

REPORT OF LEARNING AND LEISURE AND DEVELOPMENT DEPARTMENTS

REPORT TO: EXECUTIVE BOARD

DATE: 16 NOVEMBER 2005

SUBJECT: PROPOSED RECOMMENDATIONS, CULTURAL FACILITIES FEASIBILITY STUDY

<p>Electoral Wards Affected: City Wide</p>	<p>Specific Implications for:</p> <p>Ethnic Minorities <input type="checkbox"/></p> <p>Women <input type="checkbox"/></p> <p>Disabled People <input type="checkbox"/></p>
<p>Executive Board Decision</p>	<p><input checked="" type="checkbox"/> Eligible for call in</p> <p><input checked="" type="checkbox"/> Not Eligible for call in (details contained in the report) <input type="checkbox"/></p>

EXECUTIVE SUMMARY

The report informs Members of the Executive Board of the key findings of the feasibility study undertaken into the provision of concert, arena and other music related facilities in the City. It outlines the Cultural Facility Task Group's recommendations on the outcome of the feasibility study and, seeks Executive Board's endorsement of these recommendations and the proposed way forward to assess further the feasibility to improve the Town Hall as a major concert venue: the appointment of consultants to prepare a delivery strategy for a proposed new arena and conference and exhibition facilities and, the proposed stakeholder/public consultation to be undertaken on the key findings of the feasibility study. The report seeks authority to spend £200,000 from the Leeds Cultural Infrastructure programme to appoint via the City Council's Strategic Design Alliance a design team to undertake an initial feasibility study on potential improvements to the Town Hall and, consultants to prepare a delivery strategy for a proposed arena and conference/exhibition facilities. The outcome of these and the consultation exercise would be reported back to Executive Board to determine the way forward.

1.0 PURPOSE OF THE REPORT

1.1 The purpose of the report is to:-

- (i) Consider the findings of the feasibility study into the future provision of concert, arena and other music and related facilities in the City.
- (ii) Seek Executive Board's endorsement of the recommendations of the Cultural Facilities Task Group on the conclusions of the study and the proposed way forward.
- (iii) Authorise the appointment of consultant's to advise the City Council on the development of a delivery strategy for a proposed new arena and associated related

facilities.

- (iv) Authorise the preparation of an initial feasibility study to identify the potential options available to further improve the Leeds Town Hall, such that it may become a major concert venue of international standing.
- (v) Seek authority to spend £200,000 from the Leeds Cultural Infrastructure Programme on fees for the appointment of the design team, to prepare a feasibility study on the Town Hall and a delivery strategy for the arena and associated related facilities respectively.
- (vi) Instruct officers to report back to the Executive Board on the outcome of the public consultation exercise into the key findings and recommendations of the Cultural Facilities Feasibility Study and, the outcome of the studies on the Town Hall and arena and conference/exhibition facilities.

2.0 BACKGROUND

- 2.1 On behalf of the Leeds Cultural Partnership, the City Council and Yorkshire Forward appointed PMP Consultants to undertake a comprehensive study into the provision of concert, arena and other music related facilities in the City and, to consider whether such facilities are sufficient, of the appropriate quality or have the capacity to be improved to meet present and anticipated future needs. The consultants would then consider the need for additional facilities, define what they should be, make recommendations as to whether they should be provided and if so whether this should be separately or as part of a large complex of buildings including conference and exhibition facilities.
- 2.2 Thereafter, the study would seek to establish the level of demand for music facilities in the City and provide an assessment of the following:-
- Commercial viability.
 - Financial and funding implications.
 - Potential impact on existing facilities in the city and the wider region.
 - Physical considerations i.e. site location, design considerations, specification etc.
 - The potential to provide conference and exhibition facilities as part of, or alongside any new facilities.
- 2.3 In order to co-ordinate the work of the consultants, the Leeds Cultural Partnership set up a Cultural Facilities Task Group, comprising representatives of the public and private sectors. Their remit was to supervise and guide the work of the consultants and to make recommendations on conclusion of the study to the Leeds Cultural Partnership.
- 2.4 In approaching the feasibility study, PMP divided the project into three phases:-
- (i) **Identifying the Potential:** Analysing the existing market and gaps in provision, leading to recommendations of a range of potential facility options to be considered in greater detail.
 - (ii) **Developing the Options:** Detailed consideration of the commercial and physical considerations, including the financial parameters and site requirements for the identified facility options.

- (iii) **Detailed Options Assessment:** To focus on a shortlist of facility options to be developed in detail, including business planning, phasing and development considerations.

2.5 In concluding phase 1 of the study, the consultants recommended that based on the research and consultation undertaken that the options detailed below should be examined in greater detail during phase 2 of the study.

- (i) Retain the Town Hall as the principal concert hall, accompanied by further investment in its operation and quality.
- (ii) Develop a new purpose built concert hall for symphonic music (circa 2,000 seats), accompanied by scaled down concert use of the Town hall.
- (iii) Develop a multi-purpose venue (2,500 – 5,000 seats) primarily for amplified music, but still capable of acting as a venue for symphony orchestras, combined with scaled down concert use of the Town hall.
- (iv) Develop a multi purpose venue, primarily for amplified sound, combined with continued use of the Town Hall as the symphony concert venue following further investment in its quality and operation.
- (v) As for option (iv) above, with a major auditoria for music performances and a smaller auditoria for conference business.
- (vi) Develop a major arena of between 8-12,000 seats, co – located with complementary/enabling development.

2.6 In progressing phase 2 of the study “Developing the Options”, the consultants sought to establish which of the options summarised in paragraph 2.5 above were most likely to be deliverable based on physical and commercial parameters i.e. to establish whether there were sufficient suitable sites in and around the city for each type of development and, to highlight the potential cost (capital and revenue) of each option and to investigate the potential sources of funding available.

2.7 In considering the site options for each of the potential development options, the consultants were advised at the outset not to be constrained by issues of public ownership of potential sites, but to consider primarily the physical capacity of any site to accommodate the proposed facility mix and its suitability for purpose. The analysis undertaken by the consultants was based on qualitative criteria only i.e. planning policy compliance, opportunity for enabling development, transport links, regeneration impacts etc. and did not take into account cost and ease of land acquisition (where relevant).

2.8 Based on the analysis undertaken by the consultants, they concluded that there were a number of suitable sites within and around the City capable of accommodating each type of facility mix and these sites are set out in the study.

2.9 In terms of potential funding for the options, the following summarises the key capital cost and revenue implications:

(i) Concert Hall

2.10 PMP advise that the estimated cost of developing a new concert hall for symphonic music would be in the region of £70 million. Historically, the consultants advise that the majority of funding for such a development comes from public funds, primarily through local

authorities, Arts Council England and European grants. Unfortunately, there are no 'obvious' grant routes in Leeds to provide funding of this level and, therefore, its development would rely heavily on local authority and other public sector funding.

- 2.11 The consultants are of the view that the level of revenue subsidy required for a concert hall will only be determined upon completion of the business planning model. They have, however, advised that the level of revenue subsidy present elsewhere in the UK, indicates that a subsidy of between £1.6m to £2.7 million per annum would be required dependent upon the nature of the artistic programme offered in the building.

(ii) Mid Size Venue

- 2.12 The consultants consider the capital cost of developing a mid size venue, designed primarily for amplified sound and suitable for a mixed artistic programme could cost from £25 to £45 million, dependent upon the acoustic quality and design of the building. Funding for such a facility could be secured from a number of sources i.e. complementary enabling development, commercial sponsorship, private equity investment and public sector funding. There is unlikely to be any significant sources of grant aid to support the development and, as such, the facility would need to be funded primarily from enabling development and commercial input
- 2.13 PMP suggest that a mid size venue would be projected to run at an operating deficit. The scale of the projected deficit would be dependent on the event/programme profile pursued by the venue and the nature of any complementary facilities co-located with the venue.

(iii) Arena

- 2.14 The consultants advised that the capital cost of an arena could be in the region of £40 to £60 million depending upon size, design (quality) and configuration. PMP were of the view that the cost of the development could be privately funded depending upon the level of enabling commercial development secured. Public sector financial support for such a facility may have to manifest itself in providing/securing the land to facilitate the development.
- 2.15 The consultants were of the view that the new style of events arena is one that may operationally break even or make a small surplus, though some form of public sector support may be required to attract high profile events.

3.0 CURRENT POSITION

- 3.1 In considering the recommendations made by the consultants in phase 2 of their report, the Cultural Facilities Task Group resolved that the following options be considered in phase 3 of the study:-
- To consider the potential to develop a new build concert hall for symphonic music (2,000 seats)
 - To investigate the potential for a mid size venue (circa 2,700 seats)
 - To investigate the potential for a large arena (circa 13,000 seats)
 - To investigate the potential to further improve the Town Hall, such that it would be the focus of orchestral music in the city.

- To investigate the potential to provide conference and exhibition facilities as part of, or alongside any of the proposed new facilities

3.2 In undertaking phase 3 of the study which sought to develop further detail to inform an assessment of each of the main facility options, culminating in recommendations on the desirable and achievable options for the City and how they could be realised, the consultants have reported that:-

- (i) An arena development has the potential to be financed and delivered, creating maximum economic impact to the city.
- (ii) A remodelled Town Hall provides the best, most appropriate and affordable classical music facility for the City.
- (iii) Conference and exhibition facilities of a scale not to compete with Harrogate would be a significant commercial benefit to the City and are best provided alongside either the arena or a mid size venue.
- (iv) The mid size venue provides facilities that are required by the City, but would create affordability difficulties if an arena and the Town Hall redevelopment were supported.
- (v) A new concert hall could create a significant iconic building for the city, but there are alternative facilities that provide greater access, large audience appeal and value for money for the city. The new concert hall could be financed via a local 'Cultural Fund', but the consultants advise that they have experienced little commercial support for the development of such a fund.

3.3 The Cultural Facilities Task Group have received and accepted the findings and recommendations of the consultant's report and made the following recommendations to and which were endorsed by the Leeds Initiative Board and the Leeds Cultural Partnership.

- The City Council in conjunction with a private sector partner, facilitate the development and funding of a 13,000 seat arena with associated conference and exhibition facilities.
- That the City Council with public and private sector partners, seek substantial further investment to upgrade Leeds Town Hall to a symphonic music venue of international standing. This should incorporate exploration of an application for a 'Living Landmarks' award in relation to the Town Hall.
- That the City Council concentrate on the recommendations detailed in (i) and (ii) above in the short term, but that the recommendations for a stand alone new concert hall or mid size venue should not be abandoned, but that further consideration of these projects be deferred until the impact in practice of the arena and Town Hall developments can be assessed.
- That the Cultural Partnership should publish a summary of the study and its key findings, together with the Cultural Facilities Task Group's recommendations in order to establish the level of support with the wider stakeholders and with the general public for the proposed new facilities.

3.4 A copy of the Executive Summary of the phase 3 report is attached to this report. A full copy of the feasibility study will be placed in the Members library.

4.0 THE WAY FORWARD

4.1 If Members of the Executive Board are minded to endorse the Cultural Facilities Task Group's recommendations (see paragraph 3.3 (i) to (iv) above) with regard to the main findings and conclusions in the consultants report, there are a number of areas of work as detailed below that still need to be undertaken in order to provide Members with sufficient detailed information of a financial, technical and operational nature to enable decisions to be taken as to how the respective schemes may be delivered. Both areas of work require highly technical and specialist skills. To enable the Council to move forward with both schemes, if it is minded so to do, in a timely manner and provide the best chance to deliver the schemes whilst at the same time ensure the Council is properly advised, the recommendation is to appoint via the Council's Strategic Design Alliance, a design team to progress consideration of the Town Hall as a major concert venue and, specialist advisors whose skills are not available within the Council to progress proposals for the development of an arena and associated related facilities.

(i) Consultation

4.2 Undertake stakeholder and wider public consultation over the next three months in order to:-

- Publicise the study and its key findings
- Establish the level of public support for the proposed recommendations
- Record opinions on the concept of a 'Cultural Fund', including whether the public/organisations would be prepared to contribute financially to secure the development of the cultural facilities recommended in the report.

4.2 Members of the Executive Board should note that work has commenced on the consultation exercise by making available details of the study's key findings on the Leeds Initiative web site. Further consultation via questionnaires, exhibitions, focus groups and meetings are proposed over the next two months to gauge the level of support for the study's recommendations. The outcome of the consultation exercise will be reported back to Executive Board in due course.

(ii) Leeds Town Hall

4.4 The consultants are of the view that there is significant potential to further improve the Town Hall to overcome its current limitations as identified with key stakeholders i.e. sightlines, seating, improved support facilities and provision of additional performance/rehearsal space to become a major concert venue, famed for its tradition, improved facilities (both front and back of house) and the quality of its orchestral and education programmes. Members of the Executive Board should note that expenditure totalling around £10 million has been spent in recent years on works to the Town Hall. PMP have advised that the cost of redeveloping the Town Hall as a high quality concert hall is estimated to cost up to £20 million dependent upon the nature of works to be undertaken (compared with an estimated capital cost of £75 million for a new concert hall), though they believe it would be possible to phase some of the works as follows:-

- * £5- £10 million for improvements to the Victoria Hall and adjacent facilities.

* £10 - £20 million as above plus a second performance space and increased support facilities i.e. breakout rooms.

4.5 Given the scale of the potential investment in the Town Hall as identified above, it is evident that further detailed feasibility work will need to be undertaken to enable Executive Board to consider the costs and merits of the Town Hall as a concert venue prior to any decision being taken to proceed with such works and such an assessment needs to be carried out using specialist technical skills. Accordingly, in order to progress works on the Town Hall, it is proposed as a first step to commission a design team through the City Council's Strategic Design Alliance to undertake an initial feasibility study to assess the technical, financial and operational issues that would need to be addressed and, to identify the options available to resolve the facility's remaining limitations. The outcome of the feasibility study will be reported back to Members in due course with recommendations as to how the project may proceed. Members should note that the PMP identified in their report that the City Council should explore the potential of submitting an application for funding support for works to the Town Hall from the Big lottery 'Living Landmarks' initiative. Officers have examined the eligibility criteria for the funding scheme in detail and are of the view that the proposed improvements to the Town Hall would be unlikely to be successful in securing a grant award from the scheme and as such an application will not be pursued.

