



The Appendix of this report is Exempt/Confidential under Access to Information Procedure Rules 10.4 (3)

Report of : The Acting Director of City Development

To : Executive Board:

Date: 3 November 2010

**Subject: DESIGN AND COST REPORT – PROPOSED LEEDS ARENA
CAPITAL SCHEME NUMBER : 13307/COM/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

Leeds has long held an ambition to deliver a multi purpose arena in the city that maximises the social, economic and cultural benefits that such a facility will deliver and, will help Leeds to go up a league as a city, enabling it to regularly host world class entertainment that will enhance Leeds' national and international profile.

In November 2008, the City Council decided to take on the role of developer itself in response to the worsening economic conditions that were having a significant impact on the development market. In taking on the challenge, the Council recognised that it had to manage the risk of delivering the scheme within the design and cost parameters set and, to deliver this an experienced team was established to develop the scheme proposals. The scheme has now been developed to RIBA Stage D+ and fits within the design and cost parameters previously agreed by Executive Board.

The report details progress made to date on the project, recommends a design and cost freeze for the proposed arena development and, seeks approval to incur expenditure of £61.199 million from existing budget provision and to let the contract to build the arena, subject to the tender sum for the building works being within the budget available for the scheme.

1.0 Purpose of This Report

- 1.1 The purpose of this report is to seek Executive Board's approval to:
- (i) The progress made in pursuing the development of the arena at Clay Pit Lane.
 - (ii) Authorise design and cost freeze at RIBA Stage D+ for the proposed development of the arena.
 - (iii) Subject to the tender sum for the arena building works being within the project budget, to authorise the letting of the building contract and the incurring of expenditure of £61.199 million from existing budget provision (Capital Scheme No. 13307/COM/000) on the proposed development of the Leeds arena.
- 1.2 The Appendix to this report is confidential as it details the cost estimate for constructing the arena based on the RIBA Stage D+ design and specifications and reviews the funding strategy for the development of the building. It is considered that the public interest in maintaining this information as exempt outweighs the public interest in disclosing the information, as disclosure would prejudice the outcome of the procurement process for the appointment of the contractor to undertake the building works contract, as the contractor could structure their tender to match the Council's cost estimate and hence the Council may not achieve full value for money in terms of the cost to the Council of developing the arena.

2.0 Background Information

- 2.1 Leeds has long held an ambition to deliver a multi purpose arena in the city that maximises the social, economic and cultural benefits that such a facility will deliver and will help Leeds to go up a league as a city and enable it to regularly host world class entertainment that will enhance its national and international profile.
- 2.2 The City Council's Executive Board at its meeting on 5 November 2008, resolved that the developer procurement competition for the proposed arena should be terminated without the award of a contract and, at the same meeting and as a consequence of the decision to terminate the developer competition, the Executive Board also determined that the Council would lead the delivery of the proposed arena itself with Clay Pit Lane as the preferred site.
- 2.3 At the November 2008 meeting of the Executive Board, Members also approved the injection of £65.05m into the Capital Programme to provide the balance of funding required to deliver an arena at Clay Pit Lane. In total, the estimated £80.5m outturn cost of developing the arena (inclusive of build cost, inflation, fees, land acquisition, opportunity costs and contingency) would be financed by a combination of commercial revenue generated by the project itself, with the remainder being funded by the City Council and Yorkshire Forward.
- 2.4 The City Council subsequently acquired the balance of the Clay Pit Lane site from Leeds Metropolitan University and, retained the Strategic Design Alliance (SDA) supported by Populous (formerly HOK Sport) to provide a multi-disciplinary design service to develop the design proposals for the arena. In addition to the appointment of the SDA, the Council also retained Davis Langdon to act as both cost consultant/employers agent for the duration of the project and latterly as project manager to the conclusion of RIBA Stage E, Ove Arup and Partners as planning

agent and technical monitor, Turner and Townsend as Construction Design Management Co-ordinator and IPW Ltd to provide strategic business advice on the project.

