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Report of the Director of City Development

Executive Board

Date: 22 July 2009

Subject: The Elland Road Masterplan and World Cup 2018

Electoral Wards Affected:

Beeston and Holbeck

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

On 11 September 2007 Executive Board approved an Informal Planning Statement to guide the comprehensive regeneration of land in the vicinity of Elland Road Stadium.

Since that decision a number of developments mean that it is important for the Council to review the position and determine how to take matters forward. The key issues are:-

- (i) The decision of Stanley Leisure not to renew its option to purchase land at Elland Road for a casino.
- (ii) The status of Elland Road as the reserve site for the development of a 12,500 seat multi-purpose arena.
- (ii) The planning consents recently secured by Leeds United FC to allow the building of hotel, conferencing, and nightclub facilities.
- (iii) The latest position with regard to the Council's attempts to acquire land by negotiation at Elland Road.
- (iv) Leeds bid to become a Host City for the football World Cup 2018.

- (v) The approach to the Council from a developer/operator who wishes to build an ice-rink at Elland Road.

This report updates Members on all of the above matters and recommends a way forward which will kickstart the comprehensive regeneration of the area in line with the principles set down in the Informal Planning Statement approved by this Board in September 2007.

1.0 PURPOSE OF THIS REPORT

- 1.1 The purpose of this report is to update Members on property matters at Elland Road and to make proposals which will assist in the regeneration of eighteen and a half hectares of brownfield land in that location.

2.0 BACKGROUND INFORMATION

- 2.1 On the 14 March 2007 Executive Board considered a report regarding draft Masterplan proposals for land in the vicinity of Elland Road Stadium. That report pointed out the low quality physical environment of the area and how this was of great disbenefit not only to local residents, but also to the City more generally, Elland Road being a highly visible gateway to the City from both road and rail approaches.

- 2.2 Members of Executive Board will be aware that Leeds City Council has extensive landholdings in the area as detailed on the attached Plan 1. In total the Council has freehold ownership (and use for its own purposes) of 12 hectares of land (sites A, B, C, D, and E), and holds the freehold to a further 2.1 hectares of land which are leased to third parties (sites F and G).

- 2.3 Other property interests in the area at the time of the March 2007 report were:-

- (i) Leeds United, who lease the Elland Road Stadium (site H) from the Teak Trading Corporation.
- (ii) West Yorkshire Passenger Transport Authority, which owns the bus terminus site J.
- (iii) The Castle Family Trust, which owns site I to the rear of the Stadium north stand.
- (iv) Stanley Leisure who had, at the time, an option to purchase site I for the purpose of building a casino.

- 2.4 At the time the Council was considering using its land at site D as one option for the Leeds Arena. This combined with Leeds United's aspirations to develop the Stadium and Stanley Leisure's aspiration to build a casino with supporting leisure related activities meant that the time was opportune to develop a Masterplan for the greater site. It was noted in the report that development of the area would contribute to the wider regeneration initiatives in the Beeston Hill/Holbeck Neighbourhood Renewal Area through linked employment opportunities.

- 2.5 In view of the above Leeds City Council, with financial support from Yorkshire Forward, Leeds United, Stanley Leisure and WYPTA had commissioned a piece of work from Austin Smith Lord on the masterplanning opportunities. The main objectives of that study were to:-

- (i) Provide guidance on the development of some eighteen and a half hectares of brownfield land.
- (ii) Formulate a vision to transform the area into a vibrant leisure destination.
- (iii) Facilitate the development of exciting buildings and welcoming, comfortable, safe and well used spaces which create a sense of place.
- (iv) Facilitate development which has a physical, economic, and social regenerative impact within the local area.

2.6 All of the above were to be considered within the planning context for the site. In the Unitary Development Plan (UDP) Review, adopted in July 2006, the land was reserved for leisure and tourism proposals which would enhance the regional and national role of the City. Planning Policy Statement 6, Planning for Town Centres 2005 (PPS6) recommends a sequential approach to site identification for certain uses, starting with existing town centres, moving to edge of town centres, and finally considering out-of-centre sites. Given that Elland Road was regarded as out of centre, a rigid application of PPS6 might severely prejudice the potential for ever bringing forward this key site for development. The draft Masterplan proposals needed to weigh the benefits delivered from allowing primary leisure and tourism destinations at Elland Road against the merits of applying PPS6 as drafted.

2.7 Transport issues were to the fore, with any proposals being required to:-

- (i) Mitigate the impact of traffic for residents and businesses, particularly on Leeds United matchdays.
- (ii) Promote sustainable modes of transport where possible with travel by car as a secondary option.
- (iii) Minimise the impact on the strategic highway network adjacent to the site, in particular the M621.
- (iv) Facilitate public transport options which ensure that buses can access and egress the site in preference to private vehicles.

