



Report of Director of City Development

Report to Executive Board

Date: 27 July 2016

Subject: Consideration of an Award of Grant Funding to Yorkshire County Cricket Club to contribute towards the Redevelopment of the North-South stand at Headingley Stadium

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Headingley		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

Summary of main issues

1. Leeds has long had a well-earned reputation for hosting world class sporting events. From the Tour de France, Rugby League and Rugby Union World Cups to the recent World Triathlon as well as Ashes Tests at Headingley Stadium, where test cricket has been played since 1899. The visitor economy is very important to the City and hosting major events is part of the Council's strategy to position the City and the City Region on a global stage. The Leeds City Regions recent Strategic Economic Plan highlights the scope to improve major cultural visitor attractions such as Headingley Stadium, which will contribute towards the City's bid to be submitted for the 2023 European Capital of Culture.
2. Currently Yorkshire has more cricket clubs (778) and players (circa 131,000) than any other county and has had more cricket clubs than the whole of Australia. At a County level it is exceptionally strong with both the women's and the men's sides County Champions in 2015, meaning Yorkshire is the first county to win the men's and women's County Championship in the same year.
3. Accordingly, this report seeks Executive Board approval to the award of grant funding of £4m to Yorkshire County Cricket Club (YCCC), as a financial contribution towards the redevelopment of the North-South stand at Headingley Stadium, for the purpose of; securing four World Cup Matches in 2019 and ensuring the retention of International Cricket in Yorkshire from 2020 onwards. If the North-South stand

proposals are implemented this will realise economic benefits of £5.75m of additional visitor spend in Leeds and £5.3m additional visitor spend in Yorkshire per annum from 2020 onwards as well as 8 new apprenticeships, 30 new FTE's and the award of 80% of SME contracts to local suppliers as well as the £20.5m economic benefits from the 2019 World Cup.

4. YCCC, play the majority of their matches at Headingley Stadium, where they share facilities and common infrastructure with Leeds Rhinos Rugby League Club and Leeds Carnegie Rugby Union Club. YCCC has Category A venue status and therefore a staging agreement with the England and Wales Cricket Board (ECB) which provides for test match cricket to be played at Headingley up to and including 2019. At the end of 2019 the existing staging agreements with all of the current test grounds will run out and a decision will be made by the ECB as to which grounds will be awarded a new staging agreement from 2020 – 2022. It is stated that there will be fewer grounds awarded staging agreements by the ECB, with the number reducing potentially from nine to six.
5. To ensure the long term future of Headingley Stadium as an international test match ground and a Category A cricket venue, YCCC need to secure a new staging agreement with the ECB from 2020-2022.
6. The ECB has a high regard for YCCC, its local clubs and teams and the sport development work the Yorkshire Cricket Foundation undertake. However the quality of the facilities at Headingley currently falls short of those of the other 'Test Grounds' that will be bidding for a new staging agreement.
7. Despite the fact that Yorkshire has more cricket clubs (778) and players (circa 131,000) and provide more international players in both the men's and women's game than any other County the infrastructure is the key factor in determining host venues. Headingley Stadium currently struggles to match other top venues in terms of its infrastructure and without significant investment in the North-South stand, is unlikely to secure a staging agreement for 2020-2022.
8. In addition YCCC have secured four matches at Headingley Stadium for the 2019 Cricket World Cup. However the allocation of these matches is also conditional upon significant improvements being carried out to the facilities at Headingley in advance of the 2019 Cricket World Cup, in particular the North-South stand.
9. To address this issue YCCC in partnership with Leeds Rugby has developed a holistic scheme to improve both the North-South stand (which sits and is shared between the cricket ground and rugby league ground) and the south stand of the rugby ground. Both stands are owned by Leeds Rugby with YCCC currently their tenant of part of the North-South stand. Leeds Rugby also has a need to improve its own facilities to bring them in line with modern day facilities offered by other rugby league clubs. However the focus of this report is the North-South stand improvements required to secure the 2019 Cricket World Cup matches and international cricket by way of a staging agreement for 2020-2022 and beyond.
10. The estimated cost of the works to the North-South stand is £28.5 million. To date a potential funding package of £24.5 million has potentially been identified, leaving a

shortfall of £4 million. YCCC has approached the Council with a view to securing a £4 million grant as a contribution to the scheme.