- 2.5 In February 2009, Executive Board considered a report on the procurement options available for the appointment of the contractor to construct the arena. The procurement options ranged from a design, build and operate contract where the control and risk rests primarily with the contractor, to design and build, through to a traditional contractor approach, where control and risk remains primarily with the Council as client for the development. The Executive Board resolved to authorise the Director of City Development under the Council's scheme of delegation to determine the preferred form of construction contractor procurement. Subsequently, the Director of City Development authorised the project team to proceed with a two stage design and build contractor procurement approach.
- 2.6 Given the nature of the proposed works and that the estimated value of the construction contract was in excess of the threshold where European Procurement regulations require the contract to be advertised, a notice was placed in the Official Journal of the European Union in August 2009, inviting companies to express an interest in the contract by submitting a Pre-Qualification Questionnaire (PQQ). An analysis of the returned PQQ's was undertaken and a short list of companies was invited to tender for the construction contract.
- 2.7 Tenders were invited based on a two stage design and build approach, with the first stage tender being based on the builders' fixed costs for pre-construction services, design fees, preliminaries, design development risk and sub-contractor performance risk. In due course, the second stage tender from the preferred contractor will confirm the cost of constructing the project based on tenders received for individual packages of work, which have been tendered to an agreed list of sub-contractors, with all the costs being brought together to define the contract sum, which is the point at which the contract is awarded, subject to it being within the budget available. Once the contract is concluded (under a design and build approach), the vast majority of design and construction risks are transferred to the contractor.
- 2.8 The first stage tender submissions were received in February 2010 and following detailed analysis by the Council's client project team and Davis Langdon, BAM Construction (BAM) was selected by the Arena Project Board as the preferred participating contractor to work with the Council during the second stage tender period to develop the arena design. Executive Board at its meeting in April 2010 endorsed the selection of BAM as the preferred contractor and Bovis as the reserve contractor for the building works contract.
- 2.9 Members of Executive Board should note that as part of the first stage tender the short-listed companies had to provide an indicative Employment, Skills and Business Engagement Plan, which set out a programme of activity to ensure economic and social benefits were realised during the construction phase of the project. BAM submitted a strategy for local employment, training and education that on the whole largely met or exceeded the social, economic and employment targets set by the Council for the construction project, which will be a contractual commitment the company will have to deliver. Once the preferred contractor is appointed, the Council will work with the contractor to encourage the involvement of the third sector and specialist employment organisations to endeavour to secure apprenticeship roles for individuals from socio-economic groups who may traditionally be excluded from such opportunities. As well as providing over 500 construction jobs at the peak

of the building works, BAM committed to achieve a range of social and economic deliverables which may be summarised as follows:

- 60 new apprenticeships initiated by the project.
- 102 progression into employment opportunities for local residents through job centre plus or equivalent schemes, with 20% targeted at residents in Wards nearest the site.
- 110 local construction jobs safeguarded.
- 48 people weeks equivalent of work experience for 16 – 17 year olds.
- 96 people weeks equivalent of work experience for 18 + years.
- Safeguarding 30 existing apprenticeship positions.
- 5 business events to be held for potential sub contractors.
- 22 Leeds based businesses to be engaged on the project.
- 22 School/College visits to the site and 11 workshops to be held.
- 2 university led research projects to be undertaken

2.10 Once complete, it is projected that the venue will attract at least 1 million visitors per annum to the city, providing in the region of 330 new, full time equivalent job opportunities, many for local residents and will benefit the city's economy by in excess of £25m per annum. In addition, it is considered that the development of the arena will act as the catalyst for the regeneration of the northern quarter of the city centre and, it is increasingly apparent that adjacent landowners are now endeavouring to bring forward proposals to take advantage of the economic opportunities arising from the development of the arena, which will further enhance both the quality and diversity of the area and the linkages between the city centre and Little London.