(iii) Arena

4.6 The consultants are of the view that there is a clear opportunity for the city to progress the development of an arena and associated conference and exhibition facilities. In order to progress the delivery of the new facilities and provide the best opportunity for their delivery, Executive Board is requested to support the appointment of specialist consultants. They will advise on the development of a delivery mechanism for a proposed new arena, co-located with purpose built conference and exhibition facilities. Arena development is a very specialist field which requires detailed knowledge of the market, operators and funding arrangements. These skills and knowledge do not exist within the Council. The consultants would be commissioned to undertake a full site options appraisals and market assessment, hold detailed discussions with potential developers/operators of such facilities, consider and recommend funding models, and set out a process to enable the Council to select a preferred developer/operator, site location and funding mechanisms.

4.7 The feasibility study also established a clear opportunity for the City to promote the development of new conference and exhibition facilities co-located with a new arena. Further information is, however, required as to the precise nature, type, size and focus of any new conference and exhibition facility and officers believe that such work would best be undertaken in parallel with the development of an arena delivery mechanism and then consideration given to the two opportunities being marketed together.

4.8 Members of the Executive Board should note there will be a report back on the outcome of this further work, with the intention of recommending a preferred site and delivery mechanism.

5.0 OPTIONS

5.1 The option exists for the City Council not to endorse or to vary the recommendations made by the Cultural Facilities Task Group on the outcome of the feasibility study and the proposed way forward in terms of the Town Hall, arena and consultation strategy.

5.2 Members of the Executive Board should note that endorsement of the Cultural Facility Task Group's recommendations and the proposed way forward does not commit the Council to delivery of the schemes, but rather authorises officers to undertake more

detailed feasibility studies that are required to determine whether the projects are technically, financially and operationally feasible, the outcome of which would be reported back to Executive Board to enable discussions to be made about future investment in the Town Hall and delivery of an Arena and Conference and Exhibition facilities.

6.0 CONSULTATIONS

- 6.1 A wide range of consultation was undertaken in the preparation of the feasibility study. The organisations consulted included Leeds Chamber of Commerce, Leeds Property Forum, Leeds International Music Centre Trust, Yorkshire Culture, Yorkshire Forward, Sport England, Arts Council England, Yorkshire and Humberside Tourist Board and a range of individual business people and developers.
- 6.2 Paragraph 4.2 above outlines the proposal to undertake stakeholder and public consultation on the study and its key finding.

7.0 RESOURCE IMPLICATIONS

- 7.1 At this time, it has only been possible to estimate the fees a design team and consultants will seek for the feasibility study on the Town Hall and the preparation of a delivery strategy for the arena and associated facilities, which has been estimated at £200,000. Full details of the fees to be paid will only become available upon receipt of tenders from the respective consultants. It is, however, envisaged that the majority of the costs to be incurred will be internal design fees payable to the Council's Strategic Design Alliance for work in respect of the feasibility study on the Town Hall. The cost of appointing the consultants will be funded from the Leeds Cultural Infrastructure Programme.
- 7.2 As part of the ongoing work to be undertaken and prior to Executive Board determining whether the schemes should proceed, Members will receive details of the options and the potential levels of expenditure that the City Council may have to contribute to the Town Hall and the development of the arena and associated facilities.
- 7.3 The Leeds Initiative has agreed to fund the cost of proposed stakeholder/public consultation on the key findings of the feasibility study.

	Authority to Spend Required for this Approval	2005/06	2006/07	2007/08	2008/09	TOTAL
	Land & Buildings					
	Construction					
	Furniture/Equipment					
	Design Fees	85,000	55,000			140,000
	Other Costs	30,000	30,000			60,000
	Total	115,000	85,000			200,000

8.0 LINKS TO CORPORATE PRIORITIES

- 8.1 The vision for Leeds 2004 to 2020 identified a major project to improve the cultural life of the City, including developing a new, large-scale international cultural facility such as a concert hall, arena, exhibition or conference facility.

9.0 RECOMMENDATIONS

9.1 Executive Board is requested to:

Note the findings of the Cultural facilities Feasibility Study into the future provision of concert, arena and other music related facilities in the City.

- Endorse the recommendations of the Cultural Facilities Task Group on the conclusions of the Cultural Facilities Feasibility Study and the proposed way forward.
- Authorise the appointment of consultants to advise the City Council on the development of a delivery strategy for a proposed new arena and associated related facilities
- Authorise the preparations of an initial feasibility study to identify the potential options available to further improve the Leeds Town Hall, such that it may become a major concert venue of international standing.
- Authorise the incurring of expenditure of £200,000 for the appointment of consultants to prepare a feasibility study on the Town Hall and to prepare a delivery strategy for the proposed new arena and associated related facilities.
- Instruct officers to report back on the outcome of the public consultation exercise into the key findings and recommendations of the Cultural Facilities Feasibility Study and, on the outcome of the studies on the Town Hall and arena and conference/exhibition facilities.

Supporting Documentation

Cultural Facilities Feasibility Study.

**LEEDS CONCERT HALL, ARENA &
OTHER MUSIC FACILITIES FEASIBILITY STUDY**

PHASE III – EXECUTIVE SUMMARY

Leeds Culture

A

REPORT

BY

PMP, Donaldsons and Hetherington

August 2005

Executive summary

Introduction

- ES1 Leeds City Council ('the Council') and Yorkshire Forward on behalf of Leeds Cultural Partnership appointed the PMP team (including Stephen Hetherington, Donaldsons and make) in September 2004 to undertake a comprehensive study into the future provision of concert, arena and other music and related facilities in Leeds.
- ES2 The objectives of the study were to establish the level of demand for new and existing music facilities and provide an assessment of the following:
- commercial viability
 - financial and funding implications
 - potential impact on existing facilities in the city and wider region
 - physical considerations (location, design considerations, etc)
 - potential to provide conference and exhibition facilities as part of, or alongside, any new facilities.
- ES3 In order to meet each of the objectives, the study was divided into three phases. This executive summary sets out the findings of Phase III.

Phase III – detailed options assessment

- ES4 The focus of the final stage of the study was to develop further detail to inform an assessment of each of the main facility options, culminating in recommendations on the desirable and achievable options for Leeds, and how these could be realised.
- ES5 The options considered in Phase III were as follows:
- Town Hall (redevelop/improve)
 - first class symphonic concert hall (eg Bridgewater Hall)
 - mid-size venue
 - large arena.
- ES6 The potential to provide conference and exhibition facilities as part of, or alongside, any new facilities was also examined.

Basis of information

- ES7 This report has been prepared for the information of Leeds Cultural Partnership, Leeds City Council and Yorkshire Forward, and is based on information made available to us at the time of the study. It may not be passed on to any other party, nor may it be used as a basis for a contract, agreement or other document without our prior written consent, which will not be unreasonably withheld.

Conference & Exhibition Facilities

ES8 Phase I consultation, in particular the private sector consultation, clearly identified the provision of new conference and exhibition facilities in Leeds as crucial to the development of the local economy and the realisation of the city's aspirations.

Defining the conference & exhibition markets

ES9 The conference market incorporates a wide range of events, from small half-day meetings to week-long events with over 2,000 delegates. The market was estimated to be worth £7.7 billion to UK venues in 2003ⁱ.

ES10 The conference market is typically broken down into three main sectors, based on type, and/or origin of delegates, as follows:

- corporate conferences
- national association (or not for profit) conferences
- international association (or not for profit) conferences.

Conference characteristics

ES11 The British Conference Market Trends Survey suggests that a great proportion of conferences are corporate and that corporate delegates are the greatest daily spenders.

ES12 However, associations hold the largest conferences and they are of the longest duration. The number of delegates attending association sector events increased from 232 to 320 in 2003 (Meetings Industry Association, 2004).

ES13 Other key characteristics include:

- 46% of associations organised an exhibition with their conference in 2003, compared to just 30% the year before
- the average duration of a conference is now 1.6 days
- annual events (71%) and education events (47%) were the most popular types of event organised in 2003 (Meetings Industry Association, 2004).

Facility development & ownership

ES14 The average large-scale purpose-built conference centres will typically have two auditoria with a capacity of approximately 1,600 individuals in the largest auditorium and the average number of meeting rooms being 17. Overall the typical large-scale conference centre will have a total exhibition floor space approaching 6000 sq. m and an average maximum delegate capacity of around 1,900.

ES15 The Meetings, Incentives, Conventions and Exhibitions (MICE) sector is potentially able to attract high spending, longer staying visitors than traditional holidaying tourists. A summary of the perceived advantages and disadvantages associated with developing conference centre facilities can be found overleaf

ⁱ British Conference Venues Survey 2004 (BACD)

Table E1 Advantages and disadvantages associated with developing conference centre facilities

Advantages	Disadvantages
Direct	Direct
Local government/private sector investment	High development costs
High level of delegate spending	High carrying costs
Increased employment	High operation costs
Indirect	Indirect
Economic gains to the local community	Losses in operations
Impact on occupancy hotel bookings	Infrastructure costs
Enhanced urban image	Opportunity costs
Redevelopment of blighted areas	Loss of property taxes
	Continuing costs for police, firemen
	High debt service

Source: Fenich, (1992) (modified)

ES16 Studies have shown the substantial economic impact that conference facilities can have on their surrounding area on an annual basis. This has been estimated in recent years as follows:

- Winter Gardens Conference Centre, Blackpool - £50m
- SECC, Glasgow - £85m
- Brighton Centre - £50m.

ES17 From the background industry information, it is important to recognise the following key issues when considering facility provision in Leeds:

- distinction between the various types of conferences and exhibitions that venues host, and the effect that these have on:
 - programming (eg different lead times)
 - facilities (scale/size)
 - ancillary facilities (eg type of hotels in proximity)
- economic impact of business tourism potentially generated from these facilities
- cost of providing and continually updating conference facilities to remain competitive
- level of competition in the market nationally and locally
- potential for a conference venue to require subsidy/subvention.

Leeds

ES18 Leeds has the ideal infrastructure and transport links to support the provision of large-scale conferences given its accessibility by rail, air and road, coupled with the abundance of high quality hotels in the city centre that are capable of attracting the higher end of the market.

ES19 Leeds has a large number of facilities capable of hosting fewer than 500 delegates, yet little exists for conferences above this scale. The city's conference and exhibition provision is largely met by hotels. Of the 78 venues capable of hosting conferences in Leeds and the surrounding area, 60 have a maximum capacity less than or equal to 400 and only three have capacity for over 800 delegates (Source: Conference Leeds Venues Portfolio 2004/5).

ES20 These larger facilities are either lacking in catering and/or breakout room facilities (Leeds Town Hall and Leeds Grand Theatre) or located away from the city centre thus making them either not ideally situated for the town centre or complementary facilities (Elland Road).

ES21 To explore the level of demand for additional conference and exhibition facilities in Leeds we undertook a series of consultation exercises with the private sector, operators of similar facilities and conference/event organisers.

ES22 The key areas of consensus amongst consultees were:

- there is no purpose-built facility in Leeds capable of hosting conferences for 1,000+ delegates, and this is a key requirement for a major city such as Leeds
- The Royal Armouries (500 delegates) and Weetwood Hall (180 delegates) are good existing venues, but not of sufficient scale
- there is potential for Leeds to exploit the corporate conference market, public exhibitions/consumer shows and academic conference market
- new facilities would be extensively used, both by those consulted and by the latent demand evidenced by others
- appropriate facilities must be provided as part of, or alongside the venue eg breakout rooms, car parking and good access
- if it were to provide new facilities, Leeds would be likely to compete with the offer of other major cities, such as Edinburgh, Glasgow, Manchester, and Birmingham etc.

ES23 Areas where there is some debate amongst consultees include:

- the scale of new facilities required, ranging from 1,000-3,000 capacity conference facility, to 2-20,000sqm exhibition space, to a 'blank canvas' capable of hosting c4,000 people
- multi-purpose facility vs. purpose built conference/exhibition facility
- effect on Harrogate International Centre
- location – city centre or edge of centre.

ES24 It can be seen that there is a strong demand for additional conference facilities of at least 1,000 capacity and exhibition facilities. These facilities must be designed to accommodate conference events, even if this is only one aspect of the facilities usage. Any new facility could exploit the gaps evident in the market, namely corporate conferences, academic conference and consumer shows/public exhibitions.

Impact on Harrogate International Centre (HIC)

ES25 Harrogate International Centre (HIC) was built in 1982 at a cost of c£30 million and was funded entirely by Harrogate District Council. The HIC features a 2000 seat auditorium interlinked with eight exhibition halls totalling 16,500 sq m of exhibition space. HIC also offers 480 car park spaces over two floors and is linked to a 214 bed hotel. It covers a total site of 6 acres (2.4 ha), including service roads.

ES26 Given its size, HIC considers its key competitors to be Glasgow, G-Mex, NEC, The Barbican, Excel and Olympia. Bournemouth and Glasgow are the closest to HIC in facility mix terms. The emergence of Excel has drawn customers from the NEC's client base, and they in turn have targeted HIC's customers in an attempt to redress this balance, which has had an impact on Harrogate. The HIC has a significant economic impact estimated by HBC at c£240m per annum.

ES27 HIC would strongly object to any purpose-built conference and exhibition centre that it felt would affect its operation significantly. This would include any conference facility above 500 capacity and/or over 8000 sq. m of exhibition space.

ES28 It is clear from the consultation and work undertaken to date, that a new large-scale conference and/or exhibition facility in Leeds is likely to have an impact on HIC. However, the magnitude of this impact depends quite significantly on the following:

- scale/size of new facilities
- programming/target markets
- purpose built vs. multi-purpose facility.

ES29 The following recommendations are based on the research undertaken:

- there is the potential to develop a successful, purpose-built conference and exhibition facility, however this would require further investigation (outside the remit of this study) to determine the exact size and programming. From the work undertaken to date, the conference facility could be between 1,000 and 3,000 capacity with associated exhibition space (size to be determined)
- the above facility could be co-located alongside any of the new build facility options outlined provided: the site was suitable, the relevant procurement route chosen and funding identified. This type of use is considered complementary
- to illustrate the potential to include conference facilities within (as opposed to alongside) one of the new build facility options, we have chosen to examine a mid-size venue with integrated conferencing facilities, because:
 - a multi-use venue could meet the aspirations of the city with regard to conferencing and music provision (it is assumed that this would produce cost savings on developing two separate facilities)
 - the proposed mid-size venue auditorium is 2,500 (within the identified range for conference facilities)
 - the acoustics of the mid-size venue more closely match those required in a conference facility than the concert hall

Under this option, the mid-size venue would be designed (and costed) to include the appropriate breakout spaces, banqueting and catering facilities, and with appropriate seating flexibility

- public exhibitions should be considered as part of the arena programme (as the market has been identified).

ES30 It should be noted that whilst a mid-size venue is modelled as the only option to include significant conferencing facilities within the music venue, this option could be explored for the other facility options at a later date.