Recommendations

11. Executive Board is recommended to note the contents of this report and approve:-

- (i) The award of a grant of £4 million to Yorkshire County Cricket Club to be used exclusively towards the redevelopment of the North-South stand at Headingley Stadium to ensure the hosting of four 2019 Cricket World Cup matches and the retention of YCCC Category A status and the award of a new staging agreement from 2020-2022 and subject to;
- (ii) The entry by the Council into a grant agreement with Yorkshire County Cricket Club based on the draft Heads of Terms annexed to this report;
- (iii) That settlement of the final terms of the above agreement be delegated to the Director of City Development.

1.0 Purpose of this Report

1.1 This report seeks Executive Board approval to the award of grant funding of £4m to Yorkshire County Cricket Club (YCCC), as a financial contribution towards the redevelopment of the North-South stand at Headingley Stadium, for the purpose of securing four World Cup Cricket Matches in 2019 and ensuring the Category A status of the ground leading to the award of a new Staging Agreement for the hosting of International Cricket matches in Yorkshire from 2020 onwards.

2.0 Background information

- 2.1 Throughout the twentieth century, 6 cricket venues (Lord's, The Oval, Edgbaston, Trent Bridge, Old Trafford and Headingley), hosted the vast majority of major cricket matches in England & Wales. In 1999, all county grounds were given the opportunity to host matches as part of the Cricket World Cup which took place in this country. This gave Counties and more importantly, their local stakeholders, the experience of hosting major sporting events and created an awareness of the advantages of 'sporting tourism' to their local economies.
- 2.2 In the early 2000's, Hampshire, Durham and Glamorgan started to develop stadiums fit to host major matches and made compelling cases to enter the market. This provided competition for the 'traditional grounds' and resulted in significant investment being made by them in the development of stadia facilities and as a result an increase in the number of test venues across the country.

- 2.3 Headingley Stadium is one of the premier sporting complexes in Leeds and Yorkshire. It is the home of Yorkshire County Cricket, Leeds Rhinos Rugby League Club and Leeds Carnegie Rugby Union Team. As well as being the home venue for the cricket and rugby teams, it also acts as an international venue for both cricket and rugby league, which in turn provides a significant profile for the city.
- 2.4 There are two separate grounds, the rugby ground to the south and the cricket ground to the north. The grounds are held and managed separately under the ownership of the rugby and cricket clubs respectively, with some hospitality and catering provided by the rugby club in the cricket ground by agreement.
- 2.5 Headingley Carnegie Cricket Ground has hosted test cricket since 1899 and has a capacity of up to 17,500. It is one of nine cricket grounds that are currently used for hosting international cricket through a staging agreement. These are:-
- Lord's Cricket Ground - London
 - The Oval Cricket Ground – London
 - Old Trafford Cricket Ground – Manchester
 - County Cricket Ground Edgbaston – Birmingham
 - Headingley Stadium – Leeds
 - Trent Bridge – Nottingham
 - County Ground Riverside – Chester-Le-Street Durham
 - The Rose Bowl – Southampton
 - SWALEC Stadium - Cardiff
- 2.6 The City Council provided a £9m loan to YCCC at the end of December 2005 to enable the club to purchase the freehold of the Headingley Cricket Ground and secure user rights for the North-South stand. Ownership of the ground was one of the pre-conditions imposed by the ECB as part of a staging agreement which guaranteed test match at Headingley until the end of the 2019 season. Security for the loan was provided through the grant conditions imposed by the Council on YCCC and by the Council taking a position on the YCCC Board. This loan was repaid in December 2015 and the Council's entrenched position on the Board fell away at that point.

