy and efficient access, with the relocation of taxi and drop off space from the front of the station to the rear will create more civic space and a clear townscape at the front of the station to promote a greater sense of arrival at the town.
- **Transport Hub** – A transport hub is proposed to be created adjacent to the MSCP to the south of the station. This will provide a public transport hub, covered taxi rank, cycle spaces, car and bike rental facilities, electric vehicle charging points as well as a car club to allow the hire of rental vehicles directly from the station. The hub will be designed so that it connects different modes of transport seamlessly into one comprehensive easy to use design. This will create an efficient and accessible system that easily allows the transfer of people from one mode to another and increases the footfall of passengers into the station.

The transport benefits have not been monetized as this is considered too onerous and disproportionate given the scale of the intervention. There is no standard approach / model to appraise transport benefits on a scheme of such a small magnitude and therefore a bespoke approach / model would have need to be created. Transport benefits are assumed to be relatively small given the scale of the public realm / highway intervention.

Aside from the impacts on road users mentioned above, the package of transport interventions included in this scheme will generate environmental and health benefits by:

- Facilitating a shift towards non-motorised modes of transport and electric vehicles in line with local and national policy objectives to reduce carbon emissions and air pollution.
- Increasing choices of more accessible and affordable options for those without access to a car.
- Contributing to making the area around the station more attractive to visitors and better linked with other parts of the town centre, especially the shore and high street.
- Increasing the use of active modes (cycling and walking) with associated health benefits for users. People living in the area (like those in the country as a whole) have increasingly sedentary lifestyles with low levels of physical activity. This is a serious public health challenge - in 2018 60% of Scarborough residents were classified as having excess weight and 19% of adults were considered physically inactive¹⁷ by failing to meet recommended weekly amounts of exercise. Improving the health of local communities can result in significant savings to local authorities, the NHS and HM Treasury.

Sustainability and environmental resilience

The climate crisis has highlighted the importance of creating sustainable, resilient places, that are adapted to and help to mitigate the impacts of climate change on their populations. The Station Gateway proposals can deliver a range of sustainability and resilience benefits, support SBC's net zero transition:

- **Public realm** – The redesign of the Station Gateway area will be used to reduce hardstanding areas and increase the proportion of green space, decreasing run off to drainage systems and rivers and reducing the urban heat island effect. The use of rain gardens and tree planting will increase flood protection, CO₂ absorption and create localised improvements in air quality through the reduction in NO₂ gases and particulate matter from vehicle exhaust emissions.
- **Buildings** – The redevelopment of Pavilion House will retain the existing concrete structure, reducing the embodied carbon associated with the redevelopment, with building surveys allowing for a materials audit to identify any opportunities to salvage materials for re-use. Improvements to the station buildings will balance heritage and energy conservation, with potential interventions including energy efficient lighting, water efficient fittings, leak detection systems and water recycling systems, upgrades of the existing heating and ventilation systems and the potential for Solar PV (subject to feasibility assessment).
- **Highways and Transport Hub** – The improvements will centre on prioritising public transport, active travel (improved connectivity and walkability within the public realm) and electric vehicles over private cars to reduce carbon emissions and air pollution.

Improved perception of the high street leading to higher footfall

Scarborough Station represents a key gateway site for the town centre for visitors, workers and the borough's residents. However, consultation has continually highlighted views¹⁸ that the setting and attractiveness of the railway station, the wider area around the Westborough / Northway junction, and the land and buildings – such as Pavilion House and the Comet building – leaves much to be desired. The proposed interventions present the opportunity to reinvigorate the area and address these long-held negative perceptions held by residents and workers, as well as visitors (or prospective visitors) that alight or pass through the station in order to increase footfall, dwell time and spend in the town centre.

Based on comparable interventions in the UK¹⁹, an objective of 2% increase in footfall per annum in the station gateway area following the implementation of Phase 1A – Public Realm compared to 2019 baseline figures (pre-pandemic level).

¹⁷ North Yorkshire County Council (2019) North Yorkshire Joint Strategic Needs Assessment: Scarborough Borough Summary Profile

¹⁸ First outlined in the SNAP Masterplan in 2010

¹⁹ Economic Benefits of the Reallocation of Street Space, Ryder Alliance, June 2020 - found an increase in footfall following public realm improvement of 22% in Altrincham; 7% on Kensington High Street; 25% in Coventry (on Saturdays); 28% in Kelso; 35% in Sheffield Place Garden.

Cost of Doing Nothing

It is also important to understand that there is a cost to doing nothing to address the challenges faced by Scarborough Town Centre. By not investing in the proposed interventions, there will be minimal change to the current mix of uses and quality of the urban fabric most likely resulting in the continued decline of the area as online retail and new ways of working continue to expand. There will also be a missed opportunity to transform the relationship between the High Street and the shore, and to enhance cultural offers and provide community / job generating space. The vicious cycle of decline undermining confidence and hindering private investment needs to be broken through concerted action.

The Pedestrian Pound, Living Street, 2018 - found an increase in footfall following public realm improvement of 30% in Piccadilly (Stoke-on-Trent); 28% in Kelso; 15 to 90% increase in 7 out of 8 cities in New Zealand receiving simple street improvements; 35% in Sheffield Place Garden; 98% on Wanstead High Street.

FINANCIAL CASE

FINANCIAL CASE

INTRODUCTION

This section sets out the financial case for the project and addresses issues of affordability and funding requirements of the preferred option described in the Strategic and Economic Cases.

The purpose of the financial dimension of the business case is to demonstrate the affordability and funding of the preferred option, including the support of stakeholders and customers, as required.

Demonstrating the affordability and fundability of the preferred option requires a complete understanding of the capital, revenue and whole life costs of the scheme and of how its delivery will impact upon the balance sheet, income and expenditure and pricing arrangements (if any) of the organisation.

The objective of the financial case is to put in place the necessary funding arrangements for the successful delivery of the scheme. As for the Strategic and Economic cases, the Financial Case will focus on the Preferred Option (to be fully funded through Towns Fund). The Financial Case will also start to look at additional phases, which will be delivered pending further funding and start to put in place the necessary funding arrangements for the successful delivery of these phases as well as identify potential gap funding which would remain.

APPROACH TO FINANCIAL CASE

The Financial Case is based on a cashflow model developed by Jettora and AECOM. The primary objective of the model is to demonstrate that funding is available to meet the expected costs of each project within the Scarborough Station Gateway Investment Programme.

It has been assumed that a budget of £6.68m of Towns Fund has been secured and will be put towards the delivery of Phase 1A – Public Realm. Phase 1A is fully funded by the Towns Fund grant and any surplus will be redirected towards the redevelopment of the Comet Building (NHS element), which will also host Fab Lab (a different project of the TIP which is supported by its own business case).