Leeds Town Hall

ES31 Consultation with key stakeholders undertaken in Phase I of this study identified that, for some, the aspiration for delivering symphonic music in the city was the provision of a new concert hall, whilst others suggested a substantial improvement in facilities at the Town Hall would suffice.

The current situation

ES32 The Leeds Town Hall is an iconic Grade I listed building in the centre of Leeds. The Victoria Hall within the Town Hall has long been the focus of orchestral music in the city, and is currently home to the largest local authority music programme in the country as well as the internationally acclaimed Pianoforte competition.

ES33 However it was identified by a number of stakeholders earlier in this study that the Town Hall has a number of critical limitations. These included poor quality acoustics, sight lines, seating comfort and capacity, poor ancillary and hospitality facilities. There are also limitations with regard to the revenue-making potential of the building, such as lack of break out spaces to enable more conference business.

The vision

ES34 The vision for an improved Town Hall, was originally set out in an unsuccessful lottery application in the late 1990s, to develop its position from a venue that hosts a concert season of national standing, to become a **centre for the arts with an international reputation**. Whilst the application failed, a number of the originally proposed works, such as improving the acoustics, have been carried out in recent years. The remaining improvements are detailed in Table E2 below, as a basis for future improvements.

Table E2 Town Hall improvements

Proposed improvements	Impact
<p>Concert facilities</p> <ul style="list-style-type: none"> • outstanding sight-lines and acoustic refinements • improved stage area/comfort for orchestras • piano lift provision • seating numbers remain unchanged 	<ul style="list-style-type: none"> • this would provide additional acoustic benefits for visiting performers and audiences alike • the remaining issues with sight-lines would be addressed, allowing all seats to be sold with audience confidence of quality views
<p>Redecoration of Victoria Hall</p> <ul style="list-style-type: none"> • reproduction of the original 1894 scheme would have significant impact on the venue 	<ul style="list-style-type: none"> • this would improve the already stunning interior of the Victoria Hall, and enhance the reputation of one of the country's finest concert halls
<p>Practice & education space</p> <ul style="list-style-type: none"> • create an additional performance and rehearsal space for smaller concerts/recitals, practice and educational use 	<ul style="list-style-type: none"> • this would allow the development of a significant programme of education and community involvement • it would also provide a valuable rehearsal space for classes, workshops and outreach work
<p>Ancillary facilities</p> <ul style="list-style-type: none"> • additional bars, catering and toilet facilities • function & banqueting rooms 	<ul style="list-style-type: none"> • these improvements would meet many criticisms from existing users and stakeholders, and would make entertaining and concert attendance a much improved experience

Capital cost

ES35 The cost of redeveloping the Town Hall as a high quality concert hall with the flexibility to host conferences and exhibitions is estimated at £20mⁱⁱ. It would be possible to phase some of the works, as follows:

- £5-£10m – all required improvements to the Victoria Hall and adjacent facilities
- £10-20m – as above, but with additional performance space and increased support facilities (eg breakout rooms etc)

ES36 This compares to an estimated capital cost of a new build concert hall of c£75m plus.

Management structure

ES37 With an upgrade to a first class concert hall with the flexibility to host conferences and exhibitions, a new management structure will require merging the current LICS team with the broader programming team currently part of the Town Hall.

Subsidy requirement

ES38 Outline income and expenditure projections have been developed, based on the information provided for the existing Town Hall and the LICS in 2003/4.

ES39 Table E3 compares the income and expenditure projected to 2006/7 if the Town Hall were to remain as it is (this was calculated by inflating current figures for the Town Hall and LICS), and if it were to be developed as proposed.

Table E3 Town Hall I & E account

	TH & LICS 06/07	Improved TH 06/07
Income		
Event income	786,900	829,500
Other income	15,400	24,000
Total income	802,300	853,500
Expenditure		
Event Expenditure	684,800	754,500
Overheads	454,700	525,300
Admin & finance	417,900	421,000
Sales & marketing	30,200	33,500
Operating overheads	330,300	331,700
Total expenditure	1,917,900	2,066,000
Net operating profit/ loss	1,115,600	1,212,500

ES40 It is important for any venue that both the performers and the audience enjoy the experience and would come back to visit again.

ⁱⁱ Estimate provided by Civic Architect based upon original cost of Lottery Application, minus work undertaken to date.

ES41 Therefore, the question has been asked to the major orchestras visiting Leeds as part of the LICS in 2004/05, including CBSO, BBC Philharmonic Orchestra, Halle and BBC Symphony Orchestra. The feedback was overwhelmingly supportive of the Town Hall.

Summary

ES42 In summary, there is significant potential to improve the Town Hall to overcome its current limitations and become a major concert venue, famed for its tradition, improved facilities and the quality of orchestral and education programmes.

ES43 The Town Hall is a popular and valuable asset to the city, and if it were no longer the focus of classical music in the city, this great hall and the organ within it would be largely underused for its primary purpose.

The Options for future facility delivery

ES44 The main facility options have been summarised in the following tables to allow development of the capital and revenue funding positions, analysis of the management options and procurement options, and to enable comparison between facilities.

ES45 As identified earlier, a purpose-built conference facility could be provided alongside any of the options, however we have also modelled an option for the mid-size venue that integrates conference provision within the music venue.

Table E4 Concert hall characteristics

Feature	Assumption	Comments
Capacity	2,000 seats	2,000 seats represents a reasonable size for a modern concert hall (most highly regarded modern halls are between 1,800 – 2,500). It is significantly larger than the Town Hall and would not be so large as to create acoustic design challenges.
Site size (hectares)	Min 0.4 (preferred range 1.0 – 1.5)	A selection of suitable sites were identified in Phase II.
Location	City centre	As above.
Indicative capital cost	£75m+	This represents a realistic cost for a new concert hall, reflecting the recent costs of halls around the world and the aspiration for an iconic design.
Acoustics	Suitable for the highest standards of symphonic music (long Reverberation Time etc)	Although most British concert halls are programmed for symphonic music for less than 50% of the time, the ambition for the symphonic programme is such that a high quality symphonic acoustic is required. It should be noted that this acoustic is the most expensive to create and is not entirely suitable for amplified sound nor spoken word performances, that would also be programmed in the facility to increase revenue.

Table E5 Arena characteristics

Feature	Assumption	Comments
Capacity	13,000 seats	Phase I identified that there was a gap for a large arena of above 10,000 seats. Further work in Phase II & III has been undertaken to establish the most advantageous capacity from a commercial point of view. 13,000 seats are assumed as this creates a capacity advantage for promoters over the Hallam FM arena in Sheffield with 12,500 seats.
Configuration	No permanent ice pad, includes a short hall format	
Site size (hectares)	Minimum 1 (preferred range 1.5 – 3.5)	A selection of suitable sites were identified in Phase II, the sites at the larger end of the scale are likely to offer more opportunity for enabling development.
Location	City centre desirable, although out of town considered	A selection of city centre and out of town sites were identified as suitable in Phase II.
Indicative capital cost	£40-60 million	This range of costs was identified.
Ancillary facilities assumed in the business plan	Circa 48 hospitality suites	The high level of corporate activity within Leeds provides an excellent market opportunity for the provision of corporate hospitality within the Arena.

Table E6 Mid-size venue (without major conferencing) characteristics

Feature	Assumption	Comments
Capacity	2,700 seated & 3,500 seated & part standing	
Configuration	Flexible venue, seated or part standing	
Site size (hectares)	Min 0.8 (preferred range 1.5 – 2.5)	A selection of suitable sites were identified in Phase II, the sites at the larger end of the scale are likely to offer more opportunity for enabling development.
Location	City centre desirable, edge of centre considered	A selection of city centre and edge of centre sites were identified as suitable in Phase II.
Indicative capital cost	£30	This outline cost is purely indicative, as set out above as there are few examples of this type of venue as a new build facility. Clearly, if seeking an iconic design, the capital cost is likely to be towards the high end of the range.
Acoustics	Designed for amplified sound	Operator consultation has indicated that there is a perceived gap in the market for a venue that can offer quality amplified sound.
Ancillary facilities assumed in the business plan	Two or three side rooms available for hospitality & meetings	These ancillary facilities will facilitate the use of main auditorium providing additional space for events. They will also be able to meet the high level of local demand for meeting and hospitality space.

Table E7 Mid-size venue (with conferencing) characteristics

Feature	Assumption	Comments
Capacity	2,700 seated & 3,500 seated & part standing	
Configuration	Flexible venue, seated or part standing	
Site size (hectares)	Preferred range 1.5 – 2.5	A selection of suitable sites were identified in Phase II for a mid-size venue without conferencing, the sites at the larger end of the scale are likely to offer more opportunity for enabling development.
Location	City centre most desirable, edge of centre considered	A selection of city centre and edge of centre sites were identified as suitable for a mid-size venue without conferencing in Phase II. Similar selection criteria also apply here.
Indicative capital cost	£40m	This range of costs is purely indicative, as set out above as there are few examples of this type of venue as a new build facility. Clearly, if seeking an iconic design, the capital cost is likely to be towards the high end of the range.
Acoustics	Designed for amplified sound	Operator consultation has indicated that there is a perceived gap in the market for a venue that can offer quality amplified sound.
Ancillary facilities assumed in the business plan	Additional large banqueting/exhibition space, divisible into several spaces.	These ancillary facilities will facilitate the use of main auditorium providing additional space for banqueting and exhibition events. They will also be able to satisfy the need for breakout rooms to complement the primary auditorium.

Management options

ES46 There are a number of options open to the Council in terms of managing any new facilities, including:

- in-house management
- management via a non-profit distributing organisation (Trust) or SPV
- management via a private sector partner (existing operator).

ES47 Clearly, the chosen management route will be linked to the funding and procurement of the new venue, and the Council may need to consider where the priority lies in terms of how the venue is funded versus how it is managed.

ES48 Direct in-house management will involve the Council in direct management of any new venues, including retaining full responsibility for all elements of income and expenditure.

ES49 An SPV route, potentially via a non-profit distributing trust vehicle, will involve the Council in a partnership arrangement with the new vehicle, whereby the SPV manages the facilities directly, but the Council retains involvement via the Board and output specification for delivery of services. A good example of an SPV is the NEC group in Birmingham, who operate The National Exhibition Centre, The NEC Arena, The National Indoor Arena, The International Convention Centre and Symphony Hall – Birmingham City Council and Birmingham Chamber of Commerce & Industry are equal shareholders in the SPV.

ES50 A private sector partnership will be based on a contract for provision of services between the owner of the venue and a private company, similar to the arrangement at MEN arena, where SMG are the operators.

ES51 Following consultation with existing operators of similar facilities in the market, their comments can be summarised as follows:

- there is excellent support from private operators for the development of a new multi-purpose arena in Leeds. A number of major operators have expressed an interest in this facility and would like to discuss the potential development further
- there is varied interest in a mid-size venue ranging from interest in a rock/pop style venue to be run commercially to offers of a management contract for a facility in keeping with the study recommendations
- a concert hall would only attract a private operator on a no-risk basis, with the provision of an annual management fee from the Council.

ES52 Table E8 overleaf provides a direct comparison of each option against the key requirements of the Council and other key assessment criteria.

Table E8 Comparison of management options

	Option 1 In-house management	Option 3 Private Company	Option 2 SPV/Trust
Sustainability	Based on City Council continued support	Large private organisation with significant balance sheet strength	Based on City Council support in early years (eg NEC)
Alignment to City Council aspirations	Fully aligned as part of Council	Through specification/contract	Through specification/contract and Board representation
Community focus (Business and residential)	Close to community	More distant from community	Close to community
Independence from City Council	No	Long term	Partial
Relationship to Council	Part of Council	Partner with Council	Partner with Council
Council control	Total	Through specification/contract	Through specification/contract and Board representation
Risk transfer	No	Maximised	Partial
Ability to maximise commercial activity	Reduced	Maximised	Possible
Experience of similar facilities	Possible	Maximised	Possible, depending on staff recruitment

ES51 An important factor not easily covered in a comparison of options is the opportunity to combine the management of the different facilities under one management model. Practically, this type of management would need to combine the specialist skills required to programme a variety of venues, similar to the NEC group in Birmingham. Indeed, the NEC model may well be worthy of consideration once the final mix and funding of facilities is confirmed.

ES52 There are a few key questions which will effectively drive the selection of the preferred management route for each facility:

- which arrangement best provides the skills and knowledge required in future development and sustainability of the business?
- can the management team make best use of the commercial and conference opportunities?
- how is the capital funding to be provided?

Business planning

ES53 Based on the facility parameters set out earlier, revenue business plans for each of the facility options have been developed to inform the decision-making process. It should be noted that none of the business plans include the cost of capital financing or site acquisition.

Concert Hall

ES54 The business planning for the classical concert venue was completed by Stephen Hetherington with support from PMP. Two models were run in order to gain an insight into the potential financial ramifications of two slightly different event programmes. Model A assumes that the concert hall is used primarily as a classical concert venue; Model B assumes a lighter programme featuring comedy, jazz, world music and light orchestras. Neither model includes support for, nor programmes a resident orchestra.

ES55 Many of the fees quoted in Model A are higher than those currently paid by the Town Hall concert season, but are more in line with fees paid by other major UK concert halls. The gross potential for a new 2,000 seat hall would remove the existing argument for a concession based on the restricted sales in the Town Hall, and it is expected that normal fees would be demanded.

ES56 Under Model A, a classical concert venue is projected to operate at a net loss (or subsidy required) of c£1.7 million. These losses are in line with facilities elsewhere in the UK, and are indicative of the financial difficulties associated with operating cultural facilities, which typically require sizeable subsidies.

ES57 Under Model B the operating shortfall/subsidy is projected to be reduced to c£1.1 million where the programme is softened. This model calls into question fundamental assumptions of building design. The impact of an amplified programme is illustrated further when applied to the mid-size venue later in this section.

ES58 The modelling has also been completed assuming a reduction in ticket sales of 20%. Running this sensitivity analysis allows one to form an opinion as to how robust the venue is projected to be in financial terms. Assuming reduced ticket sales, Model A shows a net loss/subsidy requirement of c£2.7 million, whilst Model B shows losses increasing to c£1.6 million.

Arena

ES59 The Leeds Arena is assumed to have a seated capacity of c13,000, with a larger seated/standing capacity. This places it second only to the Manchester Evening News Arena (and the Dome upon opening) in terms of arena scale. The scale of the venue will make it particularly appealing to music promoters, as the capacity of the venue for top acts in part affects the choice of venue.

ES60 The Arena also includes 48 corporate boxes that can also be used for meetings etc., plus premium seating available to offer superior seating and facilities at a premium price. This compares to 32 boxes at MEN, and 48 at London Arena.