3.0 Main issues

3.1 Staging Agreement for International Cricket

- 3.1.1 The ECB has three categories of cricket venues:-

Category	Test	ODI/IT20	Tour, U19, Women's
A	✓	✓	✓
B	✗	✓	✓
C	✗	✗	✓

- 3.1.2 Headingley Stadium is currently a Category A venue.
 - 3.1.3 As a Category A venue, Yorkshire County Cricket Club's current staging agreement is to hold one Test per year and at least one one-day international per year until 2019. However, at the end of 2019 the existing staging agreements with all of the current Category A grounds will run out and in the next 12 months, a decision is planned to be made by the ECB as to which grounds will be awarded new staging agreements from 2020 – 2022. The ECB has stated that there will be fewer grounds awarded staging agreements by the ECB, with the number reducing potentially from nine to six.
 - 3.1.4 In December 2014, YCCC submitted a bid for the 2019 CricketWorld Cup which will be hosted in England. They were successful in their bid to host four one day matches, namely one England, two Pakistan and one Sri Lanka.
 - 3.1.5 Both the award of both the World Cup Matches in 2019 and YCCC being considered for a new staging agreement for 2020-2022 and beyond are conditional on Headingley Stadium meeting the minimum standard as detailed in the ECB's Minimum Standards Document for model test match grounds.
- 3.2 ECB's Assessment of Yorkshire County Cricket Club's Position in relation to a new Staging Agreement**
- 3.2.1 To gain a clearer understanding of the ECB's approach in relation to the award of a new staging agreement from 2020-2022 and to understand YCCC's chances of success, officers from the Council met with a representative of the ECB in May this year. The ECB's comments about YCCC, staging agreements and Yorkshire's standing in the game are attached at Appendix 1. It is recognised by the ECB that Headingley has a rich heritage and is one of the most well known cricket venues around the world. Test Match cricket has been played there since 1899, with numerous legendary occasions taking place at the ground, including the famous 'Botham's Ashes' match in 1981.
 - 3.2.2 The ECB also recognises the significant role Yorkshire County Cricket Club plays in the development of the game from grass roots through to County and International Level. Yorkshire has more cricket clubs (778) and players (c. 131,000) than any other county and has had more cricket clubs than the whole of Australia. The Yorkshire Cricket Foundation leading the way for cricket development through its involvement in projects such as the development of Bradford Park Avenue. This 'South Asian Communities Project' is an example of best practice and is likely to be replicated by other counties, as is the Drax Cup, a competition for years 3 and 4 of all primary/junior schools in the Yorkshire and Teesside region and in which more than 20,000 boys and girls participate.
 - 3.2.3 The County sides for both the men and women's game are also exceptionally strong at the moment. The men's County side have been winners of the County Championship in 2014 and 2015 and currently produces more players for the England Teams than any other county. The women's county side were winners of the County Championship in 2015, meaning Yorkshire is the first county to win the

men's and women's County Championship in the same year and have also secured 'host status' in the Kia Super League being launched in 2016.

- 3.2.4 To be eligible for Category A status and to secure a new staging agreement 2020-2022, however the venue must comply with the ECB's minimum standards for model Test Match Grounds. Despite Yorkshire's standing in the game and the improvements made to other parts of the ground, the North-South stand at Headingley Stadium has deteriorated to a point where it is barely fit for purpose, according to the ECB and fall somewhat short of the standard at other Category A venues and the ECB's minimum standards for Model Test Match Grounds. In 2015 the North-South stand needed to be closed at one stage during the season to allow urgent repair works to the stand to take place. Other venues around the country have made greater progress in facility development and have overtaken Headingley when it comes to facilities appropriate for hosting major cricket matches.
- 3.2.5 In summary, the ECB's view is that '*Headingley Cricket Ground has a long tradition of hosting international cricket and Yorkshire has a proud history of producing iconic players through its extensive network of clubs. Yorkshire is also delivering important projects in the local community and is synonymous with cricket. Yorkshire is therefore strategically important to cricket in England and Wales with the old adage of 'when Yorkshire is strong, England is strong' being most apt.*

Whilst the ECB is delighted with the role Yorkshire CCC is currently playing on and off the field, its facilities in the North/South stand are in need of significant upgrading if Headingley is to retain Category A status in the medium to long-term and reach parity with the other Category A venues across the country.'