It has also been assumed that further phases of the Station Gateway will require further funding. This funding will be sourced from the following four primary sources:

- Private Investor / Development Partner ;
- Levelling Up Fund - Scarborough Borough Council (£14.4m) to be prioritised on the delivery of Pavilion House and the Comet Building;
- Levelling Up Fund - North Yorkshire County Council (£9.5m) to cover transport elements of the Station Gateway other than the Public Realm already covered by Towns Fund (i.e. rail facilities, transport hub, station redevelopment other than commercial elements).
- Other Grant Source TBD (e.g. Community Renewal Fund, Brownfield Fund, Heritage Fund...)

It is assumed that private investment will be available for the commercial elements of each project (i.e. the retail units in the station, the Hotel, the private office spaces in the Comet building, etc.). In each instance it has been assumed that private developers will be secured to invest in the project. The amount of investment in each case being a factor of the assumed investor yield achieved from the forecast income available from each project.

For the purpose of the cashflow model, it has been assumed that the private investors in each project will be engaged in partnership with the Scarborough Borough Council, Network Rail, TPE or North Yorkshire County Council in the delivery of the commercial elements of each project. Therefore, it has been assumed that this investment will be provided during the development phase in line with the public grant funding. In reality it is recognised that the Council may need to provide some funding to meet the initial costs which can then be recouped through the private investment once the relevant project is complete. In this instance it is assumed the council will draw a bridging loan for 3-4 years to be repaid from the proceeds of sale to investors.

The forecasts have been prepared over a ten year period to align with the Capital Programme timescale within Councils financial strategy²⁰ and the associate minimum Revenue Provisioning requirements.

It has been assumed that all parties involved in delivering each project will be VAT registered and will be able to recover all VAT paid. Therefore, no irrecoverable VAT has been added to the costs provided by AECOM (assumed to be exclusive of VAT).

All costs assume an adequate level of contingency based on the nature of the cost, include inflation based on the latest RICS BCIS Tender Price Inflation and are based on rates at Q4 price levels.

COSTS

Capital costs

The capital costs of the scheme have been estimated by AECOM's quantity surveyors based on outline concept design assumptions by 5Plus architects for the RIBA Stage 2 Report dated November 2021. The costs will be revised for the Full Business Case as the design brief for the scheme is refined beyond concept stage.

The estimates presented in this section are dated 10th December 2021, based on rates at Q4 2021 price levels and applying BCIS inflation indices to reflect the forecasted construction totals when work is assumed to start on site in 2023.

The costs include allowances for main contractor preliminaries (between 8% and 25% depending on the phase of the project), main contractor overhead and profit (5-7.5%), professional fees (10-12%) for project delivery, contingency (10%-21.2%) and inflation.

Allowances have been made for:

- Cat A (BCO Guide) fit out of office space at Pavilion House
- Hotel fit out to include FF&E/OS&E
- NHS fit out, based on cost model data rather than specific departmental requirements

Fit out to retail units are assumed to be done by future occupiers.

A range of costs are excluded unless stated otherwise. They include:

- Interest charges, Client finance costs, funding costs and Client insurances
- Charges / taxes such as; Value Added Tax (VAT), CIL, Section 106 and / or Section 278 agreement etc
- Any enhancements which may be necessary to facades or services installations to meet future revisions of the Building Regulations; BREEAM, Part L etc.
- Major diversion and / or reinforcement costs of services, within or outside the site boundary outside of those currently allowed for with the Cost Plan.
- Road closures & diversions.

On this basis, current capital cost estimates in 2021 prices stand at £662,708,480, including inflation and contingency, and are phased as presented Table 23 below.

²⁰ <https://www.scarborough.gov.uk/sites/scarborough.gov.uk/files/files/Financial-Strategy-2019.pdf>

Table 23 – Capital Costs (£m)

Phase	Description	2022/23	2023/24	2024/25	2025/26	Total
1A	Public Realm Redevelopment					£5.81
1A	Station Hotel Development					£5.26
1A	Station Food and Beverage Units					£4.65
1A	Station Rail Facilities					£0.93
1B	Transport hub					£4.78
2	Comet Building Redevelopment (NHS)					£8.22
3	Pavilion Refurbishment					£17.12
4A	Multi Storey Car-Park					£7.75
4B	Residential development					£8.20
Total		£3.94	£18.47	£30.55	£9.75	£62.71

Operating costs

It is assumed that no additional operating costs will be generated by Phase 1A – Public Realm. The scheme will replace existing public realm and highway, which currently has ongoing operating costs. It is expected that those operating costs will not increase and therefore there is no change in operating costs between the Do Nothing and Preferred Option.

Additional Phases of the Station Gateway will occur operating costs, such as the new and refurbished developments. However those costs are assumed to be recouped from future occupiers/users and therefore will not impact the Financial Case.

Site acquisition costs

The delivery of Phase 1A – Public Realm will not require the acquisition of new sites. Therefore no additional cost has been assumed for the Preferred Option.

SBC confirmed that the delivery of Phase 1B (Transport Hub) and Phase 4A (MSCP Multi Storey Car Park) will require the acquisition of the land located to the south the Scarborough Station, an open space used as car park. The site measures circa 0.6ha (0.23ha for the Transport Hub and 0.37ha for the MSCP Car Park). The site value is estimated at [REDACTED] based on a value [REDACTED] per hectare.

Phase 3 (Redevelopment of Pavilion House) will also necessitate the acquisition of the site. This site is currently valued at [REDACTED] based on information held by SBC.

Site acquisition costs are included in Capital Costs.

FUNDING AND REVENUES

Phase 1A – Public Realm, which is the focus of this Business Case, will cost £5,806,000 and will be entirely funded through Towns Fund. No private or other investment will be needed for this phase.

Table 24 – Phase 1A Public Realm, Funding Structure (£)

	2022/23	2023/24	2024/25	2025/26	Total
Towns Fund				-	5,806,000
Total				-	5,806,000

Although this is not the focus of this Business Case, additional work has been done within the Financial Case to start to establish the funding structure and position of each additional phase of the Station Gateway. This analysis has allowed to establish a possible funding structure and highlighted potential funding gaps.

The current approach being explored for each additional phase is as follows:

Phase 1A – Station Hotel will cost £5,262,000 and will be funded as follows:

- [REDACTED] of private investment available from hotel developer;
- £0.7m of private investment redirected from the surplus funding for the MSCP Multi Storey Car Park;
- £1.3m of private investment redirected from the surplus funding for the Transport Hub investor;
- £2.1m from the NYCC Levelling Up Fund, which will be used to undertake essential maintenance work and renovation work to ensure the long term structural health of the building which is currently in poor condition.

Table 25 – Phase 1A Station Hotel Redevelopment (£)

	2022/23	2023/24	2024/25	2025/26	Total
Private investment	-	[REDACTED]	[REDACTED]	[REDACTED]	1,045,000
MSCP surplus	-	[REDACTED]	[REDACTED]	[REDACTED]	737,791
Transport Hub Surplus	-	[REDACTED]	[REDACTED]	[REDACTED]	1,340,769
NYCC LUF	-	[REDACTED]	[REDACTED]	[REDACTED]	2,138,440
Total	-	234,000	1,626,000	3,402,000	5,262,000

Phase 1A – Station Food and Beverage Units will cost £4,647,000 and will be funded as follows:

- [REDACTED] of private investment available from JV partner;
- [REDACTED] of private investment redirected from the surplus funding for the MSCP Multi Storey Car Park;
- [REDACTED] from the NYCC Levelling Up Fund, which will be used to undertake essential maintenance work and renovation work to ensure the long term structural health of the building which is currently in poor condition.