ES61 It is assumed that the Arena will not play host to either ice-hockey or basketball franchises, as is the case with several other successful arenas including the MEN and Wembley. The programme will instead consist of a range of other sporting and non-sporting events.

- ES62 Under this base model, it is assumed that a new conferencing facility could be co-located alongside the arena, and therefore conferencing is not a key feature of the programme.
- ES63 The Arena is projected to host 107 events in Year 1, rising to 138 in Year 5. The primary component of this event mix is likely to be major concerts, with 38 in Year 1, rising to 45 in Year 5. Other events projected for the Arena include public exhibitions (22 in Year 5), nightclub events (12), family shows (11) and children's shows (10).
- ES64 It is assumed that the Arena will be independently operated rather than run in-house by the Council, in order to make best use of the expertise and experience of the private sector in this field.
- ES65 The Arena is projected to make a profit of c£1.35 million by Year 3, rising to £1.42 million in Year 5, from which point profit is likely to remain at a relatively consistent level. This allows the Arena to reach the number of events and attendees assumed to be achievable in the model. The total of 138 event days in Year 5 is relatively conservative and is considered a prudent projection as to the potential success of the venue in staging events.

A - Mid-size venue (without major conferencing)

- ES66 The mid-size venue is intended to offer a capacity between that of a classical concert venue/Town Hall and a large-scale arena. The scale of facility modelled in the following profit and loss projections are 2,700 fully seated, or 3,500 seated/part-standing.
- ES67 The mid-size venue is projected to hold 175 events in Year 1, with an average attendance of c1700 for a total attendance of 298,900. Average attendance per event is projected to remain broadly steady over the course of Years 1-5, although as the number of annual events increases to 211 by Year 3, total attendance rises to 357,300.
- ES68 Year 1 events assume approximately 60 concerts, with 34 major concerts and 24 minor concerts, plus a number of other events including wrestling, graduation ceremonies and children's shows. With the assumed event profile, the venue is projected to return an operating loss of c£670,000 in Year 1. With a degree of fluctuation, Year 5 losses are projected to be c£650,000. This indicates that a relatively high subsidy will be required for this particular facility.

B - Mid-size venue (with conferencing)

- ES69 Projections suggest that the financial viability of offering conferencing as a key element of the facility mix increases the likely subsidy requirement. However, there is the potential that opening up the facility to a wider market would deliver economic impact benefits in excess of those that would otherwise be observed.
- ES70 The business plan for a venue without conferencing removes 50 nightclub events that were projected to otherwise take place weekly in the stalls area in the single auditorium venue after any evening show has finished, with seats retracted/removed. In a conference venue, this type of event could cause problems for the design and finishes in the stalls area, which needs to be maintained at a conference standard.
- ES71 Extra conferences, banquets etc are projected to produce a net additional income of £102,000 in Year 1 rising to £227,000 in Year 5.

ES72 If there is very good acoustic separation then the venue could run more small conferences/exhibitions and lunches and banquets in the secondary space(s).

ES73 The mid-size venue with conferencing is projected to return a net operating loss of £845,200, although this falls to c£700,000 over Years 3-5. This is primarily linked to an increase in overheads, which is not compensated satisfactorily by an associated rise in income.

Procurement options

Introduction

ES74 Having already considered the management options and likely revenue position of new venues for Leeds. It is then important to look at how these opportunities can be combined to procure the venues, and some of the key issues with each potential route.

ES75 Cultural facilities have generally been procured via two main models:

- Public sector/ Council delivery, through;
 - traditional procurement with a design competition and separate construction contract
 - design & build contract
- Public Private Partnership type contract, where the design, build and operation are packaged together.

Public sector/ Council delivery

ES 76 Under the following two options, it is assumed that the Council undertakes the 'developer' role and also provides any gap funding that cannot be secured from third party sources, such as grants, sponsorship and future income generation.

Traditional procurement

ES77 Historically, many major public buildings have been procured via appointment of an architect (either directly or via a design competition), followed by letting of a separate construction contract. Operation of the new facility has then been considered separately.

Design & Build Contract

ES78 A second option for procuring new facilities is for the City to let a design and build contract to a major construction company and then separately procure an operator for the new facilities.

ES79 This procurement route would again allow the City to provide the capital finance (either directly or through grant aid), and run separate procurement competitions to chose a design and build partner and then an operating partner.

Public Private Partnership

ES80 This type of contractual arrangement involves a private partner agreeing to provide a package of services to the Council, in return for an annual revenue payment.

- ES81 The private sector partner will usually put together a Special Purpose Vehicle (SPV), which will provide the funding, management and construction services. This would typically include an operator, construction partner and a bank/equity provider.
- ES82 The benefit of this type of structure is that the Council would retain long-term ownership of the facility, and the SPV would provide all of the required services in one package – thus transferring much of the construction and operating risk to a third party provider. However, there would need to be a 25-30 year contract in place in order for the SPV to have sufficient time to repay the debt finance.

Capital investment by the Council, within a hybrid PPP model

- ES83 A potential opportunity to reduce the cost of capital is for the Council to provide the capital directly, and effectively act as the ‘funder’. This allows the Council to use their borrowing power to provide lower cost capital, whilst still utilising the benefits of having one party undertake the design, build, operation and maintenance of the new facilities.
- ES84 It is important that this option is considered in its widest sense – for example an arena could be procured with a combination of public sector investment via prudential borrowing, combined with capital from the private sector generated via enabling development and long-term service contracts, such as for food and beverage. This would still be considered a PPP deal if the asset eventually transferred back to the local authority, but demonstrates how the contractual structure can be flexed to allow different types of investment.

Non-traditional procurement opportunities

- ES85 The traditional procurement models outlined above have been successful in delivering new and refurbished cultural facilities in many areas of the UK, and have usually resulted in an asset being delivered for the public sector. However, particularly in the case of traditional procurement and design and build, these projects have tended to be grant funded with a focus on design quality rather than whole-life costing and value for money.

Land disposal deals

- ES86 Many of the well-known hotel/conference venues are owned and managed by a private company. The company buys the land, invests the capital, manages the facilities and obtains a return on its investment via the revenue streams generated from, for example, the hotel and conferencing.
- ES87 Key to this type of deal would be the ability of the development to generate sufficient revenue surpluses to cover both the cost of developing and provide a return on investment.
- ES88 A concert hall, with a significant operational deficit, is unlikely to be suited to this type of model, unless the City is prepared to enter into an open-ended annual subsidy arrangement, which is unlikely to be viable, given the uncertainty associated with such an arrangement from the Council’s funding perspective.
- ES89 In order to control the site development, the City would look to draft a development brief for the site, against which potential developers could respond. This would ensure that the Council’s ‘must haves’ are protected, for example by ensuring a mid-size venue is part of the scheme.

Procurement competition

ES90 In order to provide the range of facilities aspired to by the Council, there is likely to be the need for significant involvement from existing land owners in the City, private developers, equity and debt funders and the Council itself.

ES91 In order to bring these complex organisations together in a transparent and auditable process, the City may wish to consider running a procurement competition for each of the facilities aspired to.

ES92 The process for this would be:

- The Council drafts a procurement pack setting out the facilities required and the monies and land available from the City to support development
- interested parties then “bid” to the Council for one or more of the facilities, setting out how they will provide the facilities, the investment levels, land uses etc.
- the Council undertakes an evaluation of bids received to confirm most appropriate way to deliver new facilities.

ES93 An example of this would be a bid from an existing land owner, who could combine their land with some Council land to develop an arena plus enabling development, and they would come forward with a bid that included a developer and operator for the arena, and would ask for a specific capital sum from the Council in order to facilitate the development.

ES94 The benefits of such an approach would be that all of the organisations who have expressed an interest in providing facilities in the City during this process, could put forward their proposals, and then the merits of each proposal could be evaluated in a transparent manner. This would provide the City with an auditable process for investing in new cultural facilities.

Joint venture

ES95 For certain facilities, particularly those requiring an ongoing revenue subsidy, a joint venture arrangement may be a more appropriate solution.

ES96 The Council could look to enter into a partnership arrangement with either a specific private partner or with a group of partners, in order to provide and manage new cultural facilities. The JV company may or may not own the assets, depending on the arrangement with the City Council and the funding methods utilised. Funding opportunities are discussed in more detail in Section 8, but there may be benefit in a non-profit making organisation (such as a charitable JV) making bids for grant funding, compared to a private sector organisation or the City Council.

ES97 This type of structure could therefore provide an appropriate vehicle for establishing on-going private sector involvement in the provision of cultural facilities, and would allow the private sector to be involved in decision-making.

ES98 The mechanics of this type of structure could be flexible depending on the levels of investment, land ownership, number of partners etc. but would have the key benefit of allowing residential and business community involvement.

ES99 Table E9 outlines a comparison of the procurement routes considered.

ES100 Each option offers different benefits compared to the others. Selection of the preferred route should therefore be based on which of the options meets the Council's 'must have' criteria. For example, if retaining ownership of the asset is essential, then a private sector investment model or procurement competition is unlikely to be the preferred route. However, if involvement of the private sector is a key driver, then these two models may well be most appropriate.

ES101 We would suggest that traditional procurement and design & build options, under which the Council is acting as the developer, are ruled out due to the following key issues:

- lack of operator involvement in the process, potentially leading to facilities which, whilst architecturally impressive, are difficult and costly to manage.
- lack of obvious means of private sector involvement – involving the business community of Leeds is considered to be of paramount importance and neither of these options offers an obvious route for this.
- no recognition of existing private sector proposals to develop an arena in Leeds.

ES102 The options available to procure all facilities appear to be a form of PPP or a Joint Venture arrangement. Each of these will allow private sector involvement, encourage a whole-life costing approach (leading to better value for money) and will still provide sufficient flexibility for the Council to provide part funding, either through existing resources or via grant aid opportunities. In timescale terms, both of these options could be implemented within an 18-month timeframe.

ES103 Given the successful model operating in Birmingham, the Joint Venture arrangement may well be the optimum route in terms of providing all of the desired facilities. The JV company could then look to enter into separate management arrangements as appropriate for different facilities, or elements of facilities, in order to provide a sustainable revenue proposition. By packaging all facilities together, revenue surpluses from the arena could then be used to cross-subsidise the mid-size venue or concert hall.

ES104 However, if a concert hall (as the facility requiring the most subsidy) is not part of the mix, then a procurement competition may be the optimum way of maximising commercial investment and involvement in facility provision, by allowing interested parties to state their case for providing new facilities in partnership with the Council.

Table E9 Comparison of procurement routes

	Council Investment via Traditional procurement (Option 1)	Council Investment via Design & Build contract (Option 2)	PPP (Option 3a)	Council investment via PPP model (Option 3b)	Private sector land disposal (Option 4)	Procurement competition (Option 5)	Joint Venture arrangement (Option 6)
Cost of capital	Minimised via Council investment & grant aid	Minimised via Council investment & grant aid	Expensive	Minimised via Council investment & grant aid	Expensive	Mixed private (expensive) & Council/Grant Aid	Mixed private (expensive) & Council/Grant Aid
Likely level of interest	Very Likely	Very Likely	Likely	Very Likely	Likely in certain facilities only	Likely in certain facilities only	Likely
Length of contract required	5-10 years	5-10 years	25-30 years	10-15 years	Transfer of ownership of asset	Transfer of ownership of asset	Flexible
Ability to package facilities together	Full control of Council	Full control of Council	Full control of Council, but with transparent financial cost	Full control of Council, but with transparent financial cost	Dependant on private sector appetite for each facility	Dependant on private sector appetite for each facility	Full control of Council
Level of risk transfer	Low	Low	High	High	Complete	Complete	Medium
Level of involvement of operator in the design process	None	None	High	High	High	High	Some, depending on chosen operation
Level of control	High	High	Some	Some	None	Some	High

EXECUTIVE SUMMARY

retained by Council (design)							
-----------------------------------------	--	--	--	--	--	--	--

Funding

Funding sources

ES105 There are a number of options available to financially support music and cultural facilities in Leeds. These options include:

- local authority funding
- charitable trusts and foundations
- grant funding
- sponsorship (including naming rights)
- commercial income generation
- enabling developments
- fundraising
- prudential borrowing.

ES106 Of the sources listed, most would be considered to be 'traditional' funding methods, however, the newer lottery funding sources, commercial income generation and fundraising are less familiar and are therefore expanded upon in the next few paragraphs.

Big Lottery Fund

ES107 Of all the recently announced Big Lottery programmes, the 'Living Landmarks' scheme is the most applicable to major new cultural facilities. A small number of projects (probably three or four) will receive funding of £10-25m, whilst one project, to be voted for on a national basis, will receive funding to a maximum of £50m.

ES108 However, the timescale for making an application is very tight, with stage one applications to be submitted by 6 January 2006. Therefore, any decision to bid will need to be taken quickly, with a dedicated project team formed to progress the bid.

ES109 The new build facility options could qualify for funding under this programme, consultation identified that an arena or concert venue could meet the objectives of the programme. However in light of the tight timescale for applications, it is only likely that the option for the redevelopment of the Town Hall could be prepared and submitted as much work has been undertaken previously and this could be done alongside the public consultation exercise.

ES110 It is likely that competition from other innovative new build projects will be strong and it is possible that these projects will be better placed to meet some of the objectives set out in the programme (eg regeneration). Therefore the project partners will be required to scope out the potential further before making a decision to submit an application.

Sponsorship

ES111 Sponsorship from business can provide a source of funds for supporting cultural facilities and activities. Sponsorship is a business relationship between the provider of funds or services and the cultural organisation, event or facility, which offers in return some rights of association that may be used for commercial advantage.

ES112 Funds can be generated from business partners through 'naming rights' and other marketing or corporate communications relationships. Sponsorship may involve naming a facility, event, exhibition, activity scheme, award, etc.

ES113 In relation to the types of facilities aspired to, all would be potentially available for sponsorship in some form. Of key concern would be balancing the sponsor's requirements with those of the other stakeholders, and ensuring the role of the facility is not overshadowed.

Naming rights projections for Leeds facilities

ES114 Our business planning projections have made a number of assumptions around the potential ability of each of the main venue options to attract naming rights investment.

ES115 Identifying the true scale of investment associated with naming rights deals is notoriously difficult, due in large part to the fact that figures are rarely released, and where they are, large portions are often delivered in kind.

- Arena - £5m over 10-15 years
- Mid-size venue - £2-3m without conferencing, £3-4m with conferencing
- Classical concert hall - £3-4m.