2.8 Austin Smith Lord tested a number of development scenarios for the greater site and presented proposals both with and without an Arena. The key and consistent features of the various options were:-

- (i) Sites to the south of Elland Road (A, B, and C) to be developed as residential sites, although with the option that site C (former greyhound stadium) be considered as a replacement Police Head Quarters site should there be closure of the Millgarth and Holbeck Stations.
- (ii) The introduction of appropriate traffic management and environmental treatment of Elland Road.
- (iv) The development of formally laid out car parking with capacity for circa 2,750 cars.
- (v) The development of an enhanced transport hub to the east of the Stadium site (in the vicinity of sites E and F) with park and ride facilities and matchday coach parking.
- (vi) The provision of sufficient space around the perimeter of the football ground to enable a symmetrical development of the Stadium in the future, should the need arise.
- (vii) The development of a comprehensive series of leisure facilities on the site adjacent to the existing football ground including hotel(s), casino, ancillary food and drink facilities, and a health club.

The provision of a 12,500 seat arena was considered under some of the options.

2.9 After considering the March 2007 report, Executive Board instructed that preliminary public consultation be undertaken on the draft Masterplan proposals and, taking account of that consultation, officers should develop an Informal Planning Statement for the site and report back.

2.10 Following the public consultation exercise, managed by Frances Wells Associates, Officers reported back to Executive Board on 11 September 2007. Key themes of the public consultation were:-

- (i) Agreement that the look and feel of the site were poor for such a prominent gateway to the City and that investment was needed.
- (ii) The need to deal with on-street car parking and anti-social behaviour in residential areas. Achieving a successful modal shift from the car to public transport was high on the agenda.
- (iii) The need to deal with litter and air quality, and to deliver improved greenspace.
- (iv) An acknowledgement that regeneration would bring with it much needed jobs and new businesses.
- (v) The need to maintain segregation between pedestrians and vehicles as well as home and away supporters at football matches. Some residents were concerned that a casino might attract further undesirable behaviour.
- (vi) The proposal for new housing received a mixed response with slightly more consultees being in favour than against.
- (vii) Clear enthusiasm for redevelopment of the site for leisure uses, but this was tempered with concerns that existing anti-social activity might increase.

On balance, the public consultation offered broad support for the draft Masterplan proposals, subject to dealing with the concerns expressed, and officers reviewed the document to develop it into an Informal Planning Statement which was appended to the report and was approved by Executive Board at the 11 September 2007 meeting. This document endorsed the key proposals set out in paragraph 2.8 and was guided by the adopted UDP policy for the Elland Road site (LT5A) which describes the types of leisure and tourism uses which were anticipated when the policy was prepared. It avoids being overly prescriptive, and deliberately incorporates the necessary flexibility to allow the site to come forward for a range of development proposals. Given the complexities of land ownership and the Council's determination to bring about a comprehensive scheme for this important site in a reasonable timescale, the Planning Statement stated that the use of compulsory purchase to assemble land would be considered.

2.11 Members noted in the recommendations of the September 2007 report that a proportion of the capital receipt from the former greyhound stadium site (C) and others arising from Council disposals in the area covered by the Informal Planning Statement may be required to facilitate the reconfiguration of the car parking and the implementation of any infrastructure proposals required to facilitate the comprehensive redevelopment of the Elland Road site.

3.0 SUBSEQUENT DEVELOPMENTS

3.1 The option which Stanley Leisure possessed, which would have enabled them to acquire site A for the purpose of building a casino, has expired. Stanley Leisure have not sought to renew the option.

3.2 Negotiations with the West Yorkshire Police regarding their acquisition of site C continue. Their proposals include a 110,000 sq.ft. Police Station Headquarters with custody suite and car parking in a high quality building which would do much for the wider regeneration of the deprived area of Beeston through new job opportunities, environmental improvement, and social inclusion.

- 3.3 On 16 April 2008 Executive Board approved the principle of the Council acquiring land at Elland Road for the purposes of delivering the comprehensive regeneration of the area, either by way of one to one negotiations, entering into partnership agreements, or through the use of compulsory purchase powers. A subsequent report, on 16 July 2008 made proposals regarding the acquisition of site I and Executive Board made available a budget for the acquisition, and related cost, which is detailed in the exempt part of this report. The exempt part of the report updates Members on negotiations in relation to this site.
- 3.4 Following a competitive process where developers were required to propose their preferred sites within the Leeds MDC boundary for a new Leeds Arena, the Council determined to build the Arena at Claypit Lane in the City Centre. Elland Road was retained as a possible reserve option in the event that the Claypit Lane solution could not be delivered. The exempt part of this report updates Members on the current status of Elland Road as a reserve option.
- 3.5 On 9 April 2009 Leeds United obtained planning consent to build two hotels, a nightclub, a new club shop, ancillary office space, and covered circulation space to the rear of the East Stand and bordering on Lowfields Road. The Club also secured consent to extend its exhibition and conference centre, located on site F, from 800 covers to 1400 covers. These consents are conditional upon the Club obtaining access to car parking facilities to support the developments, and the Club and the Council are in discussion about this. Further details are given in the exempt part of this report.