3.3 Headingley Stadium Redevelopment

- 3.3.1 Taking account of the requirements outlined above, it is safe to say that without the redevelopment of the North-South stand, Headingley Stadium is unlikely to be a Category A venue and there is a clear risk that it may not be awarded a new staging agreement for 2020-2022. In addition, the four 2019 Cricket World Cup matches, conditional on significant improvements being implemented on the North-South stand in advance of the tournament, will be in jeopardy.
- 3.3.2 At the same time the rugby league club, Leeds Rhinos has a desire and need to improve their facilities. From a rugby perspective they need to address ground safety issues in their South Stand, which currently operates at a reduced capacity due to health and safety requirements. The club also needs to modernise its facilities, including its North Stand so that the stadium provides facilities that compare favourably with alternative venues. It is the case that a number of rugby league clubs have moved to new stadiums in recent years including, Warrington, St Helens Salford, Wigan and Huddersfield, which means that the Headingley Stadium is fast becoming a less attractive proposition for international events.
- 3.3.3 Leeds Rugby own both the Rugby League ground and the North-South shared stand that provides seating, changing facilities and corporate hospitality and boxes for both Yorkshire County Cricket Club and Leeds Rugby.

3.3.4 In response to the requirement from YCCC to retain Category A status thereby securing a new staging agreement for 2020-2022 and the 2019 World Cup matches, alongside the need to improve their cricket facilities, Leeds Rugby have developed designs for the complete reconstruction of the Rugby South Stand and the reconstruction of the shared North-South Stand to meet the ECB's minimum standards for model test match grounds.

3.3.5 The total scheme redevelopment costs are estimated at £40 million. This is split between the two stands as follows:-

Rugby League South Stand	£11.5 million
North-South Stand	£28.5 million
Total	£40 million

3.3.6 Several potential funding sources have been identified as contributions towards the total funding package required to deliver the whole scheme. These include the sale of two sites owned by Leeds Rugby in Weetwood and Tingley; contributions by both Leeds Rugby and YCCC and a bid for grant funding submitted to the LEP by YCCC to fund works to the North-South stand. These contributions, other than those of the Clubs have not yet been secured and in relation to the two sites are conditional upon the securing of planning approval by Leeds Rugby and Caddick Developments Ltd, for housing development on sites within the green belt. The planning applications for both Headingley Stadium and the two development sites that are identified as potential funding sources to contribute towards the North-South stand redevelopment were submitted by Leeds Cricket Football and Athletic Co. Ltd and Yorkshire County Cricket Club in April 2016 and a decision is expected in September 2016. This report in no way pre-supposes the outcome of those planning submissions.

3.3.7 However it should be noted that the purpose of this report is to ensure the award of a new staging agreement from 2020-2022 through the redevelopment of the North-South stand only at Headingley Stadium. The North-South stand is the stand that sits between the cricket and the rugby ground. The proposed works for the redevelopment of the North-South stand consist of:-

- the demolition of the existing stand profile and its replacement with a three-tiered seated stand providing lower, mid and upper tier seating for over 5060 spectators, an increase of over 1400 on the old stand, thereby increasing the cricket ground's capacity up to circa 18,500;
- a new ground floor concourse with male/female/disabled toilets, permanent concession units, bars, refreshments and food sales;
- a new ground floor concourse to link with existing stadium concourse to provide continuous circulation to all seating areas;
- a new concourse to serve the mid-tier seating level to provide toilet and concession facilities which link with the existing pavilion at board room level ;
- a new concourse to serve the upper tier seating level to provide toilet and concession facilities;

- provision for the expansion of the Taveners Suite and the provision of a new Taverners Terrace Bar to the rear of the lower tier seating that will link with the existing Hirst and Rhodes Suite;
 - a new terrace adjacent to the existing Boardroom which will provide linkages to the new stand mid-level seating tier;
 - a continuous mid-level viewing suite will also provide panoramic viewing of the stadium and premium hospitality and refreshment facilities.
- 3.3.8 The design of the cricket facilities within the new North-South stand has been assessed by the ECB and they have confirmed that it will meet the standards for model Test Match Grounds required for the award of Category A status. The scheme drawings and images are attached at Appendix 2.