Fundraising

ES116 Fundraising is already used as a vital source of funds for many organisations. However, developing coordinated fundraising strategies for facilities may generate far greater levels of funds that can be directly used to deliver music across the region.

Leeds Lottery

ES117 A Regional Lottery scheme could be established, with the funds raised being used specifically for the development of culture in the region. This scheme could generate money through ticket sales for regular draws or from the sale of scratch cards.

ES118 However, it is recognised that this lottery would be in direct competition with the National Lottery and have an impact on UK-wide funding. It will therefore require careful consideration before deciding whether the concept should be developed further, or whether it is indeed allowed from a licensing perspective given the recent changes in gaming legislation.

A cultural fund?

ES119 The current grant funding climate is not encouraging. Furthermore, few areas of Leeds are eligible for the type and scale of funding often associated with these types of cultural facilities (eg ERDF). Therefore in light of the overall facility aspirations, it has been necessary to consider a number of alternative, more innovative, methods of funding.

ES120 In principle, a fund would be the sum of annual revenue contributions committed from a wide range of sources within the city to fund the development of cultural facilities. There are a number of potential stakeholder groups that might contribute to such a fund, including:

- local residents/local authority – via a nominal increase in Council tax
- local businesses – via a levy on business rates or committed annual donation (in return for some benefit – eg tax, corporate hospitality, business club etc)
- local land owners – an annual contribution/tax efficient giving
- central government – an annual grant or credit (similar to PFI credits) or similar as a pilot scheme.

Benefits

ES121 There is also the potential for one of the venues to generate third party income that could form part of the fund, depending upon the overall choice of facilities to be delivered in this way. The potential benefits to the contributors include:

- improved cultural offer in the City
- increased City Profile/Standing on a national and international basis
- increased attractiveness as a place to live and work
- improved land values in the City
- priority facility access/tickets, or a 'City Club'.

How could this work?

ES122 The range of facilities that could be supported by this fund would only be limited by the total amount generated through contributions to it. It is assumed that the revenue stream generated could be used to support the capital borrowing required to deliver the cultural facilities, or a combination thereof. The most cost effective way to borrow against revenue streams is for the Council to use their prudential borrowing powers (discussed earlier in this section), as this is considerably cheaper than private sector borrowing.

ES123 To illustrate the potential scale of a cultural fund, a levy that equated to £10 per month on Business Rates and £1 per month on Council Tax for the residents of Leeds could generate in the order of £6.75m pa additional revenue. Converting this into capital, at a repayment rate of £70k per £1m borrowed, could realise **additional capital funding of circa £90m** for investment in facility provision.

ES124 A cultural fund is an entirely new concept in the UK, and the legal framework to support the concept is still not set out specifically, however new powers in the Local Government Act 2003 are paving the way. The idea is based on the fact that the Act now enables the development of 'Business Improvement Districts'.

ES125 This highlights that whilst the principles that would support a cultural fund are developing, the legislation could require amendment to facilitate the development of a cultural fund. However, it is likely that a number of other cities in a similar position to Leeds will need to consider this type of option to deliver cultural facilities in the future, and therefore the ODPM/DCMS may consider it necessary to facilitate such programmes.

Views of the business community

ES126 To test the principles of a 'cultural fund' with the local business community in Leeds, two workshop sessions were undertaken (June 2005).

ES127 Whilst all participants contributed to the discussion on the potential for, and issues to consider, regarding a cultural fund, both groups appeared to have conflicting views as to whether it would be successful in Leeds

ES128 It was clear from both workshops that to make a cultural fund an attractive proposition to the business sector, it should include the following:

- conferencing facilities as part of the mix
- incentives to contribute, including tax, business club, priority seats etc
- transparent management through the most efficient vehicle with funding ring fenced
- benefits should be demonstrable.

ES129 This sample represents a small but highly interested group of businesses from the Leeds community, and therefore it is concerning that a large number of these groups do not believe that this will work in Leeds. However, it should not be dismissed at this stage, as there are many other stakeholders that should input into this discussion before the concept is discarded. This can be achieved through further consultation, following publication of the key findings of this report.

Entertainment/ commercial funding sources

ES130 Commercial income can provide extra investment and a level of financial security. This allows facilities to produce longer-term development plans which can improve their ability to deliver their cultural aims and objectives. Methods for generating commercial income will be dependent on factors such as the facility mix available, current usage and location. Potential income sources could include the following:

- facility hire/rental
- advertising
- equipment hire
- catering
- corporate hospitality and conferences
- affinity marketing
- creative training and development
- merchandising and licensing.

ES131 For a facility such as an arena, these commercial funding sources form the core of the business plan. As reflected in the model business plans, an arena generates the majority of its income from ticketing/rentals and from food and beverage/merchandising. This is partly true for the mid-size venue, which has a more commercial focus than the concert hall.

ES132 However, these sources can also be an effective secondary income for a concert hall, and are important methods of reducing the annual revenue deficit created from the programming.

Enabling development

ES133 Land owned by local authorities/other partners could be used for enabling development – ie additional development of activity that generates cross-funding for the main focus of the project. For example, utilising a large piece of land to develop both a specific cultural facility, but also other commercial development, may allow capital surpluses generated from the commercial development to be used to support the cultural facilities. Alternatively, the sale of land, potentially through the rationalisation of facilities, may generate additional capital receipts that can be used to develop new cultural facilities.

ES134 Commercial development opportunities include:

- traditional Section 106 agreements
- hotel accommodation
- residential developments
- commercial units.

ES135 As an extension of the planning framework, new developments can be encouraged to support economically cultural development. This can be by way of an extension of a 'percent for art' policy for a percent for culture. This could be added as a policy position on all developments. In addition a cultural framework for each development plan would set standards of cultural provision which must be provided by developers for new towns or new settlements.

ES136 The level of enabling development could be a significant factor in facilitating certain procurement routes, such as the procurement competition, by making a development profitable enough to provide new music facilities as part of the scheme.

ES137 The review of sites and potential for enabling development undertaken within this study indicates that there are a number of sites that could accommodate significant enabling development alongside the new music facilities. However, not all of these sites are in Council ownership, and therefore any procurement route will need to take into account the requirement for partnership working alongside private landowners and developers if these sites are to be utilised effectively. Given the range of facilities aspired to, it will also be difficult to be prescriptive on the exact site for each facility at this stage.

ES138 Alternatively, the Council could simply look to purchase a specific site or utilise existing land in their ownership and develop new facilities as a standalone venture. However, this is unlikely to provide value for money, nor will it achieve the partnership working and regeneration aspects of the project.

Funding conclusions

ES139 Given the analysis undertaken, Table E10 overleaf identifies the potential funding available for each venue, and compares this to the capital cost of that venue. Table E10 illustrates that there is the potential for each facility to secure part of the capital funding required through grants and sponsorship, and for the arena also to return operating surpluses.

Table E10 Funding headlines

	Concert Hall	Town Hall	Mid-size venue	Arena	Mid-size venue plus major conferencing or purpose-built conference centre
Capital cost	£75m	£10-20m	£30m	£50m	£40m
Trusts / Foundations	£1-2m	£1-2m	x	x	x
Grants (not including YF)	£1-2m + Living Landmarks	£1-3m + Living Landmarks	x	x	x
Sponsorship	£3-4m	£1m	£2-3m	£5m	£3-4m
Operating surplus (capitalised using prudential borrowing)*	x	x	x	£10-15m	x
Funding Available	£5-8m + Big Lottery	£3-8m	£2-3m	£15-20m	£3-4m
Funding Gap	£67-70m	£2-17m	£27-28m	£30-35m	£36-37m

Potential solutions					
Fundraising (inc. Cultural Fund concept)	potential	potential	potential	potential	potential
Council funding (capital or additional prudential borrowing)	potential	potential	potential	potential	potential
Yorkshire Forward	potential	potential	potential	potential	unlikely
Value engineering	c5-10%	unlikely	c5-10%	c5-10%	c5-10%
Enabling Development	Site dependent	None	Site dependent	Site dependent	Site dependent

*assumes using prudential borrowing to turn revenue surpluses into capital, if using private sector finance the figure would be lower, as more expensive.

Funding solutions

ES140 Considering the above, we believe that an arena is the most deliverable facility, to illustrate:

Table E11 Arena funding solutions

		Assumptions
Capital cost	£50m	
Funding gap after grant funding & operating surplus	£30-35m	
Potential solutions		
Value engineering	£5m	Assume c10% of capital cost
Yorkshire Forward	£3m	Assume whole grant to arena
Enabling development (in arena)	£10	Significant enabling development (eg hotel, offices, retail etc) can fit within an arena
Enabling development (wider site)	£10m	Dependant upon the site, there is likely to be the potential for further enabling development
Council funding required (capital or revenue) or cultural fund	£2-7m	Remaining Council funding / cultural fund
Sensitivity on operating surplus 3-10% increase	£2-7m	Additional operation surplus capitalised to fund scheme

ES141 On the basis that funding is forthcoming from some of the public sources identified in Table E11, the arena and a purpose-built conference facility are likely to be the most deliverable facilities, a mid-size venue could also be provided if the required revenue funding was identified. In combination with the procurement competition described previously, this could provide the City with a deliverable and sustainable output from this work, and could indeed contribute to the main drivers for the study.

ES142 However, even significant funding of this nature will not be sufficient to realise the concert hall aspiration. Provision of these venues will rely additionally on a major fundraising mechanism being implemented to harness the commercial power in the City in order to drive long-term facility investment. Given the numbers outlined for a cultural fund, all facilities become possible, but the implementation of such a mechanism will require further investigation before it can be relied upon.

Impact assessment

ES143 The potential impacts of new arenas, concert halls and music facilities on their local economies and communities are wide ranging. They include both direct and indirect impacts resulting from the need to meet the increased demands of visitors/users for goods and services, and subsequent induced/multiplier effects that result from the economic activity fuelled by the direct and indirect effects, as well as a variety of softer benefits such as community and other social impacts.

EXECUTIVE SUMMARY

ES144 The potential impacts reviewed, in relation to each of the four proposed venue types (arena, mid-sized venue with and without conference facilities and classical concert hall), include:

- economic impact
- tourism market development impacts
- business development and regeneration impacts
- social impacts
- opportunity cost impacts.

ES145 Whilst we recognise that the four venue options are not necessarily mutually exclusive, for impact assessment purposes we have assessed each venue separately. This approach recognises that early impact assessments of this nature are primarily based on usage profiles, taken from the business planning exercise, rather than more localised site and complementary facility issues.

Table E12 Impact assessments

Impact category	Arena		Mid-size venue (without conferencing)		Mid-size venue (with conferencing)		Classical concert hall	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Economic impacts								
Attendance expenditure	£23,248,519	£22,298,690	£5,821,410	£3,583,159	£9,406,290	£5,173,464	£2,869,490	£1,288,633
Event organiser spend	£180,000	£162,288	£20,000	£11,040	£165,000	£97,704	£0	£0
Venues purchases in local economy	£1,239,075	£1,367,939	£501,575	£553,739	£546,400	£603,226	£1,510,750	£1,667,868
Staffing expenditure	£2,791,600	£3,081,926	£1,433,015	£1,582,049	£1,562,230	£1,724,702	£992,250	£1,095,444
Tourism market development impacts								
Accompanying visitors spend	£138,600	£131,155	£42,240	£23,316	£190,080	£87,437	£0	£0
Return visits by event attendees	£2,124,600	£2,136,223	£366,600	£320,667	£690,820	£463,469	£76,440	£66,292
TOTAL quantifiable	£29,732,394	£29,378,222	£8,184,840	£6,073,970	£12,560,820	£8,150,002	£5,448,930	£4,118,237
Opportunity costs								
Lane values/ capital receipts	£14.3 to £35.2m for LCC owned site							
Public/ private sector finance	£40-£60m		£25-£75m		£25-£75m		£75m	
Public sector subsidy	N/A - £1.4m operating surplus generated		£0.65m subsidy required		£0.72m subsidy required		£1.7m subsidy required (model A)	

Impact summary

ES146 As this impact assessment review has demonstrated, the potential impacts of progressing one or a combination of event venues in Leeds are wide-ranging and potentially significant. Key factors affecting overall economic impact are the total number of event attendees attracted to each venue and the split between local resident attendees/day visitors and staying visitors.

ES147 Industry research demonstrates that the development site selected can have a significant impact on the wider impacts of new venues on their local economies and communities.

ES148 This research indicates that a city centre site, or one with good access and links to wider spending opportunities would therefore help to optimise the economic and other impacts of a new events venue in Leeds.

Consultation Strategy

Statement of purpose

The key objectives of this consultation are as follows:

- to publicise this study and its key findings
- to establish the level of support for the recommendations of the Task Group
- to record stakeholder opinion on the 'cultural fund' concept, including the potential for residents and business to contribute through Council tax, business rates or voluntary donations.

ES149 This consultation will be led by the Leeds Initiative and aimed at the following groups:

Table E13 Consultee groups

Category	Description
Current & potential users	This group might include current users of existing cultural and music facilities in the city, from the Town Hall and the West Yorkshire Playhouse, to the Cockpit and the student union venues. This group will include both organisations and individuals.
Potential partners	This group includes a wide range of stakeholders, primarily organisations, however it could also include a number of individuals.
Leeds wider public	The wider public includes all the residents of Leeds. The population of Leeds is c715,000. Of this number there will be some residents with a strong interest in the subjects covered within this study, but also a number that do not have any interest.

ES150 Consultation documents might include an executive summary of the final report for potential partners or a leaflet/article for the public consultation. These documents should be easy to understand and ideally contain graphics to illustrate facility type.

ES151 The timetable for consultation is based on a 10-week programme to the end of October 2005. This will allow timely input to be received from interested parties and stakeholders, whilst not unduly delaying the decision-making process.

Summary & Recommendations

ES152 The primary objective of this study was to establish the level of demand for new and existing music facilities, including arena provision in the city, and provide an assessment of the following:

- commercial viability
- financial and funding implications
- potential impact on existing facilities in the city and wider region
- physical considerations (location, design considerations etc)
- potential to provide conference & exhibition facilities as part of, or alongside any new facilities.

ES153 Within this section we re-state the key findings in relation to these objectives and provide recommendations on the way forward.

Demand for new and existing music facilities

ES154 Work undertaken in Phase I of this study identified the demand and aspiration for the following facilities:

- arena (13,000 seats)
- mid-size venue (2,700 seats, 3,500 part standing)
- first class symphonic music venue
 - concert hall (2,000 seats) **or**
 - re-develop Town Hall.