3.0 Main Issues

(i) Building Overview

3.1 The Leeds arena will be a multi purpose venue capable of seating 12,300 spectators and with a maximum capacity of 13,500 spectators when configured for maximum standing space. The facility will have a flexibility of design, facilities, seating arrangements and rigging to accommodate a range of events from music and family entertainment to sporting events. Plans showing the general internal arrangement of the building will be on display at the meeting.

3.2 In line with the evolving entertainment focussed market, SMG the proposed operator of the venue has stipulated that a contemporary and innovative internal layout is required, with the intention being to heighten the customer experience with all seats facing the performance area.

3.3 The arena bowl will be a fan or theatre style configuration, with all seats facing the performance area having unobstructed sightlines to 'up stage centre'. The lower

bowl will accommodate around 7,000 seats, including around 900 floor seats, with 15 rows of retractable seating at stage level to create a large clear standing area. The upper bowl will accommodate around 5,300 seats. In a fan or theatre style configuration spectators will be much closer to the stage area, with the seats at the rear of the auditorium being approximately 70 metres from the stage, compared with 90-110 metres in more traditional bowl venues such as the Odyssey Arena Belfast, or the London O2 Arena. The operator of the venue also benefits from the fact that in an end stage configuration the fan style arena does not have redundant seats behind the stage, whilst performers benefit in that they are closer to the audience.

- 3.4 Front of house, the venue will incorporate 24 executive suites, (each with an average capacity for 12 guests), an arena restaurant seating 100 guests and two hospitality lounges for 150 guests each all at ground floor level. The venue will have over 100 concession, merchandise and retail points of sale. The proposed design of the arena offers the potential to operate the arena restaurant outside of event hours, well located to the public realm and providing an active, lively frontage with the adjacent piazza space.
- 3.5 It is proposed to accommodate 110 disabled seats and 110 helper seats when the arena is in a fully seated configuration for 12,300 spectators. The disabled seats are distributed throughout the arena bowl to provide a range of viewing options. In addition, each executive suite can accommodate disabled spectators and helpers. A Changing Places toilet will be provided in the entrance level of the arena.
- 3.6 Vertical circulation through the public areas of the building will be achieved by a combination of stairs, escalators and lifts.
- 3.7 Back of house facilities to support SMG's proposed programme of events includes for example office space, staff rooms and meeting rooms. Dressing rooms will be contained in a separate access controlled zone close to the stage access points, whilst the backstage area also includes provision for associated ancillary space i.e. crew kitchen and dining area, press room, first aid facilities and staff locker rooms and toilets, maintenance workshop and warehouse area.
- 3.8 The venue will have a covered, enclosed loading/service area to the rear of the stage with gated secure access and storage. It will provide secure access to the arena floor and will allow the loading/unloading of three articulated goods vehicles simultaneously via the loading dock. It will be capable of meeting the access requirements of the emergency services at all times, with additional vehicle access direct to the event floor area.
- 3.9 Members of the Executive Board may recall that in July 2009, the Board agreed a number of key project objectives, one of which in relation to sustainability was 'having regard to the budget available, to ensure that the Leeds arena delivers an outcome that sets a new benchmark for the sustainable performance of arenas in the UK'. Against this background, the project's approach to sustainability has been holistic, encompassing the wider social and economic impact of the development as well as the sustainability benefits of the design.
- 3.10 In order to identify the sustainable performance benchmark to be achieved, a review was undertaken of the Liverpool Echo arena project, the most recent UK benchmark for arena development in order to determine a baseline for sustainability performance for the proposed Leeds arena. The review was based on the BREEAM assessment undertaken for the Liverpool arena and other publicly available

information. The Liverpool arena scored a BREEAM rating of 58% (very good) under the BREEAM 2005 methodology. The target for the proposed Leeds arena is to improve on this score and the current BREEAM assessment indicates a score of 62.5% is on schedule to be achieved. The key sustainable features to be included in the design of the arena are:

- The building will obtain at least 10% of its base load energy requirement for the permanent systems from low and zero carbon sources, primarily in the form of air source heat pumps. This system will provide 31% of the building's heat load.
- The building will include a rainwater harvesting system to provide 50% of the flushing demand.
- Materials with a high green rating will be specified where technically feasible for the building and landscaping. Materials will be responsibly sourced for example FSC timber.
- Natural daylight and passive ventilation measures will be prioritised in the concourse area and offices.
- The building will include a green sedum roof over the service yard.

