



NOT FOR PUBLICATION

Appendix 1 and Schedule 1 of this report are Exempt/Confidential under Access to Information Procedure Rules 10.4 (3)

Report of : Director of City Development

To : Executive Board:

Date: 13 FEBRUARY 2009

Subject: LEEDS ARENA, PROPOSED PROJECT DELIVERY/MANAGEMENT ARRANGEMENTS

Electoral Wards Affected:

CITY WIDE

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

The arena is a key project that will contribute to the delivery of the Council's Strategic Plan, which identifies as one of its key priorities the development of high quality facilities of national and international significance.

The report informs Members as to the progress made in acquiring the site of the Brunswick Building from Leeds Metropolitan University and summarises the current position relating to the conclusion of a legal agreement to facilitate the development of the arena, the details of which are contained in Appendix 1 of the report, the contents of which are Exempt/Confidential under Access to Information Procedure Rules 10.4(3).

Appendix 1 of the report also advises Members as to the preferred options for the contractor appointment; the procurement strategy for the design team and the retention of consultants to progress the design proposals for the arena and the proposed project management arrangements to be implemented by the Council to deliver the arena development, the details of which are Exempt/Confidential under Access to Information Procedure Rules 10.4(3).

1.0 PURPOSE OF THIS REPORT

1.1 The purpose of the report is to seek Executive Board's approval to:-

- i) The procurement strategy for the design team and the retention of consultants to progress the design proposals for the arena development.
- ii) Authorise the Director of City Development under the Council's scheme of delegation to determine the preferred form of construction contractor procurement

And for Executive Board to note:-

- iii) The acquisition of the site of the Brunswick Building from Leeds Metropolitan University
- iv) The progress in concluding a legal agreement to facilitate the development of the arena.
- v) The project management arrangements to be pursued by the City Council to achieve the proposed development of the arena.

1.2 This report is marked Exempt from Call In on the basis that the City Council's Executive Board at its meeting on 5 November 2008, took the decision to lead on the development of the arena, to appoint a design team and contractor and to determine the project management arrangements for the delivery of the project and instructed officers to report back on the proposed delivery mechanism. The recommendations contained in this report are consistent with decisions taken by Executive Board on 5 November 2008.

1.3 It is considered that the public interest in maintaining the information contained in Appendix 1 and Schedule 1 of the report relating to the proposals to progress the design proposals for the proposed arena development, the adoption of the contractor procurement strategy, the implementation of the project management arrangements and the proposed legal agreement as exempt outweighs the public interest in disclosing the information, as to do so would prejudice the ongoing negotiations and hence the cost to the Council of developing the arena. For this reason, Appendix 1 and schedule 1 of the report are marked as Exempt/Confidential under Access to Information Procedure Rules 10.4(3)

2.0 BACKGROUND INFORMATION

2.1 The Council's Executive Board at its meeting on 5 November 2008, agreed to approve Claypit Lane as the preferred site for the development of a 12,500 seat multi purpose arena. The Executive Board also confirmed that the Council owned site at Elland Road shall be identified as the reserve site for the arena development in the event that the site at Claypit Lane could not be delivered or ceased to be the most economically viable option and no longer offered best value for money to the Council.

2.2 Members of Executive Board were advised at the meeting in November 2008, that whilst the City Council would lead on the delivery of the arena and would procure both a design team and/or a build contractor/design team to progress the scheme proposals, that the precise project delivery mechanism and project management arrangements

would need to be determined, the outcome of which would be reported back to Executive Board.

3.0 CURRENT POSITION

3.1 At its meeting on 5 November 2008, Executive Board was advised that a significant amount of the site specific risk and general risk associated with the delivery of the project would be managed out by both the project delivery mechanism and project management arrangements to be pursued for the delivery of the project. Appendix 1 of the report summarises the proposed project delivery and management arrangements to be adopted by the Council on the arena project and details the progress made to conclude the legal agreement to facilitate the development of the arena.

4.0 CONSULTATIONS

4.1 Yorkshire Forward which has been represented on the Project Board to date has been consulted and is supportive of the proposals and recommendations contained in the report.

4.2 Successful delivery of the proposed operator's requirements, whilst minimising cost and risk, will necessitate the operator and his design team (for the operator's fit out of the arena) needing to be involved in detail from an early design stage. The proposed operator has, therefore, been consulted on the proposals contained in the report and has confirmed support of the recommendations presented in the report.

5.0 COMPLIANCE WITH COUNCIL POLICIES

5.1 The Vision for Leeds 2004 to 2020 identifies a major project to improve the cultural life of the city, including developing a new, large scale international facility such as an arena.

5.2 The development of a multi purpose arena is key to the delivery of the Council's Strategic Plan, which has as one of its strategic outcomes the provision of enhanced cultural opportunities through encouraging investment and development of high quality facilities of national and international significance.

6.0 CONCLUSION

6.1 The development of a multi purpose arena is a key priority that will contribute to the delivery of the Council's Strategic Plan which seeks to encourage investment and development of high quality facilities of national and international significance such as an arena.

6.2 The retention of the design team as detailed in Appendix 1 of the report and undertaking the 'common early start activities', whilst in parallel reviewing in more detail the relative benefits of the different contractor procurement options and, in particular, soft market testing the alternative approaches with potential contractors will allow greater cost certainly to be achieved whilst also retaining project momentum.

6.3 The proposed project management arrangements, combined with the retention of the consultants who have a detailed understanding of the project to perform a check and challenge role around design and construction, as well as the provision of technical

advice and risk management, will help reduce the potential capital cost increase on the project.

7.0 **RECOMMENDATIONS**

7.1 Executive Board is recommended to:

- i) Approve the procurement strategy for the design team and the retention of consultants to progress the design proposals for the arena development.
- ii) Authorise the Director of City Development under the Council's scheme of delegation to determine the preferred form of construction contractor procurement.
- iii) Note the acquisition of the site of the Brunswick Building from Leeds Metropolitan University
- iv) Note the progress made in concluding the legal agreement to facilitate the development of the arena.
- v) Note the project management arrangements for the arena development.

Background Papers; Executive Board Report, 5 November 2008.