ES155 Further work in Phases II and III refined the key facility requirements, such as facility mix, capacity (as above) and configuration. Throughout the study a strong aspiration for conference and exhibition facilities was expressed, and this has been supported by primary research in Phase III, such that there is potential demand for the following:

- conference capacity of between 1,000 – 3,000 seats
- up to 5,000 sqm exhibition space.

ES156 The key commercial findings are highlighted in Table E14 overleaf.

Table E14 Key commercial findings

	Concert hall	Town Hall	Mid size without conf.	Mid size with conf.	Arena
Estimated operating position or subsidy requirement)	-£1.7m	-£1.2m	-£650k	-£717k	+£1.4m
Estimated capital cost	£75m	c£10-20m	£30m	£40m	£50m
Potential funding gap	£67-70m	c£5-15m*	£27-28m	£36-37m	£30-35m
Alternative funding by	Enabling development, procurement approach, value engineering, operational performance sensitivity (capitalised), Cultural Fund, additional Council resource				
Projected outline economic impact per annum (gross quantifiable)	£5.45m	not assessed	£7.6m	£11.9m	£28m

ES157 The final decision on whether any of the options is fundable is dependent upon the success of funding bids, and the appetite and commitment of the City of Leeds (local authority and business) to support the proposed facilities.

ES158 From the work we have undertaken we believe that:

- an arena development has the potential to be financed and delivered, creating the maximum economic impact to the city
- the Town Hall provides the best, most appropriate and affordable classical music facility for the city
- conference and exhibition facilities of a scale not to compete with Harrogate directly (c4,000m²) would be a significant commercial benefit to the city and are best provided alongside either the arena or a mid-size venue.
- the mid-size venue provides facilities that are required by the city, but would create affordability difficulties if an arena and the Town Hall redevelopment were supported
- a new concert hall could create a significant iconic building for the city, but there are alternative facilities that provide greater access, large audience appeal and value for money to the city. This could be financed via a Cultural Fund but our study has shown little commercial support for the proposition
- a combination of an arena, redeveloped Town Hall and conference and exhibition facilities could be delivered across the city and would:
 - encourage Leeds to move up a league
 - maximise its regional capital status
 - provide significant facilities for all parts of the Leeds residential and commercial/business communities.

ES159 Sites already exist within the City and the procurement routes outlined provide the process to select the preferred site(s) and funding to deliver the facilities.

Recommendations and next steps

ES160 To deliver the recommended range of facilities, we recommend:

- wide communication of the findings of the report should be commenced, including to the media
- detailed negotiations with key funding partners and site owners should be commenced to refine the business planning and financial viability solutions
- the Council should commission further work to examine the financial and funding implications of developing a purpose-built conference and exhibition centre in the city being co-located with the arena
- an application for a Living Landmarks lottery award should be investigated.

ES161 Upon completion of these discussions and application an action plan and timeline for delivery should be progressed.

REPORT OF DIRECTOR OF LEARNING AND LEISURE

REPORT TO EXECUTIVE BOARD

DATE : 16TH NOVEMBER 2005

SUBJECT : MIDDLETON PARK AND BONFIRE EVENT

Electoral Wards Affected :

Middleton Park

Specific Implications For :

Ethnic Minorities

Women

Disabled People

Executive Board Decision

Eligible for Call In

**Not eligible for Call In
(Details contained in the report)**

1.0 INTRODUCTION

1.1 The Friends of Middleton Park sent a deputation to the Council Meeting on the 1st November 2005 regarding the cancellation of the Middleton Park Bonfire; the text of the Deputation is attached at Appendix One.

Council resolved that the subject matter of the Deputation be referred to Executive Board for consideration.

2.0 BACKGROUND

2.1 The background to the decision taken to cancel this year's event is outlined below. During the period 2001 to 2004 there has been an escalation in the amount of unruly and threatening behaviour experienced at the Middleton Park bonfire event. The occurrences at each event are detailed below.

2.2 5TH NOVEMBER 2001

During the event the crowd became increasingly threatening. Parks and Countryside staff were operating as stewards for this event and they were increasingly targetted by youths for verbal harassment and threats of violence.

During the event

- A BME member of staff was taunted and threatened with physical violence. He was escorted from site for his own protection. Councillor Driver wrote to the West Yorkshire Police regarding this incident.

End of the event

- At the end of the firework display a gang of 15 youths, most of whom were drunk, attempted to force entry into the vehicle carrying Councillor Linda Middleton. Councillor Middleton had attended the event to undertake the ceremonial lighting. The vehicle suffered some body damage. Councillor Middleton wrote to the Director of Leisure Services regarding this incident.
- Stewarding staff were targeted as the site was being vacated.
- The incidents detailed above resulted in changes to the Event Management Plan for the 2002 event. A meeting was held between Leeds City Council officers and divisional officers from West Yorkshire Police at Holbeck police station. Unfortunately due to operational pressure the Police were unable to guarantee a presence at the 2002 event. The Senior Assistant Director wrote to the Assistant Chief Constable of West Yorkshire Police who again confirmed that resources were not available.

2.3 **5TH NOVEMBER 2002**

During the event the nature of the attending crowd once again became increasingly threatening as the family groups left the event. The Event Management Plan identified that the Lakeside Centre would be used as an operational post for the event manager and as a base for first-aid provision.

During the event

- A gang of youths attempted to break-in to the Lakeside Centre building. The member of staff present barricaded the door and remained inside. There was some damage to the building.
- Staff were verbally abused and threatened with violence.

End of the event

- Stewarding staff were targeted as the site was being vacated.

2.4 **5th NOVEMBER 2003**

Given that Police attendance could not be guaranteed, additional stewards were employed from a private event stewarding company. The Lakeside Centre remained closed and event control was moved to a vehicle positioned

in a central location. The centre was felt to be too remote to be secured with available resources and any staff working there would be vulnerable.

During event

- Rowdy and threatening behaviour from youths continued. They persisted in letting off fireworks in the crowd.
- A group attempted to gain access to the firework staging area by forcing down the crowd control fence.
- This group then tried to demolish the crowd control safety fence and pushed sections into the lake.

End of the event

- A gang of drunken youths stopped and attempted to overturn a Leeds City Council security vehicle.

The resources for the 2004 event were again reviewed following the increasing anti-social behaviour.

2.5 **5TH NOVEMBER 2004**

The review of the 2003 Event Management Plan led to an increase in stewarding numbers.

During the event

- A gang of drunken youths began causing nuisance. Some attempted to climb over the security barrier around the firework staging area.

End of the event

- A gang of about 30 youths attempted to use fairground rides without paying. The fairground proprietor was forced to close rides and called for assistance from event management.
- This gang then verbally threatened stewarding staff and attempted to start a brawl. The stewards formed a line between the gang and family group visitors who were attempting to leave the event.
- The gang then turned to an RAC service vehicle leaving the site which they tried to overturn
- The gang then ran through the crowd knocking over several members of the public and causing alarm and confusion.

2.6 The situation was considered to be getting beyond the control of on site management and an emergency call was made for Police assistance. Police resources from Wakefield arrived at the site and diffused the situation. No arrests were made however one child received an injury to his face from a punch and received medical assistance from the first-aid facilities on site.

3.0 REVIEW OF THE 2004 EVENT

- 3.1 The post event review raised significant concerns because of the yearly increase in anti-social behaviour. Additionally, event managers from Parks and Countryside were receiving ongoing training in event safety management at the Home Office Emergency Planning College.
- 3.2 This additional awareness led to concerns over the fitness of the site to house this type of event and a specialist event safety company were commissioned to review the site and to provide a brief report on its suitability. The report concluded that *“the current configuration is considered to have a number of flaws which will require significant action in terms of active crowd/vehicle management and/or the provision of additional infrastructure in order to provide a safe venue for this specific event.”*
- 3.3 The Parks and Countryside staff involved in the event management considered that they could no longer safely manage the event in this location, and in light of the risks to the general public, and grave concerns for the safety of staff, the Chief Recreation Officer concluded that the event could not proceed with any degree of safety. This was particularly the case given the West Yorkshire Police view in 2002 that police resources could not be deployed and the answer lay in increasing stewarding numbers, and whilst this tactic was deployed in 2003 and 2004, the levels of anti-social behaviour had continued to increase.
- 3.4. The event stewarding company also intimated that whilst willing to attend any event that we host, they have significant concerns for the safety and effectiveness of their operatives in light of the increasing disturbances at Middleton Park.

4.0 FURTHER INFORMATION

- 4.1 The approximate attendances at each of the City Bonfires is:

Roundhay	70,000+
East End Park	7 - 8,000
Rothwell	12,000
Bramley	7 - 8,000
Woodhouse Moor	7 - 8,000
Middleton Park	6 - 7,000

- 4.2 Regarding the points made at paragraph 6 of the Deputation text, the details of the incidents at the 2004 event outlined at paragraphs 2.1 to 2.6 above were witnessed by the Parks and Countryside staff managing the event. It is puzzling that ‘there is no police record of their involvement’ as an Operational Support Unit was deployed from Carr Gate, Wakefield to deal with the youths causing trouble, and they were successful in dispersing the troublemakers.

4.3 In respect of other bonfires and the comment regarding 'extra security arrangements with fencing and additional staff' the only bonfire where there is perimeter security fencing and external security staff is the Roundhay bonfire and this is necessary as it attracts a crowd in excess of 70,000.

4.4 Whilst the Friends of Middleton Park may not have had direct experience of the incidents described, the Parks and Countryside staff working on the event did experience them, and they were fearful of their safety if they had to work the event in 2005. Consequently many of them were extremely reluctant to volunteer to work on the event.

5.0 FUTURE PROVISION

5.1 The Friends of Middleton Park stated in their Deputation that they would wish to enter into discussions about the organization of the event and where it is held, and the Chief Recreation Officer will arrange for meetings and site investigations to be conducted over the next few months, with a view to the possibility of staging a Bonfire event in 2006 that can comply with all relevant Health and Safety legislation and Events Planning Guidance.

6.0 RECOMMENDATION

6.1 Members are asked to note the content of the report and response to the Deputation to Council.

DEPUTATION SPEECH TO COUNCIL – FRIENDS OF MIDDLETON PARK REGARDING CANCELLATION OF THE MIDDLETON PARK BONFIRE

My Lord Mayor, Councillors, ladies and gentlemen, may I introduce our delegation from the Friends of Middleton Park. This is Linda Oxley, Middleton resident and member of the Friends, and Nick Rose from the Friends and from Wade's Charity, who own the park. My name is Jenna Oxley, I am the worker for the Friends and currently studying Public Relations at Leeds Metropolitan University.

Thank you for the opportunity to speak to you today.

Our group was set up with the support of Cllr Jack Dunn when he was Councillor for the Middleton ward. We meet every month and organise events in the park. This year we have held 3 gala days, brass band concerts, litter picks and public meetings and we have served teas in the Lakeside Centre every Sunday afternoon over the summer. All with the help and support of council officers and our current ward councillors Blake, Bruce and Driver.

We were delighted when Councillor John Proctor came to our January meeting and expressed his support for our work. Apparently, his grandfather used to take him there when he was little and he has fond memories of the place.

The council's Parks and Countryside section runs a number of events in the park every year, including a bonfire and fireworks. At our September meeting, we had sight of a memo, listing the bonfires across the city, including Middleton and giving the date as 4th November.

You can imagine our shock and disappointment when we heard through the grapevine that the event had been cancelled, not across the city, but just in Middleton. You will have seen some of the correspondence and articles that have appeared since then in the Yorkshire Evening Post. People across the south of the city are bitterly disappointed and feel let down by the council. We have had some difficulty in persuading local residents that the cancellation is not the fault of the Friends group.

And what is the reason given for this late and sudden cancellation? We are told that there was trouble at the bonfire last year, although none of us saw it and there is no police record of their involvement. However, we accept that there was some disturbance after the fireworks in a small area of the park and we do not want to see Parks staff put in a difficult or dangerous situation. But what happens when there is trouble in other parts of the city? There it is a case of making extra security arrangements with fencing and additional staff.

You are sending out the wrong message to the people of South Leeds. Our communities are not no-go areas. We feel safe moving around and enjoying the wonderful area that is Middleton Park and Woods. We want the council to be sending out the same message and encouraging everyone to come and appreciate the park, the ancient woodland and the stunning views across Leeds.

As for the annual bonfire, the Friends are very flexible and happy to enter into discussions about the way the event is organised and even exactly where it is held. The important thing is to have a bonfire in the Middleton area for the south of the city. There is a petition doing the rounds which already has over a thousand signatures on it, which was handed in to last Thursday.

We call on the council to reinstate our bonfire and show confidence in our communities.

Thank you, my Lord Mayor.

REPORT OF DIRECTOR OF CORPORATE SERVICES

REPORT TO EXECUTIVE BOARD

DATE : 16TH NOVEMBER 2005

SUBJECT : HEADINGLEY CRICKET GROUND

<p>Electoral Wards Affected :</p>	<p>Specific Implications For :</p> <p>Ethnic Minorities <input type="checkbox"/></p> <p>Women <input type="checkbox"/></p> <p>Disabled People <input type="checkbox"/></p>
<p>Executive Board Decision <input checked="" type="checkbox"/></p>	<p>Eligible for Call In <input checked="" type="checkbox"/></p>
<p>Not eligible for Call In (details contained in the report) <input type="checkbox"/></p>	

1.0 PURPOSE OF THIS REPORT

- 1.1 The Council has held discussions with the Yorkshire County Cricket Club Ltd (YCCC), the England and Wales Cricket Board Ltd (ECB), and Leeds Cricket Football and Athletic Co Ltd (LCFA), over ways in which the Council can assist in securing the future of the Headingley cricket ground and in particular the securing of test match cricket at the ground.

- 1.2 This report provides a back ground to the matters that have been discussed, and an item in the confidential part of the agenda sets out the current position as to discussions and options available to the Council to provide assistance.

2.0 BACKGROUND INFORMATION

- 2.1 The LCFA owns the Headingley sports stadium, both the cricket and the rugby grounds. YCCC currently have a long leasehold on the cricket ground. Although the Headingley cricket ground has test match status, this in itself does not secure the actual playing of test matches at the ground. There is in existence between YCCC and ECB, a staging agreement which secures the allocation of test matches to YCCC over a 15 year period (in fact because of the rota arrangements, the staging agreement provides for a test match at Headingley in 13 of the next 15 years). However, the agreement is dependent on a number of conditions. The key one is YCCC completing the purchase of the ground and associated commercial rights from LCFA by 31 December 2005. Other relevant conditions relate to health and safety and the agreement of a plan for the on-going development of the cricket ground. Officers of the Council have met with the Chief executive of the ECB, and he has clearly stated that if YCCC is unable to fulfil the conditions of the staging agreement, then the agreement will lapse.