Table 26 – Phase 1A Station F&B Units (£)

	2022/23	2023/24	2024/25	2025/26	Total
Private investment	-	[REDACTED]	[REDACTED]	[REDACTED]	2,692,308
MSCP surplus	-	[REDACTED]	[REDACTED]	[REDACTED]	306,132
NYCC LUF	-	[REDACTED]	[REDACTED]	[REDACTED]	1,648,560
Total	-	171,333	1,392,667	3,083,000	4,647,000

Phase 1A – Station Rail Facilities will cost £930,000 and will be fully funded by NYCC Levelling Up Fund.

Table 27 – Phase 1A Station Rail Facilities (£)

	2022/23	2023/24	2024/25	2025/26	Total
NYCC LUF	-	[REDACTED]	[REDACTED]	[REDACTED]	930,000
Total	-	[REDACTED]	[REDACTED]	[REDACTED]	930,000

Phase 1B – Transport Hub will cost [REDACTED], including site acquisition, and will be fully funded by NYCC Levelling Up Fund

Table 28 – Phase 1B Transport Hub (£)

	2022/23	2023/24	2024/25	2025/26	Total
NYCC LUF				-	4,782,000
Total				-	4,782,000

Phase 2 – Comet Building Redevelopment will cost [REDACTED] and will be funded as follows:

- £2.8m of private investment available from developer;
- £0.8m of excess Towns Fund;
- £0.8m of private investment redirected from the surplus funding for the MSCP Multi Storey Car Park;
- £3.8m of SBC Levelling Up Fund.

Table 29 – Phase 2 Comet Building Redevelopment (£)

	2022/23	2023/24	2024/25	2025/26	Total
Private investment					2,760,997
Towns Fund					874,000
MSCP surplus					781,173
SBC LUF					3,803,835
Total					8,220,005

Phase 3 – Pavilion House Refurbishment will cost [REDACTED], including site acquisition, and will be funded as follows:

- [REDACTED] of private investment available from developer;
- [REDACTED] from the SBC Levelling Up Fund.

Table 30 – Phase 3 Pavilion House Refurbishment (£)

	2022/23	2023/24	2024/25	2025/26	Total
Private investment					
SBC LUF					
Total					

Phase 4A – MSCP Multi Storey Car Par will cost £7,748,475, including site acquisition, and will be fully funded through private investment

Table 31 – Phase 4A MSCP Multi Storey Car Park (£)

	2022/23	2023/24	2024/25	2025/26	Total
Private investment					
Total					

Phase 4B – Residential Development will cost £8,198,000

and will be funded as follows:

- [REDACTED] of private investment available from residential JV partner;
- [REDACTED] of private investment available from commercial units JV partner.

The analysis has identified a gap funding of [REDACTED]. Additional funding will need to be identified or design altered to ensure the financial viability of this phase.

Table 32 – Phase 4A MSCP Multi Storey Car Park (£)

	2022/23	2023/24	2024/25	2025/26	Total
Private investment					
Private investment					
Other Grant Source					
Total	78,667	595,333	5,525,000	1,999,000	8,198,000

AFFORDABILITY ASSESSMENT

The Preferred Option (Phase 1A – Public Realm) delivers an affordable investment which is largely driven by the high confidence with the budget estimates and full funding secured to cover the costs of this Option.

There remains some uncertainty over the affordability of the Do More Option (additional phases). It is currently assumed that Levelling Up Fund will be available to finance these phases but the financial analysis has highlighted that some funding gap will remain, particularly for the delivery of Phase 4B – Residential Development.

Most risks are associated with the Do More Option, which is not the focus of this Business Case. Further work will be done by SBC in early 2022 to identify and secure the necessary funding to deliver the additional phases as presented under the Do More Option.

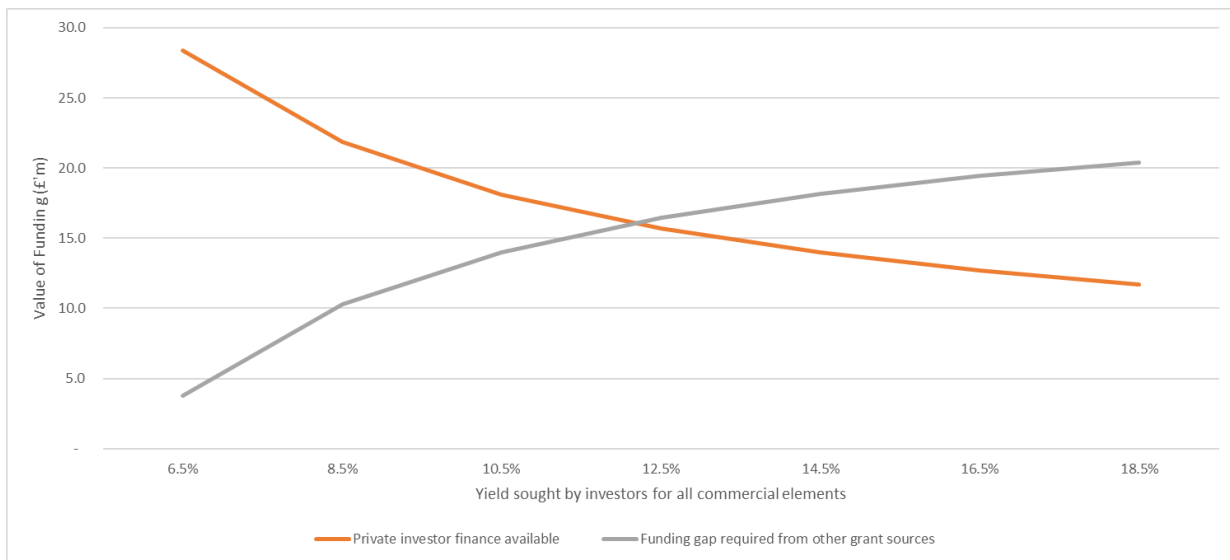
The financial risks which affect the timing, quality and output of the proposed scheme are outlined below in Table 33.