4.0 WORLD CUP 2018

- 4.1 On 13 May 2009 and 17 June 2009 Executive Board received reports on the likelihood that Leeds could become a Host City for the football World Cup 2018, should England secure the nomination from the Federation Internationale de Football Association (FIFA).
- 4.2 The Leeds bid is based upon games being played at Elland Road Stadium and, due to the way in which the benefits of Host City status would spread well beyond the Leeds MDC boundary, is considered effectively to be a City Region bid. The bid is supported by amongst many, Leeds United and Yorkshire Forward, who were also both co-funders of the draft Elland Road Masterplan document.
- 4.3 The FIFA minimum requirements for staging World Cup matches are challenging, and it is believed that only perhaps three of the fifteen English cities bidding for Host City status can currently meet them. Elland Road does fall somewhat short of meeting FIFA minimum requirements at present but is seen by England 2018 to be one of the few currently non-compliant stadia which can achieve the minimum requirements **in its existing location**. This latter point is key, because a number of aspiring Host Cities can only achieve the minimum requirements by building a completely new stadium on a new site. Elland Road's strength is the ability to expand the Stadium envelope because of the availability of adjacent development land under the control of the City Council and its partners. The Elland Road site also has the potential to meet all of FIFA's transport, environment, and sustainability criteria, and indeed, all of these are consistent with those endorsed by Executive Board in the Informal Planning Statement for the site.

4.4 England 2018 (and subsequently FIFA) will require confirmation by 6 November 2009, of the level of commitment from applicant Host Cities to develop their stadia and the stadia environs. The exempt part of this report examines the issues that would need to be addressed and looks at possible methods of funding for the required works.

5.0 ICE RINK

5.1 The Council has been approached by a company which specialises in developing and running ice rinks in the UK and wishes to build and operate a commercial indoor ice rink in Leeds. The rink would be available for 'pay as you skate' customers and would also have a resident ice hockey team and up to 2000 seats for spectators. The company currently operates 8 such facilities across the UK and runs free educational sessions for schools at off-peak times.

5.2 The company has looked at a number of sites across the Leeds region and has settled on Elland Road as its preferred location. The company is willing to pay market value for a site and has requested that the Council grant it exclusivity on a part of site D at Elland Road. The Council would not normally grant exclusivity in such circumstances as it would wish to ensure, through a competitive process, that it was receiving best consideration for its land. However, the request from the company needs to be viewed in the following context:-

- (i) The Acting Chief Recreation Officer is supportive of the company's proposal to locate an ice rink in Leeds, believing that this will fill one of the few remaining gaps in the City's sporting infrastructure, and be provided at no cost to the Council.
- (ii) The proposal is entirely consistent (see 2.8 (vii)) with the Council's aspirations for the regeneration of the Elland Road site as expressed in the Informal Planning Statement.
- (iii) The Council is enjoying little success, at the moment, in selling any of its surplus sites, due to the recession. The proposal from the company, although conditional upon planning, offers the possibility of an early capital receipt.
- (iv) While the Council could commence a competition to secure an ice-rink developer and operator, it has little knowledge of what an appropriate commercial specification would be. The process would be time consuming and costly and there appear to be no other developer/operators of the scale of the applicant in the UK. The company has indicated that while it is happy to pay market value for the site it has not the time, finances or human resources to enter into a competitive process which might ultimately prove fruitless for the company.

SMG, the intended operators of the Leeds Arena, have been consulted about this potential development and are comfortable that it will not conflict with the Leeds Arena proposal. Officers are also conscious of the need to ensure that any commercial ice rink developed at Elland Road does not prejudice the operation of the annual Ice Cube event held in Millennium Square.

5.3 The company's site preference is illustrated on plan 2 in the exempt appendix to this report and Members will note that the location of the building would facilitate an efficient use of the development land available, sitting comfortably as it does, between the proposed new loop road (indicative only) and the railway embankment. As a part of the proposals the company would fund and construct the first part of the loop road between points x and y on the plan.

5.4 Plan 2, in the exempt appendix to this report, illustrates an indicative layout for the rest of the site showing how redevelopment could provide the 2750 car parking spaces required by the Informal Planning Statement, dedicated parking for the ice rink, the new loop road, and a new bus terminus/park and ride facility. An agreement with Leeds United regarding its lease of site F would allow traffic to avoid Lowfields Road and egress more directly onto the M621 roundabout.