3.11 In summary, the internal design of the building will provide for a venue capable of seating up to 12,300 viewing spectators, increasing to a licensed capacity of around 13,500 when the flat floor and retractable seating have been removed to allow for spectator standing. However, with flexibility of design, rigging and seating arrangement the venue will be capable of hosting events as small as 1,500 spectators.

(ii) **The Arena Building (External)**

3.12 The design of the arena building has been driven by both its function to provide an acoustically excellent performance venue, benefiting from excellent sight lines to the stage and to respond to the parameters of the Clay Pit Lane site, seeking to knit together what is currently a relatively disparate urban landscape. Under the guidance of the Civic Architect (as the design champion for the project), the design philosophy has sought to promote a distinctive frontal elevation that endeavours to capture the feeling of fun and excitement of arena events and a building that has regard to and facilitates linkages with the surrounding urban environment.

3.13 The western elevation of the arena provides the 'front door' for the majority of visitors to the venue, providing a sense of arrival and excitement in advance of arena events. To the north and south of the western elevation there are external staircases which provide access and egress to the higher levels of the building. These are secondary access points, with the central section of the western elevation providing the main entrance/egress point for visitors. The western façade also provides the main activity space and gathering point for arena visitors, with the concourse restaurant and arena lounge located at ground floor level underneath a series of colonnades.

3.14 The western façade acts as the main focal point for the arena and provides glimpses from the outside into the arena bowl. Similarly, the elements of glazing built into the façade provide views out onto the surrounding area and, in particular, the new public piazza, created to the west of the arena building, fronting onto Clay Pit Lane. The

western façade's glazing has developed as a feature lens consisting of cellular glazing units to create a kaleidoscope effect. The intention is that the 'lens' can respond to the changing content of the arena and the associated dynamic of the event goer, with feature lighting and colour to mirror the 'mood' of events within the building to provide a very distinctive design that will set Leeds Arena apart from its comparators.

- 3.15 The southern elevation lies immediately adjacent to Brunswick Terrace. It is proposed that the central section of Brunswick Terrace will be closed to vehicles and will be incorporated into the arena design as part of the overall public realm provision. It will provide an attractive, usable pedestrian space responding to the setting of the arena building and will provide the opportunity to accommodate disabled mini bus drop off/collection spaces to serve the arena.
- 3.16 Responding to the creation of this new public space, the southern elevation provides a high level of activity with the main staff functions and event backstage areas being clustered at the lower levels of the building.
- 3.17 To the east of the arena auditorium is the fully enclosed service yard, which provides areas for loading and unloading of event and servicing vehicles. The service yard is totally enclosed and will be covered with a 'green roof'. The access and egress for vehicles is to the north of the service yard onto a new service road which runs along the northern edge of the site. The new service road provides access from and egress onto Wade Lane and from there onto the wider highway network. To the rear of the auditorium, mechanical plant (providing ventilation and cooling for events) is covered by a light box which provides additional opportunity for signage and lighting of the building.
- 3.18 The northern elevation of the building provides the main opportunities for servicing of the arena. The new service road also provides the opportunity to create a pedestrian link from Clay Pit Lane to Wade Lane, a taxi drop off/waiting area, disabled car parking provision close to the arena entrance and a means of servicing one of the development plots fronting onto Clay Pit Lane.