Table 33 – Key Financial Risks

Preferred Option and Do More		
Risk Description	Impact	Mitigation
Inability to secure Towns Fund investment	The scheme is not able to proceed.	Heads of Terms have been agreed with DLUHC. Development of a robust business case for the project has been undertaken to ensure a successful funding outcome.
Unforeseen increase in costs	Additional cost implications as increased capital	Contingency has been applied on capital costs. In addition, the financial analysis has identified a surplus of Towns Fund of £0.5m which has been provisionally allocated to Phase 2 (Comet Building). This surplus could be reallocated to the delivery of Phase 1A Public Realm should this be needed.
Unforeseen increase in inflation	Additional cost implications as increased capital	As above. Furthermore, cost estimates already account for a high level of inflation which is currently driven up by economic factors such as the impact of Covid-19.
Do More Option (only)		
Risk Description	Impact	Mitigation
Inability to secure Levelling Up Fund or alternative funding	The scheme is not able to proceed.	SBC and NYCC will have to identify alternative sources of funding to deliver the full programme. With most phases being inter-connected, the entire programme may need to be dropped out or reviewed if funding cannot be secured. A collaboration agreement between all parties is in place and states the responsibilities of each one in terms of securing funding.
Inaccurate approach to private investment	Over-estimation of private investment available to fund	The estimation of private investment is based on robust and recent market evidence

	Phases, leading to a funding gap	provided by BE Group. Additional work will be done on the Do More Option.
Increase of investor yield requirement	Over-estimation of private investment available to fund Phases, leading to a funding gap.	The estimation of private investment is based on robust and recent market evidence provided by BE Group. Sensitivity analysis is provided in Figure 6 below and demonstrates the impact of higher yields on funding gap. Additional work will be done on the Do More Option.
Existing funding gap	The funding gap cannot be closed.	Phase 1A Hotel Redevelopment has a minor funding gap. Review of the design could be considered to reduce costs and close the current funding gap identified. Phase 4B Residential Development shows a major funding gap. It is currently unclear how this gap will be funded and further work will be done for the Levelling Up Fund Business Case. The design of this phase could be reviewed to remove the ground floor retail (which is not a requirement) and deliver higher density residential instead, reducing construction costs.
Potential for land contamination and buried archaeology	Land decontamination and archaeological work can have a financial impact on development schemes.	Designs and costings have been established with these considerations in mind. Contingency costs have been included to reflect the uncertainty around costs.

Figure 6 – Sensitivity Analysis showing the Change in Funding Required with the increase in assumed private investor yield



COMMERCIAL CASE

COMMERCIAL CASE

INTRODUCTION

The purpose of the commercial dimension of the business case is to demonstrate that the preferred option will result in a viable procurement and a well-structured Deal between the public sector and its service providers.

This section presents SBC's proposed approach to delivering the scheme to time and budget, based on the current understanding of the services, outputs and milestones required to be achieved and of how risk can best be allocated between the public and private sectors.

A collaboration agreement was prepared in November 2021 between Scarborough Borough Council, Network Rail Infrastructure Limited, First Transpennine Express Limited and North Yorkshire County Council, the main landowners and stakeholders involved in the delivery of the Station Gateway.

Under this agreement, the parties agree to provide a co-ordinated and managed approach to bring forward the redevelopment of Scarborough Station and its surrounding area in an integrated way in accordance with the Station Gateway vision.

COMMERCIAL DELIVERABILITY

The delivery of Phase 1A – Public Realm (Preferred Option) will be the responsibility of SBC, as the Towns Fund Accountable Body, working in collaboration with NYCC and Network Rail to deliver the public realm.

Additional phases of the project (Do More Option) are complex in terms of its multiple land ownerships and the transactions required to deliver the project. The project will not be delivered by one single entity, and the organisations will work in collaboration with each other as set out in the collaboration agreement to ensure the delivery of the vision. As seen above, the following organisations will be involved:

- Scarborough Borough Council
- North Yorkshire County Council
- Network Rail
- Transpennine Express

The responsibilities of each party is summarised in Table 34.

The procurement options available for each component of the scheme are summarised below:

Option 1 - Developer Led

- If the contracting authority wish to take less risk they can appoint a developer to carry out the works on their behalf.
- The developer can be procured through an open competitive tender process or through a mini competition from a Framework (e.g. Pagabo Developer Framework).
- The developer employs the design team and the main contractor.
- There are a number of options for the financial arrangements within a developer arrangement, but the most common is the developer incurs all of the development cost, and leases the completed development back to the contracting authority on a long head lease.

Option 2 - Traditional Design and Separate Construction

- The contracting authority appoints a design team to prepare the full design of the works.
- The design team can be procured through an open competitive tender process or through a mini competition from a Framework (e.g. YORconsult framework).

- The design team prepare the full design and the tender documents to procure a main contractor to construct the works.
- The contracting authority appoints a contractor to construct the works.

Option 3 - Design and Build

- The contracting authority appoints a main contractor to design and build the whole of the works.
- The contractor can be procured through an open competitive tender process or through a mini competition from a Framework (e.g. YORcivils or YORbuild frameworks).
- The contractor prepares the full design and then constructs the works.

The preferred approach of SBC for each component of the project is set out below.

Table 34 – Commercial Deliverability

Phase	Main Components	Contracting Authority	Preferred Delivery Approach
Preferred Option			
1A	Public realm and highway works	SBC	Traditional design and separate construction
Do More Option			
1A	Station Redevelopment	TPE/NRIL	Traditional design and separate construction
1B	Transport hub	SBC	D&B
2	Comet Building (NHS)	SBC	D&B
3	Pavilion House	SBC	Developer led
4A	Multi Storey Car Park	SBC	Developer led
4B	Residential	NRIL	Developer led

The preferred delivery approach for Phase 1A Public Realm is the most common procurement route. This approach involves separating design from construction, with the client appointed consultants to design the project in detail, to ensure cost control and inspect the construction works as they proceed. The consultant retains control over the design and quality and the separation between the design and the construction teams may result in a higher standard than a design and build approach. A developer led approach is usually not appropriate for this type of intervention which involves work on non-revenue generating public assets.

A collaboration agreement sets out the key responsibilities of each party.

Under this agreement, it is expected that NR will undertake the following key deliverables in respect of Phase 1A Public Realm:

- as required, provide consents to the other Parties and/or third parties to facilitate the delivery of Phase 1a of the Station Gateway Project.

FTE will undertake the following Key Deliverables:

- as required, provide consents to the other Parties and/or third parties to facilitate the delivery of Phase 1a of the Station Gateway Project.

NYCC will undertake the following Key Deliverables:

- as required as Highway Authority, provide consents to the other Parties and/or third parties to facilitate the delivery of Phase 1a of the Station Gateway Project.

SBC will undertake the following Key Deliverables:

- act as project manager for the Station Gateway Project and collaborate with the other Parties and third parties as required to support the delivery of the Vision;
- apply to the Department for a circa £[6.68] million grant from the Towns Fund for the construction of the public realm and highway elements of the Station Gateway Project (the "Towns Fund Grant");
- subject to receipt of the Towns Fund grant referred to at (b) above design and construct alterations to the public realm on land situated directly in front of the main entrance to Scarborough Station and the public highways leading to and surrounding Scarborough Station to implement traffic calming.

PROCUREMENT STRATEGY AND CONTRACTUAL ARRANGEMENTS

The Council will be procuring the works to the Public Realm, Pavilion House and the Comet building. The procurement rules for Scarborough Borough Council are set out in the Contract Procedure Rules within its Constitution.