3.4 Cost Estimates and Funding

- 3.4.1 The holistic scheme costs for the redevelopment of Headingley Stadium North-South stand, as assessed by Gardiner and Theobold on behalf of Leeds Rugby in May 2015 and independently reviewed by Arcadis on the Council's behalf in August 2015, currently stands at £28.5 million. Arcadis's cost consultant was also the Council's consultant on Leeds Arena and is currently delivering improvements to Anfield amongst other sports arenas of note.
- 3.4.2 To deliver the scheme, the following potential financial contributions, whether through capital receipts, grants or Club funding have been identified:-

• Yorkshire County Cricket Club contribution	£7.0 million
• Development sites capital receipt funding (part)	£13.5 million
• Local Enterprise Partnership grant funding (Bid submitted)	£4.0 million
Total	£24.5 million

- 3.4.3 At £24.5 million, there is a £4 million shortfall in potential funding to deliver the scheme. To address this, YCCC have approached LCC and asked the Council to consider whether it would be willing to provide YCCC a grant to the value of £4 million to enable the works to proceed.
- 3.4.4 If the Council were minded to approve the request and award YCCC with a grant of £4 million for the delivery of the new North-South stand at Headingley Stadium, it would be on the basis of the following requirements:-

- The securing of planning approval for the redevelopment of the new North-South stand;
- YCCC long term security of tenure (the joint freehold ownership of the North-South stand with Leeds Rugby);
- The adherence to a robust set of draft grant conditions as detailed at Appendix 3, the final details of which will be delegated to the Director of City Development for final approval.
- The securing of all other funding to allow the scheme to proceed.

3.5 Programme

3.5.1 If all of the improvements are to be delivered in time for Headingley Stadium to host the 2019 Cricket World Cup, which commences in June 2019, works need to be progressed at a pace. To achieve this deadline, the programme is:-

• January 2016	Pre-app discussions with ward members
• April 2016	Submission of planning applications
• July 2016	Position statement presented to Plans Panel
• Grant of Planning approval	September 2016October 2016
• April 2017	Demolition and reconstruction of rugby ground south stand
• July 2017	Strip out of North-South stand
• April 2019	Reconstruction of new North-South stand
	Practical Completion

3.6 Procurement

3.6.1 The scheme is being managed by Leeds Rugby's development partner, Caddick Construction. Their proposed procurement strategy is to tender the packages, on an open-book basis with ongoing negotiation required to agree the final contract sum. This procurement strategy has been independently reviewed by Arcadis, at the Council's request to ensure the appropriateness of the approach and secure value for money.

3.6.2 Arcadis's view of this approach, based on their experience, is that engaging with a single, preferred contractor is now a popular procurement route and competitive tendering is less common than it was a few years ago. This is because the cost benefits are often not as significant and market interest in sports projects is very limited in the current, buoyant construction industry. Engaging with a trusted contractor, that already understands the site, often means that any cost premium incurred due to lack of competition is offset by greater cost certainty, meaning that costs are less likely to escalate. However the Council will need to be satisfied that approach is compliant with the European Commission's rules as to the provision of State aid as outlined in section 4.5.

3.7 Economic Benefits of International Cricket in Leeds and the City Region

3.7.1 The visitor economy is very important to the City and hosting major events is part of the Council's strategy to position the City and the City Region on a global stage. The Leeds City Regions recent Strategic Economic Plan highlights the scope to improve major cultural visitor attractions such as Headingley Stadium, which will contribute towards the City's bid to be submitted for the 2023 City of Culture.

3.7.2 Major sporting events deliver significant economic benefit to the City and City Region. Headingley is the only sporting venue in the City Region with a regular international profile. Taking these aspirations on board, the Council and its partners need to be aware of the economic benefits international cricket brings to the region.

