



Report of the Head of International Relations

Executive Board

Date: 19 December 2007

**Subject: Proposed Chinese Gate of Friendship, Quarry Hill
Capital Scheme Number :- 14121 / 000 / 000**

Electoral Wards Affected:

City & Hunslet

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In
(Details contained in the report)

Executive Summary

Hangzhou, the City Council's twin City in China has offered a Gate of Friendship to Leeds, the details of which are included in the main body of the report.

The recommended location for the Gate of Friendship is on Quarry Hill adjacent to the West Yorkshire Playhouse facing onto Eastgate. Subject to securing all approvals and support the anticipated installation date for the Gate would be August 2008. However, the anticipated programme remains provisional, as the erection of the Gate at the proposed location on Quarry Hill remains subject to the resolution of technical/timing issues with regard to the developments proposed on adjacent sites. Accordingly, the programme would need to be reviewed as the project progressed to ensure the optimum development arrangements were achieved.

The anticipated cost to the City Council to accept the gift and erect the Gate on Quarry Hill within an appropriate setting is £200,000.

The report details the proposed estimated costs to be incurred by the Council to erect the Gate, provides an indicative development programme and outlines how the cost of the work would be funded. The purpose of this report is to seek Executive Board's approval of the offer of a Gate of Friendship from Hangzhou to be erected on Quarry Hill and to authorise expenditure of £200,000 to meet the cost of erecting the Gate of Friendship.

1.0 Purpose of this report

1.1 The purpose of this report is to:

- (i) seek approval for the Council to accept the Gate of Friendship from Hangzhou and support its erection on Quarry Hill as detailed in the report
- (ii) seek authority to spend £200,000 to fund the cost of erecting the Gate of Friendship on Quarry Hill. (Full funding details are shown in Section 4.3)

2.0 Background information

2.1 Leeds City Council has been offered a Gate of Friendship by Hangzhou. This traditional gate, decorative now but originally used to fortify their cities, is similar to gates already standing in Hangzhou (See attached image). It is understood that the Gate will be around 8 metres wide and 7.5metres high and weigh about 60 tonnes.

2.2 A delegation from Hangzhou visited Leeds on 8th May 2007. During this visit the Leader of the Council and Mr Xubiao, Vice Mayor of Hangzhou signed a Memorandum of Understanding with regard to the Gate that in summary stated that:

- (i) Hangzhou will be responsible for and will meet the cost of the design, construction and transportation of the Gate from China to a British Port. In addition, Hangzhou will fund the travel costs of the Chinese technicians who will travel to Leeds to advise on/erect the gate.
- (ii) Leeds City Council will be responsible for the site preparation, planning and erection of the Gate together with the transportation of the Gate from the British Port it is delivered to. The Council will also be responsible for the accommodation and subsistence costs of the Chinese technicians whilst in Leeds during the erection of the Gate.
- (iii) The parties will try to finish the construction of the gate by 1 June 2008, ensuring Hangzhou have six months for preparation and construction

2.3 The offer of the gate from Hangzhou was confirmed by representatives from Hangzhou during the visit of the Leader and Officers of the City Council in October 2007.

3.0 Main issues

Location

3.1 A Site options appraisal has been carried out by officers from City Development and International Relations. The appraisal concluded that the best location on Council owned land for the Gate is on Quarry Hill. The precise location on the Quarry Hill site has yet to be determined, but is likely to be on the western side of the site adjacent to the West Yorkshire Playhouse and facing Eastgate (see attached location plan). This area forms part of the proposed public realm associated with the greater Quarry Hill redevelopment proposals and therefore there will be no opportunity (land) cost as a result of the Gate of Friendship proposals.

Cost

- 3.2 The anticipated cost of accepting the Gate of Friendship from Hangzhou is estimated at £200,000, which is summarised below.

a	Install the Gate of Friendship on Quarry Hill, inclusive of the provision of an appropriate setting	£ 125,000
b	Transport and store the Gate of Friendship from a British Port (yet to be agreed) to Leeds. The Gate weighs approximately 60 tonnes	£ 12,500
c	Consultancy costs for the Chinese technicians for the estimated installation period of 4 weeks	£ 17,500
d	Site investigation	£ 10,000
e	Fees	£ 35,000
	Total estimated cost	£ 200,000

- 3.3 The above costs are indicative estimates only and have been proposed without the benefit of any site investigations or confirmed design proposals from Hangzhou for the Gate itself. The actual costs will only be established once the design of the Gate has been confirmed, site investigations undertaken and structural specifications confirmed.
- 3.4 It is difficult to estimate how much it would cost to maintain the Gate and its immediate environment as there is no direct comparator but it is considered that £10,000 per annum should suffice.