Whilst the ECB state that they are supportive of YCCC and wish to see test match cricket continue at Headingley, they are under pressure to move away from long term staging agreements to a situation whereby all test matches are subject to tendering with county grounds competing against each other to stage them. This is not considered at this time to be an attractive proposition from Headingley's point of view, as there are a number of other new or modernised county cricket grounds pushing to stage test matches, and while there has been significant investment at the ground, some of the facilities are recognised to require further investment.

- 2.2 It is recognised that test match cricket at Headingley makes an important economic and reputational contribution to the city. A recent study, conducted by Sheffield Hallam University¹ showed that international cricket matches provides an economic benefit to Yorkshire of up to £4.25m per year. The report also stresses that test match cricket enhances the reputation of the city and provides business and marketing opportunities allowing the city region's distinctive character to be promoted. Other benefits include the promotion of sport and physical activity.
- 2.3 Officers of the Council have held discussions with representatives of YCCC and LCFA to consider ways in which the Council may be able to assist in these matters in order to secure the future of test match cricket at the Headingley cricket ground. These matters are complex and discussions are on going, and there can be no certainty over whether the Council will be in a position to assist. These matters are further discussed in the confidential report on the agenda.

3.0 RECOMMENDATIONS

- 3.1 Members of the Executive Board are asked to note this report.

¹ "An economic impact assessment of major sports events staged at Headingley", author, the sport industry research centre at Sheffield Hallam University Sept 2005.

REPORT OF THE CHIEF DEMOCRATIC SERVICES OFFICER

MEETING: EXECUTIVE BOARD

DATE : 16th NOVEMBER 2005

**SUBJECT : DEPUTATION TO COUNCIL – LEEDS YOUTH COUNCIL REGARDING
FAIRTRADE IN SCHOOLS**

Electoral Wards Affected :

Specific Implications For :

Ethnic Minorities	<input type="checkbox"/>
Women	<input type="checkbox"/>
Disabled People	<input type="checkbox"/>

Executive Board Decision



Eligible for Call In



**Not eligible for Call In
(details contained in the report)**



EXECUTIVE SUMMARY

To present to the Executive Board the content of the speech presented to Council by the above deputation on 1st November 2005.

The deputation requests that the Council give consideration to how best to involve schools in supporting Fairtrade.

1 PURPOSE OF THE REPORT

1.1 To present to the Executive Board the content of the deputation, from members of the Leeds Youth Council, received by Council on 1st November 2005.

2 DEPUTATION FROM THE YOUTH COUNCIL

2.1 Copies of the 2005-2008 Youth Council manifesto were distributed to all City Councillors at the meeting of Full Council on 1st November and the Youth Council Chairperson spoke about the key issue, Fairtrade. A copy of the speech is attached.

2.2 In summary, the deputation covered the following points:-

- the purpose, scope and worth of the Fairtrade initiative. Leeds was designated a “Fairtrade City” by the Fairtrade Foundation in March 2004
- that the key commitment in the Youth Council’s manifesto is a wish for “all Leeds

schools to support Fairtrade". The Youth Council wants to see all Leeds schools increase their use of Fairtrade products in school; include learning about Fairtrade issues, and sell Fairtrade products.

The speech ended with a request that the City Council consider how best to involve Leeds schools in supporting Fairtrade.

3 PROPOSAL

- 3.1 As part of the continuing drive to facilitate increased and meaningful engagement with young people, Democratic Services and the Youth Service have been looking at ways in which young people can become involved with the Council's Scrutiny process. It was decided to link this to the Youth Council, and to focus on the key issue in their manifesto – Fairtrade.
- 3.2 It is proposed that Executive Board request that Scrutiny Board (Children and Young People) initiate an Inquiry into Fairtrade in Leeds schools, involving representatives from the Youth Council.

4 RECOMMENDATION

- 4.1 Executive Board is asked to
 - (i) refer the deputation speech to Scrutiny Board (Children and Young People)
 - (ii) request that Scrutiny Board (Children and Young People) initiate an Inquiry, involving young people, into Fairtrade in Leeds schools.

Leeds Youth Council Deputation to Leeds City Council

Good afternoon Lord Mayor, Councillors. My name is Steph Dibble and I am the Chairperson of Leeds Youth Council. Thank you for allowing us to talk to you today.

Leeds Youth Council is an elected body which represents young people of high school age from all over the city. Each high school, and currently one college, hold annual elections in March to elect two Leeds Youth Councillors who hold office for one year.

We have been in existence since 2003, and have grown in number each year. In 2005, over 75% of all the high schools in Leeds are represented, along with one of the Further Education Colleges.

Our key aims are:

- To be the elected voice of young people in Leeds
- To improve life for young people in Leeds
- To ensure that Leeds City Council and other decision-making bodies take into account the views of young people when making decisions which affect us all

Each year, the Leeds Youth Council elects four of its members to serve as Members of the UK Youth Parliament.

We have distributed copies of our 2005-2008 Manifesto to all Councillors today. In our Manifesto, we are outlining our priorities for the next three years, which include our main target of supporting Fairtrade. It's Fairtrade which we are here to talk to you about today.

Fairtrade is a quickly growing movement of consumers, retailers and distributors who want to make sure the original suppliers of items they buy and sell, like coffee, bananas and chocolate, are treated fairly, work in reasonable conditions and are paid reasonable rates.

The Fairtrade movement works by examining the supply chain of products that come from the third world. Where there is a lack of fairness or transparency, the movement seeks to establish new trade relationships that are fairer, more sustainable and transparent.

For the farmers and workers, Fairtrade means a stable price which covers production costs and pays a premium that producer organisations can invest in business development or social and environmental schemes that will benefit the wider community. Too many farmers in the developing world have to contend with fluctuating prices that may not even cover the costs incurred in producing their crop. Fairtrade makes a big impact on their day-to-day life and their families' future.

There are now over 250 products that carry the Fairtrade mark. The product range includes tea, coffee, chocolate, sugar, bananas, fresh fruit, juices, honey, cakes, biscuits, cereal bars, jams, sauces, football and roses.

As you know, on 5 March 2004, Leeds was declared a Fairtrade City by the Fairtrade Foundation in recognition of its commitment to support producers in the developing world.

The Time for Change Education Project awarded nine Leeds schools official Fairtrade School Status during Fairtrade fortnight 2004. In our manifesto, we set out the ways in which the Youth Council want to see all Leeds schools supporting Fairtrade.

We want to see all Leeds schools

- Increase the use of Fairtrade products across all aspects of the school
- Include learning around Fairtrade issues within the school
- Sell Fairtrade products to support growers in underdeveloped countries.

In seeking ways to achieve this aim, **we are here today to ask Leeds City Council to consider how best to involve Leeds schools in supporting Fairtrade.**

Thank you.

REPORT OF THE DIRECTOR OF SOCIAL SERVICES

REPORT TO EXECUTIVE BOARD

DATE : 16th November 2005

SUBJECT : SOCIAL SERVICES CHARGING POLICY FRAMEWORK

Electoral Wards Affected : All

Specific Implications For :

Ethnic Minorities

Women

Disabled People

Executive Board Decision

Eligible for Call In

Not eligible for Call In (details contained in the report)

Executive Summary

Although the Social Services Department levies many charges to service users and outside organisations, there is currently no overall framework within which charging policies for service areas can operate in a consistent manner. This report sets out some proposed guiding principles for charging within the context of the Department's Business Plan. These are set out at Appendix 1 and explained in Section 4.

Within the context of this framework, charging policies and charging options for service areas will be developed and their financial impact on the Department and its service users will be modelled. Stakeholders will be engaged on the proposed policy framework as well as the charging policies and charging options. Section 5 outlines the key issues for consideration regarding the current charging arrangements.

The outcomes of this charging review work will be brought back to Executive Board in October 2006, at which time members will be asked to approve a departmental policy framework together with charging policies and proposed charges for service areas. However, completing this work may not take the same amount of time for all service areas and so an interim report with charging proposals may be brought to Executive Board for approval before October 2006.

1. Purpose of the Report

- 1.1 The purpose of this report is to set out some guiding principles for charging within Social Services for Members' consideration, within the overall context of the Department's Business Plan. The report sets out some of the key issues for consideration regarding the current charging arrangements and outlines the proposed timetable for reviewing charges for services.

2. Background

- 2.1 Although the Department levies many charges to service users and outside organisations, there is currently no overall framework within which charging policies for service areas can operate in a consistent manner.
- 2.2 The "Fairer Charging" policy for non-residential social services was developed in 2002 and implemented in April 2003. A review of this policy is now appropriate as there have been some important changes since the policy was approved:
- (a) the Department now has the guiding principles of fairness, independence and affordability against which the current charging policy should be evaluated
 - (b) the line of eligibility is now set between moderate and substantial so the Department's resources will be focussed on those with higher level needs
 - (c) the independent sector market for social care is more mature than in 2002 with a broader range of providers and services available
 - (d) the Joint Review identified the need to develop a unit cost methodology that reflects the true cost of services
 - (e) the KPMG report on the Social Services budget position identified the need to review the current charging policy
 - (f) there is a clearer acceptance of the need for the Department to achieve financial stability
- 2.3 When the "Fairer Charging" policy was approved, the evaluation presented to members of its impact on service users was indicative rather than absolute. This was because at that time service users were not financially assessed and so their financial circumstances were not known in any detail. Now that all service users have been financially assessed it is appropriate and timely to review the charging policy.

3. Proposed Timetable

- 3.1 The first piece of work has been to develop a proposed charging policy framework for the Department to provide a clear context within which individual charges would be established and set. This proposed framework is set out at Appendix 1 and explained in Section 4 below. Members are being asked to endorse this framework as a working document to provide a context for the more detailed review work and stakeholder engagement that is set out in Section 3.2 below.
- 3.2 This proposed charging policy framework will form the basis of engagement with community, service user, member and staff stakeholders. Charging policies and charging options will be developed for service areas over the coming months and their financial impact on the Department and its service users will be modelled. It is

proposed that the main period of stakeholder engagement will be between June and September 2006 covering the proposed charging policy framework and the charging options that will be developed. The outcomes of the financial modelling and stakeholder engagement will be brought back to Executive Board in October 2006, at which time Members will be asked to approve a departmental charging policy framework together with charging policies and proposed charges for service areas. The overall timetable can be summarised as follows:

November 2005	Executive Board asked to endorse the proposed timetable and future work within the context of the draft charging policy framework
November 2005 to February 2006	Charging policies and charging options developed for service areas
March 2006 to May 2006	Financial evaluation of charging policies and charging options to assess the impact on service users and the department
June 2006 to September 2006	Main period of stakeholder engagement
October 2006	Executive Board asked to approve departmental charging policy framework plus charging policies and proposed charges for service areas

3.3 This proposed timetable will allow a comprehensive review of charging to take place across all Social Services. However, completing this work may not take the same amount of time for all service areas and so an interim report with charging proposals may be brought to Executive Board for approval before October 2006.

3.4 As the work set out above will not all be concluded until October 2006 it is proposed that inflationary increases to current charges are applied from 1st April 2006 as would normally be the case.

4. Proposed Charging Policy Framework

4.1 The proposed charging policy framework set out at Appendix 1 supports the guiding principles of fairness, independence and affordability within the Department's Business Plan as well as the "narrowing the gap" theme that is part of the Vision for Leeds and supported by the priorities within the 2005-2008 Corporate Plan. Clear distinctions are made within this framework between:

- charges to service users and those to external organisations
- charges for which service users are financially assessed and those that are flat-rate
- services that meet people's eligible needs and those that do not

4.2 The framework proposes that all services to external organisations are charged at full economic cost, except where this would compromise partnership/contractual arrangements or be uneconomic (too expensive to administer or leading to charges levied on the department being higher than those levied on others).

4.3 As regards charges to service users, the overall approach within the proposed charging policy framework is one of costing and then financially assessing a whole package of care, not a series of individual services. This supports the move within the Department towards fully costed care plans and identifies for service users the true cost of the services they are receiving, whilst at the same time ensuring that

ability to pay is taken into account in assessing the amount service users pay towards the cost of their services.

- 4.4 With charges for which service users are financially assessed the assessment process ensures that service users do not pay more than they can afford and so the charging policy framework proposes that the charge should be based on the economic cost to avoid a “double-subsidy” (i.e. a subsidy on the full cost of the service to arrive at the charge, then a second subsidy that reflects ability to pay). This is entirely consistent with fairness, independence and affordability, but nonetheless it is a change from the current approach and that of many other authorities. The financial modelling outlined in Section 3.2 above will identify the implications of this proposal for a range of service users.
- 4.5 For charges that are not financially assessed (i.e. flat-rate charges with which all service users pay the same amount), the framework proposes that where a subsidy is necessary to ensure that the charges are affordable for all service users then the charge should be set below full economic cost.
- 4.6 It is proposed that the department’s charging policy applies to the provision of services for people with eligible needs, either provided by the Department or commissioned from voluntary and independent sector providers. It is proposed that any services provided to service users who do not have eligible needs are charged at full economic cost, unless they assist in stabilising independence and avoid service users becoming more dependent. This proposal will avoid charges at full economic cost deterring service users from using preventative services.

5. Current Charging Arrangements – Key Issues for Consideration

- 5.1 The current charges for services provided to external organisations are generally at full economic cost, but the arrangements have developed in an ad hoc manner over time and need to be reviewed for consistency and completeness. These services would include, for example, care assessments undertaken on behalf of another local authority.
- 5.2 Charges for non-residential services in Leeds are low compared to many authorities, with a maximum weekly charge of £80 irrespective of income levels, savings or the amount of care provided. This encourages people who would otherwise arrange their own care to have it commissioned through Social Services. Those on low incomes will receive a free service as a result of central government policy stipulation, but due to the charging policy in Leeds those with relatively high incomes and/or savings are paying a smaller proportion of their income in charges than those with more modest incomes. The burden of charging on middle-income service users without savings is, therefore, disproportionate.
- 5.3 With the current charging policy for non-residential services, differentials between charges in residential and community settings are sufficiently wide that service users’ choices on their care setting could be unduly influenced by financial considerations.
- 5.5 The issues outlined in this section will be incorporated in to the charging review work outlined in Section 3 above.

6. Specific Implications for Disabled People

- 6.1 Many of those receiving social services have disabilities. The proposed charging policy framework aims to ensure that they are treated fairly in terms of charging, that their independence is not compromised and that their charges are affordable. The financial modelling set out in Section 3.2 above will assess the implications for service users in some detail before the charging policy framework and any proposed changes to current charges are recommended for approval by Executive Board.