The Council will :

- Prepare tender documents for the procurement of a D&B contractor using the RIBA Stage 2 design information.
- The D&B contractor will be procured from the YORbuild Major Contractors Framework. Other public sector frameworks are available but the Council is a contracting authority and board member of the YORhub Frameworks. The YORhub frameworks are specifically aimed at helping the public sector deliver great construction projects at the best value, whilst also improving the lives of those living and working in Yorkshire and the Humber via its social value outputs.
- Documents will be based on the NEC4 ECC form of contract using the templates provided by the Framework. The NEC forms of contract tend to transfer most of the risks for the delivery of the works to the Contractor.

The Council will hold a mini competition between all contractors on the Lot. Tenders will be invited on a two-stage basis. Assessment criteria will be quality and price weighted 60% : 40%. In the first stage, contractors will be invited to submit quality information on programme, method statement, proposed team, and social value as well as price information on preliminaries, proposed cost plan and overheads and profit (the Fee).

In addition, the following aspects of social value will be built into the procurement :

- **Employment and skills:** A key strand of the Council's social value is delivering employment and skills outcomes for the communities we serve. This is a fundamental building block for social mobility and a sustainable local economy, and is an integral part of our construction procurement strategy.
- **Sustainability:** Construction activity is one of the largest contributors to landfill waste and carbon emissions and the Council is focused on reducing site waste and carbon. We aim to produce less than four tonnes of waste per £100k, of which no more than two tonnes of waste per £100k are to be sent to landfill through our construction procurement.
- **Supply chain engagement:** Supply chain engagement programme aims to provide local opportunities to local suppliers including Meet the Buyer events which offer suppliers the chance to meet main contractors and learn how to become part of their supply chains.
- **Economic regeneration:** The framework community fund, YOR4Good, supports economic regeneration in the area covered by YORhub's frameworks. It is funded by donations of cash or benefits in kind from contractors and consultants when they're awarded projects through our frameworks and provides grants of up to £10,000 to community groups to support local economic regeneration projects.

Where **development partners** are required, the Council will procure them from the Pagabo Developer Led Framework. This process has been commenced. This is also a framework for the public sector

providing flexibility, competition and choice when it comes to working with a developer on a project. The framework has nine lots covering three contract structures: Property Development via Joint Venture and Special Purpose Vehicle, Long Income Lease and Lease Back, and Property Development Single Site by Development Agreement. The Pagabo framework uses a combination of NEC forms of contract and also bespoke contracts for certain developer elements.

In terms of the **other organisations** delivering the other phases of the scheme, detailed and advanced discussions and a collaboration agreement has been reached and agreed by all parties.

MANAGEMENT CASE

MANAGEMENT CASE

INTRODUCTION

The Scarborough Station Gateway management case presents how the project will be managed through its life and how its benefits will be captured through monitoring and evaluation procedures.

Demonstrating that the preferred option can be successfully delivered requires evidencing that the scheme is being managed in accordance with best practice, subjected to independent assurance and that the necessary arrangements are in place for change and contract management, benefits realisation and risk management.

As set out in the Scarborough Town Deal Investment Plan, Scarborough Borough Council will be responsible for leading on the delivery of all Towns Fund investments. The delivery plan utilises the experience and well-tested arrangements within SBC applied to the implementation of various other major regeneration and transport projects including:

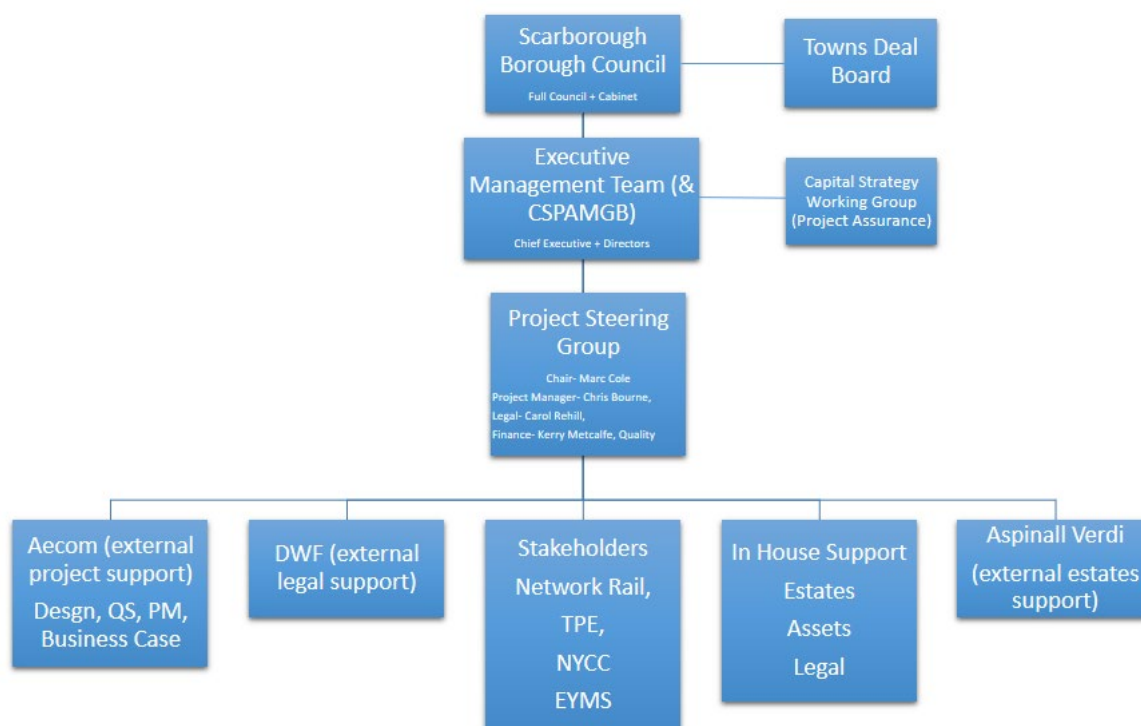
- Scarborough Leisure Village
- Scarborough Market hall Refurbishment.
- Runswick Bay Coast Protection Scheme
- Scarborough Spa Cliff Stabilisation
- Whitby Piers Refurbishment
- Church Street Flood Alleviation

The Council has been very successful in winning awards for the delivery of these projects at both a regional and national level. Indeed, the Council was awarded the winner of the Best Service Team of the Year 2021 in the Housing, Construction and Building Service Category.

PROJECT ORGANISATION AND GOVERNANCE

The governance structure of this project is illustrated in Figure 7 and explained further below setting out the roles and responsibilities of each entity.

Figure 7 – Governance Structure



Scarborough Towns Deal Board

The Town Deal Board was established to develop and agree a programme of interventions for the TIP; approve a capacity funding expenditure plan; oversee its delivery; approve the approach to communications and engagement associated with the Scarborough Town Deal; and oversee its implementation. The Town Deal Boards will have an ongoing oversight role and any significant changes to the project will be presented to the quarterly Town Deal Board meetings following approval by SBC.