3.7.3 In 2009, the total number of visiting spectators to the Test Match was 44,018 to Leeds and 28,320 to Yorkshire. The estimated economic benefit assessment from these figures is:-

- £4.8m of additional visitor spend in Leeds;
- £2.4m of organisation spend;
- £1.1m ticket revenue for a 5 day test match;
- £75k retail spend on merchandise;
- £300k hospitality spend;
- £900k spent on catering;
- During a test match the average number of staff working at Headingley is 653.

3.7.4 On the basis of a £28.5m investment in the North-South stand at Headingley Stadium with an increase in stadium capacity, economic modelling shows this could increase the economic benefits realised to:-

- £5.75m of additional visitor spend within Leeds by 2020;
- £5.3m additional visitor spend in Yorkshire by 2020;
- 175 full time construction jobs nationally during construction;
- £1.5m ticket revenue for each 5 day test match.

3.7.5 In addition there are other benefits identified as:-

- A commitment by Caddick Construction for 4 full time apprentices and 4 additional apprenticeship opportunities;
- The award of 80% of SME contracts to local suppliers;
- Potential new positions/franchises created within the stadium;
- 30 new FTE's across services such as administration, events, housekeeping, food service and bar staff as well as stewarding.

3.7.6 In addition the estimated global TV audience for the 2015 Cricket World Cup of 354m should not be overlooked.

3.7.7 With regards to the 2019 Cricket World Cup, YCCC and Headingley Stadium have provisionally been awarded four matches. Ernst and Young were commissioned to carry out an economic benefit study for the 2019 Cricket World Cup as a whole and have also undertaken assessments of the benefits to potentially be realised by each of the 10 Host Cities.

3.7.8 International cricket has the ability to draw significant crowds, with the potential attendance for the entire tournament estimated at almost 1 million supporters. According to Ernst and Young, Leeds has the potential to realise approximately £20.5 million in economic benefit through tourism spending, as a result of hosting 4 Cricket World Cup matches at Headingley Stadium.

3.7.9 In the light of the ECB's stance outlined in paragraph 3.2.5, if the proposal to redevelop the North-South stand does not progress, YCCC will clearly be at risk of :-

- losing four 2019 Cricket World Cup Matches;
- losing its Category A status; and
- not being awarded a new staging agreement by the ECB 2020-2022.

3.7.10 This will potentially have a significant outcome on YCCC, Leeds and the City Region as all of the economic benefits outlined above will be lost.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The request by Yorkshire County Cricket Ground for the award of a grant of £4 million has been presented to Leader Management Team, who has asked the potential award of a grant to be considered by Executive Board. In developing the recommendations in the report, dialogue has taken place between Leeds City Council, Yorkshire County Cricket Club, the ECB and Leeds Rugby.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 An equality screening form has been completed for this proposal and is attached as Appendix 4. There were no specific equality issues raised around the proposed purpose of the report.

4.3 Council Policies and Best Council Plan

4.3.1 The Council's new Vision 2010-2030

By 2030, Leeds will be internationally recognised as the best city in Britain – a city that is fair, open and welcoming with a prosperous and sustainable economy, a place where everyone can lead safe, healthy and successful lives.

By 2030, Leeds' economy will be prosperous and sustainable. Leeds will be a city that has:

- a strong local economy driving sustainable economic growth;
- a world-class cultural offer;

By 2030, all Leeds' communities will be successful with:

- local cultural and sporting activities are available to all;

By 2030, Leeds will be the Best City to live where:

- People enjoy world class culture, sport, leisure and entertainment.

4.3.2 'To make sure all this happens we need to engage beyond our boundaries, Leeds will punch above its weight as the biggest city in the north, raising its profile to match, and making sure that decision makers and opinion formers understand the city and what it offers, its potential and the needs of its communities. We will build on the excellent reputation and international profile of our universities, our cultural offer, our hospitals and health care excellence, our sporting facilities and teams and

our businesses and their expertise to create a city that is a world-class destination for all in a global economy.'