Provisional Programme

- 3.5 The Memorandum of Understanding agreed between the Council and Hangzhou envisaged that the construction of the gate would be complete by June 2008. Members of Executive Board should note that this date is not achievable due to the time required to design and manufacture the gate in China and for the Gate to be transported to Leeds.
- 3.6 The provisional anticipated programme for the installation of the Gate of Friendship is:
- | | | |
|-------|-----------------------------------------------------------------------------------------------------------|---------------------|
| (i) | City Council accepts Hangzhou's offer | Dec 2007 |
| (ii) | Procure design consultants and undertake site investigation work | Dec 2007 |
| (iii) | Design and Manufacture of gate by Hangzhou following receipt of site investigation information from Leeds | Jan to June 2008 |
| (iv) | Design, specify and procure contractor | Feb to June 2008 |
| (v) | Planning permission | March to April 2008 |

- | | | |
|-------|---------------------------------|-----------------|
| (v) | Transport Gate to Leeds | early July 2008 |
| (vi) | Install Foundations and setting | July 2008 |
| (vii) | Erect Gate of Friendship | August 2008 |

3.7 The above is an indicative programme and may be subject to change dependent on:

- (i) The development of the hotel on the adjacent site. The hotel developer has not yet provided information as to how the Council's land adjoining the excavation will be structurally retained, which could cause delays for the erection of the Gate up to Summer 2009 (See item 7.2 and 7.3 below in Risk Section).
- (ii) The design of the proposed landscaped area between the West Yorkshire Playhouse and the proposed hotel which will link Quarry Hill to the Eastgate/Harewood Quarter development.

Technical Information

3.8 The design and manufacture of the Gate of Friendship will be undertaken in China. Hangzhou envisages that it will prepare a proposed foundation design for the Gate of Friendship. However, Members of Executive Board should note that it is recommended that the City Council appoint a design team to be responsible for the overall design of the foundations, the Gate's setting and the administration of the work onsite. Prior to the design and manufacture of the Gate, Hangzhou Municipal Government (HMG) requires site investigation information.

3.9 Hangzhou has suggested that the Gate be erected by Chinese technicians from Hangzhou, with lifting equipment provided by the City Council. However, it is recommended that the construction, including foundations and the Gate's setting, and erection of the Gate itself is carried out by a British contractor, appointed by the Council with advice provided by Chinese technicians on the actual erection of the Gate. This will ensure that the construction is carried out by a contractor who is fully aware of and conversant with British legislation including Health and Safety. In addition should there be any defects identified post completion it will be much easier to get a British contractor to rectify any such defects.

4.0 Legal and Resource Implications

4.1 It is proposed that the £200,000 funding for this project will come from section 106 Public Realm Works within the City Centre.

4.2 Members should note that if the programme for the erection of the Gate is delayed beyond August 2008, then the estimated capital cost to erect the Gate on Quarry Hill will need to be reviewed.

4.3 Capital Funding & Cash flow.

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2007 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2001/11 £000's	2011 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2007 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2001/11 £000's	2011 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	135.0			135.0			
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	35.0			35.0			
OTHER COSTS (7)	30.0			30.0			
TOTALS	200.0	0.0	0.0	200.0	0.0	0.0	0.0

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2007 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2001/11 £000's	2011 on £000's
80025 Stourton Infrastructure	60.0			60.0			
84357 Cross Green Extension	26.1			26.1			
01371 Contingency Scheme	113.9			113.9			
Total Funding	200.0	0.0	0.0	200.0	0.0	0.0	0.0
Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

4.4 Any revenue that is necessary for the maintenance of the gateway will be met from within the City Development Revenue Budget

5.0 Implications for Council Policy and Governance

5.1 The Council's Corporate Plan identifies the need to develop the City's international image and profile. The gateway will help to further develop the close links the City has developed with Hangzhou in China.