The Scarborough voting members are listed below.

Town Deal Board member	Portrait
David Kerfoot MEB DL (Chair)	Current Chairman of the York, North Yorkshire and East Riding LEP, David is also Deputy Lord Lieutenant of North Yorkshire and the High Sheriff of North Yorkshire for 2020/21. David is a passionate social entrepreneur who founded The Kerfoot Group in 1980 which grew to sales of over £80 million on a global basis exporting to over 50 countries before being sold to Avril in 2015.
James Farrar (Deputy chair)	Chief Operating Officer, York, North Yorkshire & East Riding Local Enterprise Partnership
Cllr Steve Siddons	Cllr Steve Siddons is a Labour councillor representing the Weaponess and Ramshill ward. Cllr Siddons was appointed Leader of the Council in 2019 and holds a number of appointments to outside bodies including the YNYER LEP and British Ports Association.
Mike Greene	Mike was appointed Chief Executive of Scarborough Borough Council in 2019. Previously, Mike worked as Assistant Director for Neighbourhood and Customer Services at Redcar and Cleveland Borough Council and has worked in senior roles in West Yorkshire and Greater Manchester.

RT HON Robert Goodwill MP	Robert is the MP for the Scarborough and Whitby constituency.
Richard Flinton	Richard has worked for North Yorkshire County Council for 33years, the last 10 of which have been as Chief Executive.
David Stone	David is Co-ordinator of the Totally Socially project of Coast and Vale Community Action (CaVCA) which is an initiative to support individuals and groups in local communities to turn their ideas into action.
Rosie Du-Rose	Rosie has been the Chief Executive of Beyond Housing since the organisation formed in 2018. Beyond Housing is the Borough's largest RSL and serves customers in more than 15,000 homes in the North East and North Yorkshire.
Jackie Mathers	Associate Pro Vice Chancellor, CU Coventry and CU Scarborough. Jackie began her career in the commercial financial sector before moving to education and has over 20 years in both public and private sector higher education.
Lee Kilgour	Lee Kilgour has been the principal of Scarborough UTC since June 2018. The UTC is an industry backed college for 14-18yr olds seeking a career in STEM related fields and opened its doors in 2016.
Richard Grunwell	Richard is a retired solicitor and used to have his own practice specialising in commercial property and planning policy. He is now a member of the Scarborough Business Ambassadors (SBA) and sits on the SBA sub group for town centres. He is also the Chair of the Coast and Vale Community Action Board which is a local voluntary services support organisation.
Mark Williamson	Mark is the area manager for the Yorkshire Coast group of English Heritage properties which remit includes Whitby Abbey and Scarborough Castle.
Steve Bromham	Steve is a Co-founder, Director and IT Consultant at Save9 Ltd - a UK-based cloud computing, rural internet and cyber security services provider based in Scarborough.
James Goodall	James is the Director of Goodall Group Ltd, a local (and one of the biggest) private investor and developer of commercial and residential property in Scarborough with over 20 yrs experience. James represents the Scarborough Town Centre Team, a group established in 2019 to take forward priorities in Scarborough Town Centre, on the Board.
Cllr Roberta Swiers	Cllr Swiers is the current Chairman of Cayton Parish Council which is situated to the south of Scarborough centre and has a population of around 2,328. Cllr Swiers is also the Deputy Mayor of Scarborough.
Cllr James Stockdale	Cllr Stockdale represents Seamer Parish Council which covers the villages of Seamer and Crossgates to the south of central Scarborough.

The Town Fund Board also has a number of advisory members providing insights into the projects it oversees. They are:

- Marc Cole, Regeneration Director at Scarborough Borough Council
- Alex Richards, Regeneration Manager at Scarborough Borough Council
- Karl Battersby, Corporate Director of Business and Environmental Services at North Yorkshire County Council
- Katherine Fielding, Clerk at Cayton Parish Council
- Patricia Kane, Deputy Area Lead for the Cities & Local Growth Unit at BEIS
- Ed Asquith, Communications & Engagement Advisor at Four Tigers Media
- Clare Harrigan, Head of Development & Regeneration at Beyond Housing

Scarborough Borough Council

Scarborough Borough Council will be the accountable body for the Towns Fund Projects, including the Station Gateway, and responsible for leading on the delivery of the Towns Fund investments.

Major Decisions will be taken by the Council's cabinet or Full Council in accordance with the Constitution of the Council.

Day to day oversight of the projects will be carried out by the Council's Executive Management Team of the Chief Executive and Four Directors, including the Monitoring Officer and S151 Officer.

Day to day running of the project will be delegated to the Project Team.

Network Rail

Network Rail are the organisation that runs, looks after and improves the UK's rail network. They also own the freehold of most of the station infrastructure.

Transpennine Express

TPE are the rail operator and main leaseholder of the railway buildings in Scarborough.

Aecom

Aecom is a large multi-disciplinary consultancy providing technical support to SBC in designing and costing the project as well as applying to the Towns Fund.

DWF

DWF is a leading global provider of integrated legal and business services.

Aspinall Verdi is a regional property consultancy providing pragmatic, robust advice and deliverable solutions to the most difficult of regeneration, development and planning challenges.

ASSURANCE

The three lines model has been used as a tool to help communicate, understand and embed key risk management and assurance processes into the project. The model has been used to identify structures and processes that best assist the achievement of objectives and facilitate strong governance and risk management. The use of the model highlights the contribution risk management makes to achieving the objectives and creating and protecting value.

The Council broadly follows the three lines model for this project as follows :

- **Governing bodies and senior management:** The Council and Executive Management Team and senior management sit above the three lines. They collectively have responsibility for setting policies and organisational objectives, defining strategies to achieve them and establishing the necessary governance risk management and control frameworks to manage the risks to their achievement.
- **First line:** Primary responsibility for managing organisational risks through designing and implementing appropriate mitigating controls rests with operational management who own and manage risks. This is the Council's Project Steering Group.
- **Second line:** Reporting to senior management, the second line comprises risk management and compliance functions to help build and/or monitor the first line of defence controls. This is provided by Heads of Service for Legal, Finance, Projects and Estates who sit on the Project Steering Group. Risk management functions are designed to facilitate and monitor the implementation of effective risk management practices by management throughout the organisation, assisting risk owners in defining target risk exposure and providing adequate risk reporting. The principal purpose of compliance functions is to monitor compliance with applicable laws and regulations. The Council has multiple compliance teams with responsibility in areas such as health & safety, human resources, legal, supply chain, environmental or quality.
- **Third line:** The third line is provided by the Council's capital Strategy Working Group providing project assurance on the effectiveness of governance, risk management and internal controls, including first and second line controls. Reports are also taken to the Audit Committee and Overview & Scrutiny Committee.

Key decisions will be taken at key decision points such as movement between RIBA stages or when a major decision needs to be taken or contractual or financial commitment made.