4.3.3 Best Council Plan

This proposal meets Objective 2 of the Best Council Plan: Promoting sustainable and inclusive economic growth through:-

- A rich cultural offer that surpasses the aspirations of Leeds' residents and visitors;
- Enhancing the confidence and profile of the city by hosting world class events.

4.4 Resources and Value for Money

- 4.4.1 The resource implications of this report are the award of a £4 million grant to Yorkshire County Cricket Club. This is to secure Headingley Stadium's status as a Category A venue thereby securing a new staging agreement from 2020-2022 and four 2019 World Cup Cricket matches and all of the economic benefits realised, as detailed in Section 3.6. Accordingly, this will be an unfunded injection into the Capital Programme and the revenue implications will be accounted for as part of the 2017/18 budget setting process.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The proposal is subject to call-in. 4.5.2 Section 1 of the Localism Act 2011 provides that the Council can do anything that individuals generally may do subject to a restriction that the Council cannot do anything that it is otherwise prohibited from doing. Subject to compliance with the European Commission's rules as to the provision of State aid and to the Council complying with its fiduciary duties to the council tax and rate payers of Leeds, there are no statutory restrictions that would prohibit the Council from providing YCCC with a grant as outlined in this report.
- 4.5.2 The European Commission's State aid rules provide that the Council cannot provide commercial undertakings with assistance in a way which is selective and will or is likely to distort competition in a European market. Whilst professional cricket is not played in any other European countries, the improvements to the North-South stand will be of significant benefit to the Club and will assist them in providing facilities for corporate events and hosting world class events in competition with other facilities across Europe.
- 4.5.3 Article 55 of the General Block Exemption Regulations (Commission Regulation (EU) No 651/2014) allows for aid to be given in respect of sport and multifunctional recreational infrastructures provided that certain conditions are met. Any grant to YCCC will be conditional on the Council being satisfied that these conditions will be met and to YCCC indemnifying the Council in respect of any claims arising from any breach.
- 4.5.4 The Council has a duty to the council tax and rate payers of Leeds to ensure that it acts in a financially prudent manner; that it strikes a fair balance between the interests of council tax and rate payers on the one hand and the community's interest in adequate and efficient services on the other hand; and that it acts in good

faith with a view to complying with its statutory duties and exercising its statutory powers for the benefit of the community.

4.5.5 In the case of the proposed grant to YCCC, and given the benefits that securing the playing of test match and international cricket at Headingley will bring to the city, it is believed that the Council will be complying with its fiduciary duties.

4.6 Risk Management

4.6.1 The Council will manage the risk of the award of grant funding to YCCC through:-

- A set of robust grant conditions which will need to be signed up to by YCCC before the formal award of the grant;
- The appointment of a project monitor to oversee the scheme delivery alongside adherence to the grant conditions;
- The ongoing engagement of Arcadis as required, to ensure the scheme is delivered in accordance with the agreed drawings and specification.

5 Conclusions

5.1 International cricket at Headingley plays an important part in the city's sporting calendar. It provides an economic boost to the city's visitor economy and brings international profile to Leeds on a regular basis. Clearly, Headingley's position as a Category A venue cannot be taken for granted and there is a clear risk that its status as a regular venue for international cricket could be lost.

5.2 In light of this risk and recognising the long-standing position of Headingley Cricket Stadium as an international venue, losing this position would be a retrograde step for the city. Accordingly, officers recommend in principle, support for a grant towards the cost of a new North/South stand by Leeds City Council as outlined below.

6 Recommendations

6.1 Executive Board is recommended to note the contents of this report and approve:-

- (i) The award of a grant of £4 million to Yorkshire County Cricket Club to be used exclusively towards the redevelopment of the North-South stand at Headingley Stadium to ensure the hosting of four 2019 Cricket World Cup matches and the retention of YCCC Category A status and subject to the award of a new staging agreement from 2020-2022 and subject to;
- (ii) The entry by the Council into a grant agreement with Yorkshire County Cricket Club based on the draft Heads of Terms annexed to this report;
- (iii) That settlement of the final terms of the above agreement be delegated to the Director of City Development.

7 Background documents¹

7.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.