(iii) **Landscaping**

- 3.19 The landscaping approach has been influenced by the desire to promote a sense of anticipation and strong sense of arrival before an arena event, combined with the need to cater for large volumes of pedestrians that need to have free movement to and from the building with minimal obstruction. Accordingly, the placement and arrangement of landscape features has been used to contribute in directing pedestrians and will seek to provide clean and distinct focal points for people to meet and orientate themselves prior to and after an event.
- 3.20 The main landscaped area proposed for the arena site involves the creation of the new public piazza (fronting onto Clay Pit Lane) which will include additional tree planting and the creation of informal seating areas to provide a welcoming entrance and arrival point. The closure of Brunswick Terrace to vehicles and the creation of a pedestrian environment as an extension of the public piazza will be designed to accommodate increased pedestrian movement following an arena event.
- 3.21 Temporary landscaping is proposed to the two development plots fronting onto Clay Pit Lane. Existing trees are retained where possible, whilst temporary works will incorporate turfing, ornamental shrub planting and wild flower areas.

- 3.22 Additional landscaping is proposed along the new pedestrian footway linking Clay Pit Lane and Wade Lane. A single avenue of trees is proposed to form a buffer between the pedestrian route and the vehicular service road.
- 3.23 Street furniture will be chosen and designed to add to the sense of place, but will be robust and durable, allowing for the inclusion of integrated anti skate and anti social behaviour measures. The scheme will be designed to encourage people to use and inhabit the public realm.
- 3.24 The landscaping proposals have had regard to the security measures required around the boundary of the site to restrict and divert unwanted access. Hostile Vehicle Mitigation measures have been incorporated into the design proposals through a series of physical structures in the form of walls and bollards, that prevent unauthorised vehicle movement but allow for pedestrian flow.
- 3.25 A new signalled controlled pedestrian crossing on Clay Pit Lane is proposed to replace the existing crossing close to Providence Place. The crossing will be positioned at the western edge of the piazza and will be designed to enable high volumes of pedestrians to cross Clay Pit Lane in a safe manner.
- 3.26 Plans, drawings, images and a model of the arena development will be on display at the meeting.

(iv) **Planning Consent**

- 3.27 In March 2010, outline planning consent subject to conditions was granted for the layout of a new access road and pedestrian footpath and the construction of a multi use arena with ancillary restaurants, bars, retail units and provision of new public realm. The permission included full details of access, with details of layout, scale, appearance and landscaping reserved for future determination.
- 3.28 In reserving elements of the proposed development for future determination, the outline application also set out specific principles and parameters to provide information on the likely scale, massing and bulk of the arena, as well as identifying the extent of the new public realm. In particular, the outline consent specified the minimum/maximum parameters in relation to the height, width and depth of the arena building, the broad location of the building on site and the area for the new public open space and areas for future landscaping as part of the reserved matters submission.
- 3.29 The reserved matters planning application was submitted to the Local Planning Authority (LPA) at the beginning of September 2010, providing full details of layout, scale and appearance of the arena building as well as details of the landscaping proposals. In addition a wind tunnel assessment incorporating details of any necessary mitigation measures and energy statement setting out the approach to securing at least 10% of the development's base load energy from decentralised and renewable or low carbon energy sources was submitted.
- 3.30 It is envisaged that the Council's Plans Panel (City Centre) will consider the reserved matters application at its meeting on 12 November 2010. Separately, the Council's arena project team, BAM and SMG will submit information to the LPA sufficient to secure discharge of all pre-commencement planning conditions by mid December 2010.

(v) **Contractor Appointment**

- 3.31 Paragraphs 2.5 to 2.8 inclusive above summarise the selection of BAM as the preferred participating contractor and Bovis as the reserve contractor for the arena building works. Since April 2010, BAM and their retained design team (Populous, Arup and Whitelaw Turkington) have worked with the Council's project team to develop the design proposals to secure reserved matters consent and is currently tendering individual work packages with a view to submitting its second stage tender and contractor's proposals on 23 December 2010 and, then reaching financial close and contract award in early February 2011.