Phase 1A Key decision points :

Purchase properties	October 2021
Submission of business case	March 2022
Receipt of Funding offer	June 2022
Permissions	December 2022
Construction contracts	July 2023
Commence works	August 2023
Complete Phase 1 Works	January 2025

SCOPE MANAGEMENT

A detailed description of the scope can be seen within the Project Summary and the Proposed Investment section of the strategic case. In summary the project will:

- Improve and refurbish the existing station building and deliver public realm improvements in the surrounding area (Phase 1A).
- Redevelop Scarborough Station to improve rail facilities, increase F&B offer and turn vacant hotel back into use (Phase 1A)
- Create a new transport hub (Phases 1B & 4A) with relocated taxi ranks and bus depot to the rear of the station along with a new car park, EV charging facilities, bike parking, and car and bike sharing / renting facilities.
- Demolish and replace the Comet building to create fit-for-purpose commercial space for new occupiers (Phase 2)
- Refurbish Pavilion House to provide office space for a new public sector hub housing SBC, the Police and Beyond Housing (Phase 3)
- Build a new residential development on the site of the car park for Transpennine Express (Phase 4B).

The requirements of the project are specified in a Project Brief prepared by the Council. The project brief aligns with the outputs specified in the Heads of Terms by MHCLG.

The requirements are managed on an ongoing basis by the Project Steering Group who meet monthly.

All solutions are prepared by Aecom and approved by the Project Manager of Project Steering Group.

PROGRAMME/SCHEDULE MANAGEMENT

The scheme will be delivered in phases, currently assumed to occur along the following timescales and sequence:

Phases delivered under the Towns Fund Grant :

- Phase 1A (public realm improvements): July 2023 – January 2025

Later Phases delivered with other funding :

- Phase 1B (transport hub): October 2023 – September 2024
- Phase 2 (Comet building): December 2023 – June 2025
- Phase 3 (Pavilion House): July 2023 – November 2024
- Phase 4A (MSCP): October 2023 – March 2025
- Phase 4B (residential development): April 2025 – April 2027

The construction durations of the proposed phases have been reviewed against BCIS Average durations and commentary included in the table below.

SBC Station Gateway Phase	Construction Duration Range 90% confidence interval (BCIS)	Comments
Phase 1A Public Realm	65 weeks	Sequential phasing of areas due to highway implications – Public procurement
Phase 1 Station	65 weeks	Public procurement
Phase 1B Transport Hub	23-37 weeks	Public procurement. Traditional with Quants contract
Phase 2 Fablab Cyberhub, Commercial Space and NHS	58-64 weeks	Public procurement, D&B contract. If Private procurement this reduces by an average of 8 weeks
Phase 3 (option 2)	50-63 weeks	Blended average for refurb and new build due to façade, lift core, MEP replacement. D&B contract
Phase 4A Car Park	25-45 weeks	Private procurement D&B contract.
Phase 4B Private Residential & Retail	65-77 weeks	Private procurement D&B contract

Based on the current programme for the scheme, the key milestones including key decision points, assurance, consents, approvals are as follows:

- Submission of business case – March 2022
- Decision on business case – June 2022
- Purchase of Pavilion House and Comet Building – October 2021 (completed)
- Contracts to appoint designers for implementation – June 2022
- Contracts to appoint contractors/developers for implementation – October 2022

The key constraints which may impact on the delivery programme have been summarised in the Strategic Case. Further information is provided below:

- **Phase 1A (public realm and station):** In order to deliver this phase of the project, Network Rail needs to implement buy-back options for the rear car park in order to facilitate the relocation of taxis and buses to the rear of the station and enable the public realm and transport hub investments. EYMS propose to relocate their current bus depot in Phase 4A to a new site at the Seamer Road Park & Ride. This must happen before the rest of the station gateway development can begin. Discussions with NYCC and EYMS are ongoing. Before building work can start, planning permissions, listed building consents and highway consents must also be secured. The necessary Network Rail property transactions for Phases 1A and 1B are anticipated to take one year, this has been allowed for in the programme
- **Phase 1A (MSCP):** Network Rail needs to implement buy-back options for the bus depot from The Arch Co. The implementation of the MSCP is dependent upon relocation of the buses to the Seamer Road Park & Ride. This cannot happen unless Network Rail re-secures the freehold, and NYCC agree to bus storage. Planning permission will be required and a car park operator will need to be identified.
- **Phase 1B (transport hub):** As stated above, Network Rail needs to implement buy-back options for the rear car park in order to facilitate the relocation of taxis and buses to the rear of the station and enable the public realm and transport hub investments. In addition, agreement from PTE and bus

operators will be needed in order to change bus routes. Planning permission and listed building consent will also be required. Finally, tenants for car rental, Ebike, Cycle Repair Shop will need to be identified and leases agreed.

- **Phase 2 (Comet building):** The building is currently being purchased by SBC. SBC will then need to reach an agreement with PoundStretcher to vacate the building (by summer 2023 at the latest) in order to make way for its demolition. Planning permission will be required for the new building and tenants identified.
- **Phase 3 (Pavilion House):** SBC is in the process of purchasing the building. It will then need to obtain vacant possession of the ground floor retail areas and secure planning permission for the refurbishment. Tenants are expected to be SBC, Police and Beyond Housing but agreements on lease terms will need to be reached.
- **Phase 4B (residential development):** in order to facilitate this development, Network Rail needs to agree to a land swap of the current car park with the new MSCP planned in the scheme. This means that the MSCP in Phase 4A needs to be built first in order to free up this site for redevelopment. The following steps will involve identifying a developer and securing planning permission.

The key risks to the timely delivery of the scheme will be:

- expending the grant funding by any deadlines imposed. Towns Fund grant is known to have to be expended by 2025/26.
- Delays in property transactions.
- Contractual negotiations with contractors and development partners.
- Obtaining statutory consents.

RISK AND OPPORTUNITIES MANAGEMENT

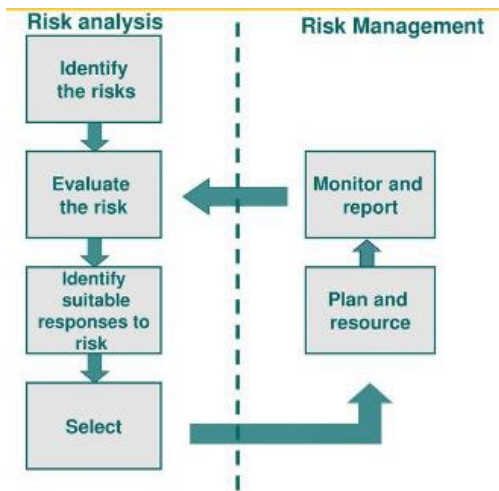
At monthly project team meetings, the team will go through the risk register to log new risks along with the removal of any old risks no longer posing a threat to the delivery of the project. All members of the project team will be asked to contribute to discussions on risk and means of mitigation. By assessing risks regularly the project team will be able to be actively aware of where uncertainty surrounding events or outcomes exists and be able to help identify steps that can be taken to protect the projects objectives and budget from risk occurrence. As risk management is an ongoing activity throughout the project the project manager and project team will be well placed to monitor and mitigate risk with the aim of achieving the desired outcomes of the project.