7. Financial Implications

- 7.1 The timetable set out in Section 3 above will enable detailed work on charging options and their financial implications to be undertaken and included within the stakeholder engagement process.

8. Recommendations

- 8.1 Members are recommended to:
- (a) agree the proposed timetable for further work outlined in Section 3
 - (b) endorse the future work outlined in this report that will be undertaken within the context of the draft charging policy framework set out in Appendix 1

List of Background Papers used in the Preparation of this Report

1. Social Services Department Business Plan - April 2005
2. Leeds City Council Corporate Plan 2005/08
3. KPMG Review of Social Services Budget Position – June 2005
4. Executive Board Report 13th November 2002 – Fairer Charging Policies for Home Care and Other Non-Residential Social Services

Department of Social Services

DEPARTMENTAL CHARGING POLICY FRAMEWORK (DRAFT)

Coverage

- This policy framework covers all Social Services for which charges can be levied.

Legislative Background

Powers

- Under S17 of Health and Social Services and Social Security Adjudication Act 1983 the Local Authority has a power to 'recover such charges (if any) for (the service) as they consider reasonable.' This power relates to services for disabled people, care of mothers and young children, prevention of illness, care and after-care services, laundry facilities, meals and recreation for old people, home help services and services under S2 of the Carers and Disabled Children Act 2000.

Duties

- Under S22 of the National Assistance Act 1948 the Local Authority is required by law to recover the cost of residential accommodation. This is covered in detail under the Charging for Residential Accommodation Guide (see statutory guidance below).

Current Statutory Guidance

- Local Authority Circular LAC (2001)32 – Fairer Charging Policies for Home Care and Other non-residential Social Services – Dept. of Health, Nov. 2001
- Fairer Charging Policies for Home Care and Other non-residential Social Services – Guidance for Councils with Social Services Responsibilities - Dept. of Health, Nov. 2001
- Fairer Charging Policies for Home Care and Other non-residential Social Services – Practice Guidance - Dept. of Health, Feb. 2002
- Charging for Residential Accommodation Guide (CRAG) - Dept. of Health, March 2003

General Principles

- Where charges are made, service users will be offered welfare benefits advice and support in making claims

- ❑ All services provided by the Department should be charged for unless prevented by statute or under exceptional circumstances agreed as exempt by the Director
- ❑ Where charges for non-residential services are based on costs they should be averages (e.g. average cost of an hour's home care irrespective of which provider delivers the service)
- ❑ Costs should be calculated in a standardised manner, in accordance with the Department of Health expenditure return (PSSEX1) methodology where applicable
- ❑ If service users are eligible for benefits/sources of funding (e.g. Independent Living Fund) they will be treated as being in receipt of them even if they chose not to claim
- ❑ Differentials between charges in residential and community settings should not be so wide that service users' choices are unduly influenced by financial considerations
- ❑ Charges should be increased annually at the start of each financial year on an appropriate basis (i.e. in line with changes to costs where charges reflect economic costs, or by the Retail Price Index for subsidised charges)
- ❑ The Director will have the discretion to waive charges in individual circumstances if considered appropriate

Services Provided to External Organisations

- ❑ All services provided to and/or on behalf of external organisations should be charged for at full economic cost, except where this would compromise partnership/contractual arrangements or be uneconomic (too expensive to administer or where charges levied on the department would be higher than those levied on others).

Services to Departmental Service Users with Eligible Needs

- ❑ The charging policy applies to the provision of services for people with eligible needs, either provided by the Department or commissioned from voluntary and independent sector providers
- ❑ Residential services must be financially assessed in accordance with the Department of Health's Charging for Residential Accommodation Guide (CRAG), with the charge reflecting the actual cost of the service (i.e. the cost of the particular residential home, not an overall average as for non-residential services)
- ❑ With charges for which service users are financially assessed, the assessment process ensures that service users do not pay more than they can afford and so the charge should be based on the economic cost to avoid a "double-subsidy" (i.e. a subsidy on the full cost of the service to arrive at the charge, then a second subsidy that reflects ability to pay)

- Service users should be financially assessed to determine the amount they pay towards their services, except where it would clearly be uneconomic to do so (i.e. assessment too costly to administer and/or income would be less than with a reasonable flat-rate charge)
- With charges for which service users are not financially assessed, they should be set below full economic cost where this is necessary to ensure that they are affordable for all service users

Services to Departmental Service Users who do not have Eligible Needs

- Any services provided to service users who do not have eligible needs will be charged at full economic cost, unless they assist in stabilising independence and avoid service users becoming more dependent.
- The charges for those services that promote independence and so are not at full economic cost will be determined by the Director on an individual basis for each service, taking into account the principles set out within this charging policy framework.

REPORT OF **Director of Social Services**
REPORT TO **Executive Board**
DATE : **16 November 2005**

SUBJECT : **Deputation to Council by the Leeds Chinese Community Association.**

<p>Electoral Wards Affected :</p> <p style="text-align: center;">All</p>	<p>Specific Implications For :</p> <p>Ethnic Minorities <input checked="" type="checkbox"/></p> <p>Women <input type="checkbox"/></p> <p>Disabled People <input type="checkbox"/></p>
<p>Executive Board Decision <input type="checkbox"/> /</p>	<p>Eligible for Call In <input type="checkbox"/> /</p>
<p>Not eligible for Call In <input type="checkbox"/> (details contained in the report)</p>	

1. Executive Summary

1.1 This report sets out background to the recent deputation to the Council by the Leeds Chinese Community Association, a copy of which is provided as Appendix 1 to this report. Associated documents referred to in the deputation speech are available from the Clerk named on the front of this agenda. This report provides an overview of the current financial circumstances of the organisation and details contributions made by Council departments to the activities of the Association in recent years.

1.2 Reference is made to efforts that have been made in the past to support this organisation and more generally, the Chinese Community in the City.

1.3 The report concludes by recommending the establishment of a cross-departmental group to establish a consolidated Corporate approach in consideration of the specific issues raised in the deputation.

2.0 Background

2.1 Representatives of the Leeds Chinese Community Association (LCCA) made a deputation to the City Council earlier this month to raise awareness of the efforts of the Association to improve the lives of the local community especially people of Chinese origin.

2.2 The deputation also highlighted a range of issues and difficulties faced by the Chinese community in the city and particular funding problems faced by the Association itself, particularly with regard to issues relating to the upkeep of the Leeds Chinese Community Centre and the need to identify the means to retain the Centre Manager.

2.3 The Leeds Chinese Community Association is one of a number of organisations representing the Chinese community in the city. Other organisations include the Wah Kwong Chinese Community Association, the Leeds Chinese Women’s Group and the Leeds Chinese Community School.

2.4 The LCCA occupies premises at 84 – 86 North Street which were purchased and renovated by the Association in 1995 with a £150,000 grant provided by the Council under the auspices of the Urban Programme. On the 30th April 2003 the ownership of the building was transferred to the Leeds Chinese Community Association Limited from the Leeds Chinese Community Association unincorporated charity.

3.0 Financial Background.

3.1 Information received from the Corporate Services Department and reproduced in the table below indicates the following grant payments made by the Council to the LCCA in the last three financial years and the anticipated level of spend in this financial year.

3.2 Table 1

Year	Social Services	Learning & Leisure	Neighbourhoods & Housing	Total
2002/03	£15,213.81		£ 500.00	£15,713.81
2003/04	£ 1,821.99		£2,250.00	£ 4,071.99
2004/05	£ 7,337.00	£ 3,898.25		£ 11,235.25
2005/06	£ 5,500.00	£ 5,872.50		£ 11,372.50

3.3 Financial support provided by the Social Services department is chiefly focussed on supporting services to elders chiefly through the luncheon club. Additional support for these activities is provided by three dedicated departmental community care assistant posts. The Association also has access to a departmental business link advisor. The Neighbourhoods and Housing Department provides a specific post of Chinese welfare rights worker.

3.4 In 2003 grants provided from the Council and Primary Care Trusts totalling £17,000 provided the means to sponsor the production of a report, published in December 2004, enquiring into the needs of, and making recommendations with regard to, the needs of the Chinese community in the city.

3.5 All groups working with the Chinese community, including the LCCA, raise funds by application, from sources other than the Council. The relative proportion of these funding sources is set out in the annual statement of accounts for the LCCA, which have been published (although accounts for the financial year 2004/05 have not yet been made available).

3.6 There have been two previous episodes in 2003 and 2004 when the LCCA has approached the Council to seek financial support to sustain it’s activities, on the first occasion (in March 2003) a one off grant of £10,000 was made. On the second occasion in June 2004, co-ordinated efforts were made by Council Officers, including the Head of Equalities, to try to assist in consolidating support to all groups working on behalf of the Chinese community, including the LCCA.

4.0 Current Position.

4.1 The outcome of the interventions of Officers in 2004 was the establishment of the Leeds Chinese Community Forum, which became formally constituted in September 2005. The group contains representation from community groups, including the LCCA as well as the main funding departments of the Council. The group is facilitated by a member of the Council's equalities unit. The group is currently being assisted to join the Race Equality Advisory Forum (REAF).

5.0 Conclusion & Recommendation.

5.1 Although the deputation to Council represented issues specific to the LCCA, it is clear that efforts are being made to develop a forum on behalf of all the groups representing the Chinese community in Leeds. This was one of the key recommendations of the study published late last year, the development of such a forum is seen as the principal means of ensuring accessibility for all representatives and members of this community, be that to services or sources of funding.

5.2 The specific issue of funding raised in the deputation needs to be considered in greater detail and it is proposed that an urgent inter-departmental meeting be held to undertake that task with officers of the principal funding departments, Social Services, Learning & Leisure and Neighbourhoods and Housing, facilitated by the Head of Equality.

5.3 Members of the Executive Board are asked to note the contents of this report and to endorse the proposed course of action both with regard to the Corporate response to the needs of the Chinese community in the City thus far and the specific undertaking to jointly consider the funding needs of the LCCA.

1 November 2005

Leeds City Council Deputation

Members of the deputation: Yimin Cheng,
Park Chua,

David Lee, Eddie Chan,
Xiao Yue

Lord Mayor, Leader of Council, Councillors, ladies and gentlemen,

We are here representing the Leeds Chinese Community Association (LCCA) to raise the awareness of urgent needs for local authorities to understand the issues within the local Chinese community and the disparity in funding allocation to our Chinese community groups in comparison with other BME groups in Leeds.

LCCA was established in 1995 as a charity organisation and incorporated as a limited company in 2002. We operate from the Leeds Chinese Community Centre on North Street, which is also the base of the Leeds Chinese Elderly Luncheon Club, the Yuk Ming Chinese Opera Society, Leeds Vietnamese Elderly Group, and the Leeds Chinese Community School.

Our aims are to improve the lives of the local community especially people from Chinese origin. Our objectives are:

- improve the social and health wellbeing of the Chinese community
- break the barriers for our community to access public services
- address and advocate on any issues within the community
- work in partnership with local authorities to achieve their local development agenda
- encourage cultural and social integration of the community into a wider society
- raise the Chinese culture awareness to the society, statutory organisations, and local agencies
- help our community to develop basic living and employment skills in order to live a better life
- work with other agencies to provide business advice to the business community
- help the local council to promote the link between Leeds and China

In the previous years, the average number of users who visited our centre or used our centre for activities or services was approximately 220 people per week. This figure is even growing because:

1. the population of local Chinese has dramatically increased by 67% from 1991 to 2001^a,
2. our centre is not only open to local Chinese, but also other ethnic minority groups such as the Leeds Vietnamese Elderly Group. They started meeting up at our community centre since their centre has closed.
3. we now provide trilingual services to our users since increasing number of Chinese are coming from mainland China who speak Mandarin rather Cantonese, as long settled Hong Kong immigrants.

^a National Population Census

With a limited resource in the past we managed to carry out plenty of valuable work, for instance:

1. We look after the elderly's welfare in partnership with the Leeds Chinese Women's Group, supported by the Social Services Department
2. We provide basic skills training with the Learning and Leisure Department
3. We sit on the steering group of the China Working Group, led by the International Relations of the City Council.
4. We promote Chinese cultural awareness training to local schools, business agencies, and other statutory organisations such as the Probation Services
5. We are the key player in organising or advising on Chinese cultural events, such as the Chinese New Year Celebration, China week 2004, and Mid-Autumn Business Dinner.

Unlike other BME communities in Leeds the Chinese community is wide spread across the city without a geographic focal area. The Chinese Community Centre becomes the only focal point for our members to meet up. Despite of our achievements, we are struggling to meet the increasing needs from our community due to the lack of core funding. Most of the work we have been doing with the City Council were *not* properly funded. In the past 5 years LCCA only received 2 one-off unrestricted funding in total of £24,000 plus £3,000 restricted annual funding to run the Elderly Luncheon Club. From the information we received, the per capita funding of local Chinese community is one of the lowest. Local authority has the obligation to ensure that each ethnic minority groups should be treated equally. This lack of core funding has also affected our fundraising process from the regional and national charitable trusts since they were not persuaded that local authorities were not supporting us on an ongoing basis therefore led to a question whether the centre was sustainable.

"The public has misguided perceptions that Chinese households are doing well in comparison to other minority communities but many urgent problems and issues remain hidden." This was mentioned in a recent research report which was written by Dr. Ian Law, the Director of the Centre of the Racism and Ethnicity Study of the Leeds University. The research found that Chinese households in Leeds face significant problems including high levels of violence, poor housing and difficulties in accessing public services. Poor housing conditions, racism and bullying are widespread but awareness of social services among the community is poor so their problems have often gone unacknowledged. It was recommended that urgent actions should be taken by local Chinese community and authorities. However, without the funding support from local City Council nothing can be achieved.

Our centre is facing a critical moment, as without immediate funding the centre will be forced to close down in one month's time. If so, all the work mentioned above will be terminated. What we are asking here is:

1. an immediate funding of £35,000 to keep our centre running for one year. This is to pay the Centre Manager to keep playing the coordinator's role plus part of our building running costs. With this secured funding we will be able to build

2. on going support from the City Council to carry out work dealing with the urgent issues listed in Ian Law's report
3. potential opportunities to develop our work through bidding for contracts and helping the city council and PCTS to improve the access to the public services.

Finally, thanks for giving us this opportunity to speak. We hope that the above issues can be looked into as an urgent need. We will look forward to receive your decision in the near future. Relevant document will be left for your reference.

Encl: LCCA Annual Report 2003/4
LCCA Annual Account 2003/4
Ian Law's Report Summary
LCCA Income and Expenditure Estimation 2005/6
Diagram to show the unmet needs of the Chinese community