(vi) **Enabling Works**

- 3.32 Subsequent to the selection of BAM as the preferred participating contractor for the arena development, the Council's arena project team determined that a package of enabling works that it was originally envisaged that the City Council would undertake directly itself (in order to maintain the overall development programme) should be undertaken by BAM as the preferred contractor. Accordingly, BAM has been instructed to proceed with a package of works in advance of the contract award date which may be summarised as follows:

- Abandonment/Diversion of utility services within the arena site boundary.
- Diversion of existing Yorkshire Water Sewer.
- Excavation to formation level for the new service access road and turning circle.
- Installation of foundations adjacent to the line of the new service road where impacted by the proposed foul drainage network installation.
- Removal of Japanese Knotweed in a controlled manner from the site.
- Erection of hoardings around the site.

- 3.33 At the time of report preparation, it is envisaged that the enabling works will be complete by the end of October 2010. An update on the progress of the works will be available at the meeting.

(vii) **SMG Agreement for Lease/Lease**

- 3.34 In parallel with the development of the design and cost proposals for the arena, the City Council has completed an Agreement for Lease and Lease with SMG Europe, the proposed operator of the arena, who will take a 25 year full repairing and insuring lease of the venue at practical completion of the base build, providing a guaranteed rental income plus additional advertising and naming rights revenue to the City Council.
- 3.35 Prior to the City Council entering into a contract with BAM to build the arena, the City Council will need to be satisfied that the four (4) conditions precedent have been discharged, sufficient to allow the Agreement for Lease with SMG to become unconditional. The conditions precedent are;
- i) Acceptable ground conditions on the development site.

- ii) No onerous planning conditions.
- iii) Securing a provisional licencing statement.
- iv) The Council securing funding from Yorkshire Forward sufficient to allow the scheme to proceed.

3.36 At the time of report preparation, it is envisaged that the conditions precedent will have been discharged by the end of December 2010, sufficient to agree financial close and contract award in early February 2011. An update on progress in discharging the conditions precedent will be provided to Members at the meeting.

(viii) **Programme**

3.37 The strategic development programme for the arena is as follows:

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|---|-----------------------|
| ▪ Commence enabling works | 6 September 2010 |
| ▪ Complete enabling works | 31 October 2010 |
| ▪ Secure reserved matters consent | 12 November 2010 |
| ▪ Secure premises licence | Mid November 2010 |
| ▪ Discharge pre-commencement planning conditions | 15 December 2010 |
| ▪ BAM submits second stage tender and contractor's proposals. | 23 December 2010 |
| ▪ Agreement for Lease/Lease unconditional. | 31 December 2010 |
| ▪ Appoint contractor. | 2 February 2011 |
| ▪ Start on site. | 14 February 2011 |
| ▪ Practical completion. | November 2012 |
| ▪ Arena opens. | January/February 2013 |

3.38 In considering the strategic development programme Members should note that completion of the base build is currently projected to be delayed by around six weeks. However, the intention is to recover time during on-going design and construction works, with the base build still forecast for practical completion in November 2012, though the arena will only open in late 2012 or early 2013 allowing time for SMG to complete its fit out works. In order to maintain the current programme there will continue to be a need for a timely and disciplined approach to the project.

(ix) **Consultations**

3.39 The Arena Project Board has been consulted and supports the recommendations contained in the report.

3.40 Yorkshire Forward and SMG who are both represented on the Arena Project Board have been fully consulted and are supportive of the recommendations detailed in the report.

3.41 In terms of the detailed design of the arena, consultation has continued or been undertaken with the Leeds Independent Disability Council, the Civic Trust, CABA, owners/occupiers of neighbouring buildings, Little London Forum and Leeds Property Forum/Leeds Chamber of Commerce. In addition, an animation showcasing the arena design has been placed on the www.leeds.gov.uk/arena website and an exhibition has been on display at a range of well visited locations in the city centre.

4.0 Implications for Council Policy and Governance

- 4.1 The Leeds Strategic Plan 2008/2011 seeks to facilitate the delivery of cultural schemes of major significance. The delivery of the Leeds arena is central to delivering that improvement priority.