5.2 The Gateway will provide an attractive and prominent piece of public art which will help to reinforce Quarry Hill as an important cultural area.

6.0 Consultation

6.1 A meeting representing all the user groups on Quarry Hill, including West Yorkshire Playhouse, was advised of the proposed development on 28 November 2007. Their views may be summarized as follows:

- (i) that the location of the Gate should not be located too close to the adjacent buildings. It should have sufficient space and be located within an appropriate setting which would also link well to the Eastgate/Harewood Quarter

- (ii) that the specific position of the Gate should not be decided until the area between the West Yorkshire Playhouse and the adjacent Hotel has been designed.

- 6.2 The developer of the Hotel on Quarry Hill has been advised of the proposed site of the Gate adjacent to the hotel development site.
- 6.3 A briefing has been offered to Ward Members. Their response will be reported to the meeting.

7.0 Risk Assessment

- 7.1 If regular communication is not set up between officers of the City Council and Hangzhou, misunderstandings between the Parties may occur relating to the design, programme and manufacture of the Gate.
- 7.2 The approximate location of the Gate will be between the West Yorkshire Playhouse and a new proposed hotel which extends to 40 metres in height above ground level adjacent to the Playhouse. The hotel scheme is planned to go before the Council's Plans Panel in January 2008, with a proposed start onsite in August 2008, but some excavation works are planned to commence in early 2008. The erection of the Gate and the development of the new hotel could overlap in August 2008 and, therefore, access issues between the respective contractors will need to be agreed.
- 7.3 The hotel development has a 19m deep basement near the proposed position of the Gate. At present the hotel developer has not provided information as to how the Council's land adjoining the excavation will be structurally retained. Therefore, the concurrent development of the hotel and Gate could cause delays for the erection of the Gate. At present, it is not possible to ascertain whether the proposed area for the gateway will fall within the area that needs to be battered back for the hotel excavation and should this prove to be the case, the erection of the gate will be delayed until all the hotel excavation and substructure work is complete which is estimated to be summer 2009
- 7.4 There are proposals for the existing steps and ramp beside the West Yorkshire Playhouse to be replaced with new steps and landscaping to lead down from the Playhouse and new hotel to, and in line with Eastgate. This area is to integrate Quarry Hill with the Eastgate Harewood Quarter. The design of this area and who will develop it has not yet been decided, but this will need careful co-ordination with the hotel developer, West Yorkshire Playhouse, the mixed use development on the remainder of the Quarry Hill site, the Eastgate Harewood Quarter and the proposed Gate of Friendship. Ideally, this landscaped area should be designed prior to the location of the Chinese Gateway being determined, in order to ensure the gate is positioned in its optimum setting.
- 7.5 The proposed mixed use development scheme on the remainder of the Quarry Hill site between Playhouse Square and Quarry House is anticipated to commence onsite in mid 2008, with the construction of a multistorey carpark in front of Quarry House. The site of the Gate and the multistorey car park are at opposite ends of Quarry Hill, so the construction should not adversely affect each development other than there will be a common access onto Quarry Hill for both contractors.

7.6 That the gate is erected incorrectly by the contractor. A British contractor will be procured by the Council and contracted with to erect the Gate. Hangzhou has advised that they will provide Chinese technicians who will provide technical guidance on the erection procedure required for the Gate. The precise contractual arrangements have yet to be determined, however, officers will seek to minimise any Council liabilities in terms of the construction of the Gate

8.0 Options

8.1 Decline the offer of the Gate of Friendship. A Memorandum of understanding, referred to earlier, has already been signed by the City Council and Hangzhou. It would not be appropriate to withdraw from this agreement with Hangzhou.

8.2 Select another site. A site options appraisal has already been carried out which identifies Quarry Hill as the best available Council owned site for the erection of the Gate.

9.0 Recommendation

9.1 Executive Board is requested to:

- (i) Agree to the City Council accepting the Gate of Friendship from Hangzhou and support the erection of the Gate on Quarry Hill as detailed in the report,
- (ii) Authorise expenditure of £200,000 on the erection of the Gate of Friendship on Quarry Hill.