5.5 The risks associated with awarding exclusivity to the company are:-

- (i) The Council fails to achieve best consideration for the site. The Council has taken independent advice about the value of land on this site and officers can confirm that the offer from the company represents best consideration. Further details are given in the exempt part of this report.
- (ii) Another developer/operator of ice rink facilities challenges the Council on the basis that it would have been prepared to make a better offer. It is unlikely that a credible and timely offer will come forward from elsewhere in the current recession, especially given that the company appears to be the only substantial developer and operator of such facilities in the UK.
- (iii) The build quality of the ice rink does not meet the aspirations of the Council for developments on this site. Build quality can be controlled, not only through the planning process, but also through the Council's land ownership. The lease of the site to the company will only be granted when development is completed to the Council's satisfaction.

5.6 On balance, Members are requested to grant the company a period of 6 months exclusivity based upon the draft Heads of Terms contained in the exempt part of this report. This is on the basis that:-

- (i) The company will pay market value for the site.
- (ii) The period of exclusivity is short, thus facilitating an early capital receipt.
- (iii) The proposal is entirely consistent with the Informal Planning Statement agreed for Elland Road by Executive Board.
- (iv) The proposal will facilitate an early start on the western end of the new loop road, thus commencing the delivery of the Elland Road Masterplan and contributing towards works which will be required should Leeds secure Host City status for World Cup 2018.

6.0 CONSULTATION

6.1 The local community and Ward Members were fully consulted during the preparation of the Informal Planning Statement and were broadly supportive of its contents. The proposals in this report are consistent with the Informal Planning Statement. More recently, officers have consulted Ward Members with regard to the ice rink proposals. Two Ward Members were supportive of the proposal subject to the applicant being required to work with the Youth Service in the area regarding access to the facility. Those two Ward Members also expressed the view, notwithstanding the fact that the informal planning statement allows for 2,750 car parking spaces, that 4,000 car parking spaces should be retained on the site. One Ward Member reserved her position.

7.0 LEGAL AND RESOURCE IMPLICATIONS

7.1 The land disposals proposed in this report will generate capital receipts for the Council. These disposals may also impact upon the Council's car parking income generated from the site on Leeds United matchdays.

- 7.2 Site infrastructure works and works required for World Cup 2018 will impact upon the Council's Capital Programme in future years, although a significant proportion of those costs will only be incurred if Leeds is chosen as a Host City and England secures the nomination to stage World Cup 2018 from FIFA. This latter decision is made in December 2010. Further detail on this matter is given in the exempt part of this report.
- 7.3 The Council might be subject to challenge regarding the proposed grant of exclusivity to the company seeking to build an ice rink, The Chief Legal Officer advises that in the event of a challenge it would be important for the Council to be able to demonstrate that it had taken due account of all relevant factors in arriving at its decision, and that the option ultimately chosen was chosen in the light of all of that information and in the best interests of the Council taxpayers of Leeds.
- 7.4 The appendix of this report is exempt/confidential under Access to Information Rule 10.4 (3) as it contains information which if disclosed could prejudice the commercial interests of the Council and other outside bodies.

8.0 SUMMARY

- 8.1 A number of matters have arisen which now make it necessary for the Council to crystallise its thinking regarding the Elland Road site. These are:-
- (i) The current status of:-
 - the Stanley Leisure casino proposal
 - the Leeds Arena proposals
 - (ii) The planning consent obtained by Leeds United Football Club for developments to the rear of the East Stand.
 - (iii) The latest position on the acquisition of site 1 by the Council.
 - (iv) The requirements of World Cup 2018
 - (v) The approach to the Council regarding the proposal to build an ice rink
- 8.2 It is believed that the confluence of these matters, combined with the generation, in some cases, of capital receipts not currently contained within the Capital Programme funding assumption, can provide the impetus to kickstart the comprehensive regeneration of the Elland Road site.

9.0 RECOMMENDATION

- 9.1 Members are recommended to:-
- (i) Note the recent developments concerning property matters at Elland Road, and the opportunity to kickstart the comprehensive regeneration on the site.
 - (ii) Note the position regarding the acquisition of site 1 as set down in the exempt part of this report, and instruct the Director of City Development in consultation with the Executive Member Development, subject to site investigations, to conclude negotiations.
 - (iii) Grant a 6 month period of exclusivity to the company named in the exempt appendix of this report, on the basis of the Heads of Terms detailed in that exempt appendix, in order that the company can build and operate an ice-rink at Elland Road.

Background Papers

Executive Board report 11 September 2007 – Development Proposals for Elland Road

Executive Board report 14 March 2007 – Elland Road Master Plan

Elland Road Masterplan

Informal Planning Statement