Actions to deal with risk are in line with PRINCE2 and include:

- Prevention - terminate the risk by doing things differently and thus removing the risk, where it is feasible to do so. Counter measures are put into place that either stop or treat the problem from occurring or prevent it having any impact on the project.
- Reduction - treat the risk; take action to control it in some way where the actions either reduce the likelihood of the risk developing or limits the impact on the project to acceptable levels.
- Transference - risk reduction by passing the risk on to a third party.
- Acceptance - tolerate the risk, either due to their being nothing that can be done at a reasonable cost to mitigate it or the likelihood and impact of the risk occurring are at an acceptable level.
- Contingency – actions that are planned and organised to come into force as and when risk occurs.

The risk management strategy will be qualitative and involve the use of live spreadsheet document logs to record and amend project risks throughout the project's life cycle. Risk analysis and management will be undertaken in line with PRINCE 2 following the process identified in Figure 8.

Figure 8 – Risk Analysis and Management Process



Project risks and issues will be addressed in line with PRINCE2 methodology to determine their impact on the project. All project issues and risks raised will be logged and any activities required to accommodate or resolve them will be managed and documented.

Project risks and issues if they occur are likely to arise from the following situations or sources:

- User requirements change
- Legislation change
- Organisation or business changes
- Suppliers being unable to deliver
- Resource availability changes
- Questions or concerns relating to the project

The ‘Project risks, constraints and interdependencies’ section of the Strategic Case presents a summary of the key risks and current mitigation approach. Contactors will be encouraged where possible to aid the delivery team to reduce project risk, uncertainty and to explore opportunities. Opportunities to gain from possible industry productivity initiatives will be explored if relevant.

PROJECT MANAGEMENT

Approach to project management

The Council has well developed and tested existing project management arrangements which are set out in our internal project management procedures. These are being applied to this project and have guided the Council to deliver a large number of complex and award winning projects.

The Council’s approach has seen its Project Service awarded the Best Service Team of the Year : Housing, Construction and Building Service in the ASPE annual service awards 2020.

Governance and oversight will be provided by the Capital Programme and Property Asset Management Project Board comprised of the Chief Executive and Directors including S151 and Monitoring Officer (EMT) ensuring legal and financial compliance.

At a project level, the project will be directed by a Project Board, chaired by the Director of Regeneration and attended by the internal SBC Project Manager, Legal and Financial Managers and selected key stakeholders and consultants. The SBC project manager will closely monitor delivery of task items to avoid scope creep on planned activities.

Project updates and reporting will be implemented by the project manager to the Project Steering Group and by exception upwards to the CSPAMGB. The reporting provided will aid the Group in monitoring the projects performance and risk.

Compliance and consent management will be monitored by the SBC project manager in relation to procurement and the meeting of any planning conditions imposed on the project. Project delivery interfaces on site will be led by each contracting authority.

Consultants have been employed to prepare the business case, and will be appointed to act as designers, project manager, contract administrator and supervisor in the construction contracts awarded.

The project will be managed in line with the principles of the PRINCE2 project management methodology. The appointed SBC project manager will be PRINCE2 trained. PRINCE2 encourages and supports involvement of the user and the other stakeholders who have an interest in the projects outcome or who are affected by it in any way. Due to this project involving a large number of different stakeholder's good communication will be key to successful outcomes.

Change management

The Council operates a Change Management Protocol – Proposed changes may reflect any of the following:

- Risk register/issues log (identified risks)
- Legislative changes
- Corporate
- New customer / supplier
- Change of project management team
- Reorganisation
- Specification reductions/increases for cost or programme reasons

Minor changes not impacting on the delivery of the project or outcomes may be implemented by the Project Manager. All other changes are escalated to the Project Steering Group, or EMT if concerning changes to scope, outputs or organisational change. The Council has Change Management Documents that should be completed defining the proposed change and its effects on the Project. :

- Evaluate the proposed change in terms of project impact, cost, time and quality against the original project objectives. Consult with Stakeholders.
- Identify the source of funding. Is the project budget being increased? Is it coming out of a contingency fund?
- Project Manager to make a decision, or if impact threshold is above the delegated level of the Project Manager's authority, then escalate to Project Board.
- Accept or reject proposed change. Record decision.
- Maintain a record of all changes

Each professional services contract or third party agreement will have one lead person allocated as the contract manager. In the case of the main NEC3 Professional Services Contract with Aecom, this is the Project Manager, Chris Bourne.

STAKEHOLDER ENGAGEMENT

The project has a wide range of stakeholders including local authorities, transport organisations, the wider public and local businesses who use the station for travel. The stakeholders all share a common interest in wanting to improve the station area. A list of key stakeholders has been identified within the Strategic Case.

Extensive and wide reaching consultation is ongoing with the Towns Deal Board, who approved the Town Investment Plan and projects within it. The local MP and businesses have also been updated.

The Council has engaged in consultation with a wide range of stakeholders, and continues to work with a number of key partners, including North Yorkshire County Council, Network Rail, Transpennine Express, East Yorkshire Motor Services and a number of other stakeholders. Ongoing discussions are taking place with Beyond Housing, the NHS and Police who are fully supportive, actively engaged and

interested in taking space within the new public sector hub. Further consultation will take place in relation to the Station Gateway project as the project continues to be developed.

Stakeholders will be engaged throughout the duration of the project as appropriate and in accordance with the Communication Plan set out by the Council. It sets out its approach to communications and how it will engage with all parties involved in the project.

Communications and engagement will continue between the Council and its key stakeholders throughout the life cycle of the project. Throughout the development, delivery and operations stages, press releases will be prepared to engage with wider stakeholders. Other platforms include the use of social media, newsletters, and website which can all be utilised to aid engagement.

BENEFITS, MONITORING AND EVALUATION

The Council's Capital Strategy Working Group will be utilised to monitor and evaluate benefits realisation. During development and delivery phases, the Council's Pentana project risk management system will be regularly updated to aid tracking and reporting of benefits to meet project objectives and outcomes.

As part of the grant funding agreement, the Council will demonstrate progress against the milestones and the outputs achieved to release grant funding from the accountable body. The project will adhere to the evaluation and monitoring plan in place and will be overseen by Scarborough Borough Council.

The following outcomes will be delivered and measured as part of the project (Phase 1A Public Realm):

- 14,791 m² new public spaces, including a new plaza of 1,700 sqm with planting, seating and yorkstone paving outside Scarborough Station
- Improved commuter flows
- Improved Perceptions of the place by residents/ businesses/visitors

The majority of benefits are physical and can be measured at completion of the works.

Benefits which are subject to perception, i.e. place improvement, will be monitored as part of ongoing surveys of the residents panel.