5.0 Legal and Resource Implications

- 5.1 Details of the estimated cost of developing the arena inclusive of associated public realm works based on the Stage D+ design proposals and specifications and the proposed funding strategy for the delivery of the arena are detailed in the Appendix to the report, the contents of which are Exempt/confidential under Access to Information Procedure Rules 10.4(3), as disclosure of such information at this time may prejudice the Council's funding strategy for the development and its ability to finalise the contract sum and contract agreement with the preferred contractor for the construction of the arena.

6.0 Risk Assessment

- 6.1 Given the scale and complexity of the arena project there remains the potential for cost increases to incur both during on-going design development and construction on site. Whilst the arena proposals have been developed to RIBA Stage D+ with an associated cost plan, some elements of cost risk still remain particularly with respect to the cost of the proposed façade/envelope treatment of the building and the off-site highway works that are required by the LPA, as the potential scope and scale of such works has yet to be fully defined. Whilst the risk cannot be completely removed, the approach undertaken to date in securing outline planning consent and developing the scheme proposals to RIBA Stage D+ has sought to provide a good degree of cost certainty by 'closing down' the principal off-site risks and developing a clearer understanding of the major planning requirements for the proposed development. Members of the Executive Board should note that once the contract is concluded with the contractor, the vast majority of the remaining design and construction risks are transferred to the contractor. However, Executive Board should note that if the second stage tender submission comes in above the budget provision, then a value engineering exercise would be undertaken to bring the costs back within the budget available.
- 6.2 There is a risk that the Council will continue to incur design fees to develop the scheme proposals for the development of the arena at Clay Pit Lane, only for the Council to fail to achieve financial close with BAM as the preferred participating contractor for the building works, because the contractor seeks to use their status as sole bidder in the second stage tender to their commercial advantage. This risk may be mitigated in two ways. Firstly, the terms of the preferred contractor's appointment for the second stage have been robustly defined and agreed during the first stage and secondly, Members of Executive Board will recall that a reserve contractor has been selected who has continued to monitor the project and who will be able to 'step up' to the role of preferred contractor should the need arise, without significant delay to the project.
- 6.3 There is a risk that the project will fail to secure reserved matters consent and licensing consent by the planned date to allow the works to start on site as programmed. This risk is being mitigated by holding detailed discussions with officers from the LPA to ensure all outstanding issues are fully addressed and that full and detailed discussions have been held with the responsible authorities prior to

the submission of the licencing application.

- 6.4 There is a risk that the Council and its preferred contractor may fail to secure all consents required for road closure and prohibition orders and traffic regulation orders sufficient to allow the works to proceed as currently designed and as programmed. The risk is being mitigated by the Council and the preferred contractor holding discussions with adjacent neighbours to show how the development may proceed without affecting their business activities.

7.0 Conclusion

- 7.1 The development of a multi purpose arena has been a long-standing ambition of the city and many of its stakeholders. The city is now close to achieving its ambition with significant progress made and the scheme now at the design freeze stage. The scheme is currently on time and on budget and is set to deliver a distinctive international venue in the city that will bring significant jobs and skills benefits during the construction phase. Once completed, the scheme will be a major boost to the night time economy of Leeds and will contribute to the delivery of a key priority in the Council's Strategic Plan, namely to encourage investment in and the development of high quality facilities of national and international significance.

8.0 Recommendations

- 8.1 Executive Board is recommended to:

- i) Note the progress made in pursuing the development of the arena at Clay Pit Lane.
- ii) Approve design and cost freeze at RIBA Stage D+ for the proposed development of the arena at Clay Pit Lane.
- iii) Subject to the tender sum being within the project budget, to authorise the letting of the contract to the preferred participating contractor (or the reserve contractor should the need arise) and the incurring of expenditure of £61.199 million from existing budget provision (Capital Scheme No. 13307/COM/000) on the proposed development of the Leeds arena at Clay Pit Lane.

Background Papers

1. Executive Board Report, 5 November 2008.
2. Executive Board Report, 13 February 2009.
3. Executive Board Report, 7 April 2010.
4. OJEU Notice, Contractor Appointment, August 2009.