

**Report of Director of Communities and Environment
Report to Executive Board**

Date: 26th June 2019

Subject: The Arnold and Marjorie Ziff Tropical World Development

Capital Scheme: 33171

Are specific electoral wards affected? If yes, name(s) of ward(s): Roundhay	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

1. The Arnold and Marjorie Ziff Tropical World at Roundhay Park is one of Leeds' most popular family attractions with over 300,000 visitors each year. A number of improvements have taken place in recent years including a generous donation from the Ziff Foundation to provide improvements to the attraction including a new 'walk over' crocodile enclosure, the introduction of Aztec themed aquariums, education zone and new interpretation.
2. There are proposals to develop the attraction further to further improve visitor experience, increase dwell time and provide a year round attraction that informs and educates people about biodiversity and the importance of conservation particularly following the recent declaration of a climate change emergency.
3. It is therefore proposed to transform an existing glasshouse with limited education and conservation value (not part of previous phases of refurbishment), to an indoor play facility. This would be focussed around the idea of an explorer's ship (typical of those used in the 19th century such as HMS Beagle by Charles Darwin), within a jungle setting.
4. It is proposed that this overall development would take place in two stages. Stage one would be the development of the indoor play area along with some access improvements (including ramps suitable for wheelchair and pushchairs to access the main facility). Stage two would be a further development of access and circulation arrangements (including improved disabled access) with a review of how people navigate and dwell at each respective area.

Recommendations

Executive Board are requested to approve the following:

- (i) The in principle development of an indoor play facility at the Arnold and Marjorie Ziff Tropical World with an injection of £2.0m capital, funded through prudential borrowing.
- (ii) To give approval to incur expenditure to undertake a full feasibility design.
- (iii) To delegate authority to spend approval of the full scheme to the Director of Communities and Environment, subject to consultation with the Executive Member for Environment and Active Lifestyles.
- (iv) To note that the Chief Officer Parks and Countryside will be responsible for implementing this project with anticipated opening in Easter 2020.

1. Purpose of this report

- 1.1 This report outlines a proposal to develop an indoor play facility at the Arnold and Marjorie Ziff Tropical World following on from other developments that have taken place to this important regional attraction in recent years.

2. Background information

- 2.1 The Arnold and Marjorie Ziff Tropical World at Roundhay Park is one of Leeds' most popular family attractions with over 300,000 visitors each year. A number of improvements took place between 2013 and 2015 including a new entrance space, retail facility, and conservatory extension to the café along with a toilet block with changing facilities. At this time a biomass boiler was introduced as a more efficient and environmentally friendly form of heating. The Ziff Foundation provided a generous donation toward improvements to the attraction including a new 'walk over' crocodile enclosure, the introduction of Aztec themed aquariums, education zone and new interpretation.
- 2.2 In February 2017, further improvements were completed to the 'creature corner' area to complement the Aztec theming in the aquarium below along with improvements to the waterfall house area which also saw the introduction of new species including caiman, boa constrictors and vampire crabs.

3. Main issues

- 3.1 These developments have improved visitor experience, enabled more visits to the attraction and the café, and had a positive impact in meeting budget targets. The key aims are to continue to improve visitor experience, increase dwell time and provide a year round attraction that informs and educates people about biodiversity and the importance of conservation particularly following the Council's recent declaration of a climate change emergency. It is also important that the attraction represents good value for money and continues to enable those in need to benefit from all that there is to offer.
- 3.2 It is therefore proposed to transform the existing glasshouse (illustrated below) that was not part of the previous phases of refurbishment and which currently has limited education and conservation value, to an indoor play facility that will improve conservation and education objectives through interactive play. This would be focussed around the idea of a botanical exploration by ship typical of those used in the 19th century such as HMS Beagle by Charles Darwin.



Image 1: Glasshouse Location



Image 2: Proposed Glasshouse to be Developed

- 3.3 Image 3 and 4 below give an impression of the ship on entering the proposed area with a further impression of the jungle huts on different levels and walkways to connect them.



Image 3: Feature Ship on Entering the Indoor Play Area



Image 4: Jungle Huts and Walkways

3.4 The intention is to provide a space to engage children of all ages as well as providing seating for those caring for them along with refreshments. The following illustrates an overall floorplan indicating the location of the ship in relation to jungle huts with walkways at different levels:

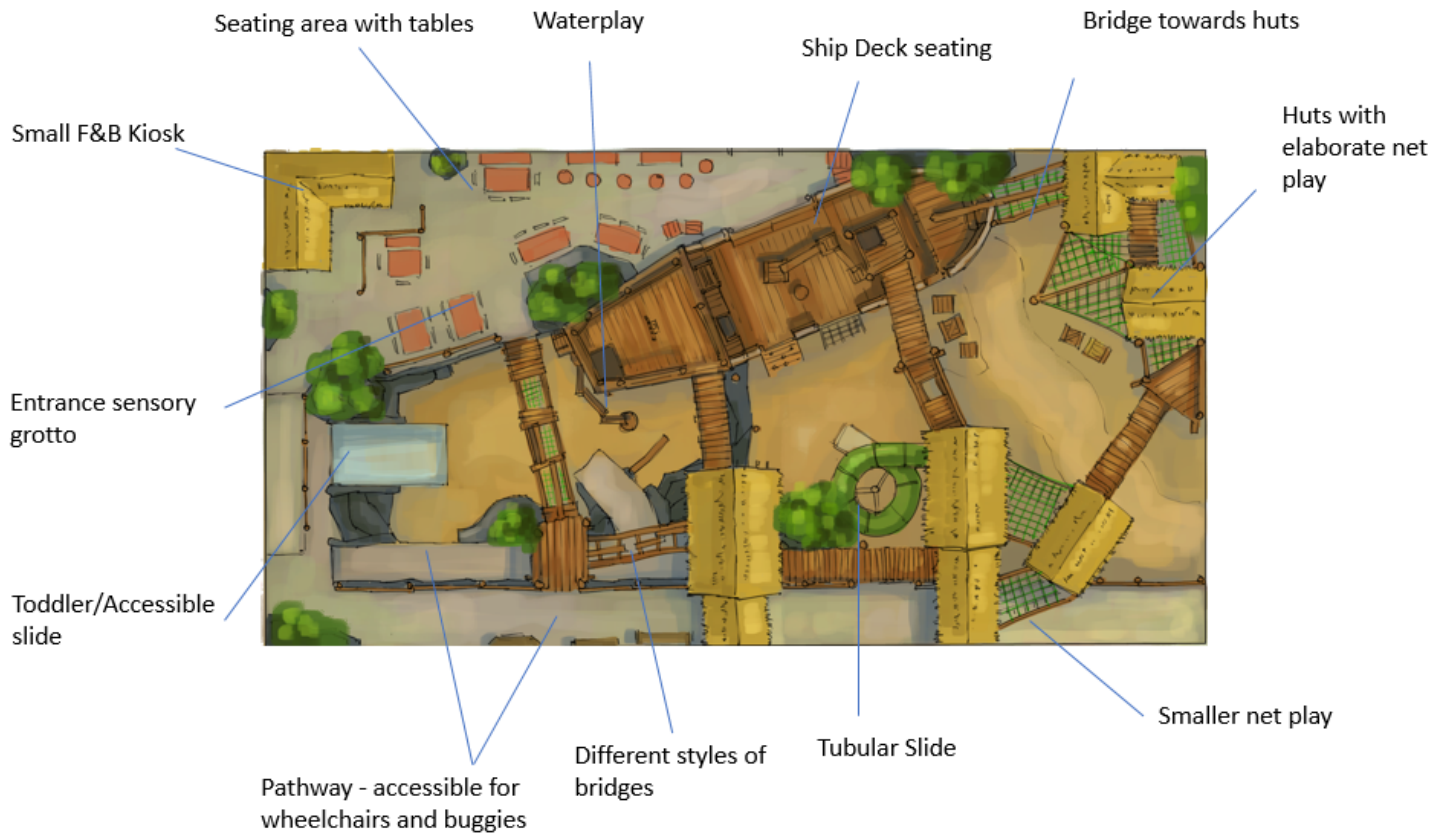


Image 5: Illustrative Plan of the Indoor Play Area

3.5 The concept design incorporates two main zones namely a 'green' zone for toddlers (at floor level) and a 'blue' zone for older children which is contained on two levels providing more challenge as an ascent is made. These areas are illustrated with reference to the above plan as follows (note that the toddler area is adjacent to the main seating area to allow suitable supervision):



Image 6: Toddler Area

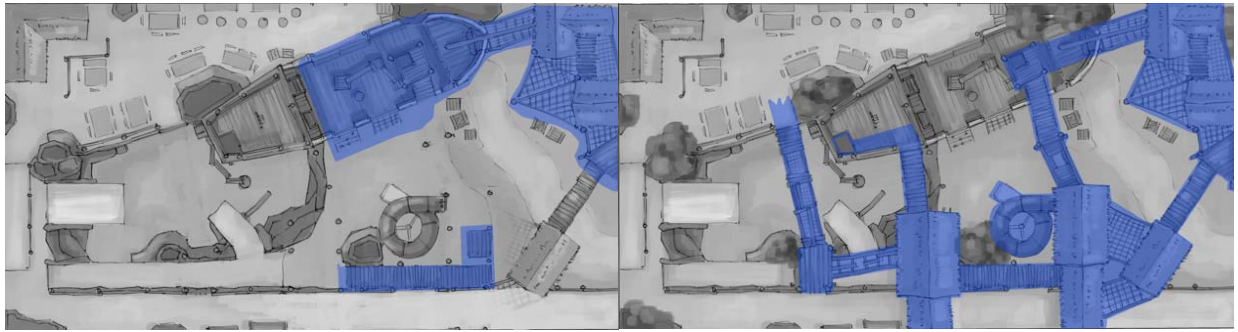


Image 7: Lower Climbing and Exploring Area

Image 8: Upper Climbing and Exploring Area

- 3.6 The toddler area would incorporate a small water play area along with botanical carvings, interpretation and sensory play on the railing as illustrated below.



Image 9: Illustration of Toddler Area

- 3.7 It is proposed that this overall development would take place in two stages. Stage one would be the development of the indoor play area along with some access improvements (including ramps suitable for wheelchair and pushchairs to access the main facility). Stage two would be a further development of access and circulation arrangements (including improved disabled access) with a review of how people navigate and dwell at each respective area. Stage two would also include the development of a 'grotto' area acting as a link to the meerkat area. A sketch of what the grotto could look like is shown below, based on the idea of a sensory play area. It is anticipated that stage one would be completed by Easter 2020, with stage two developed over the following two years.

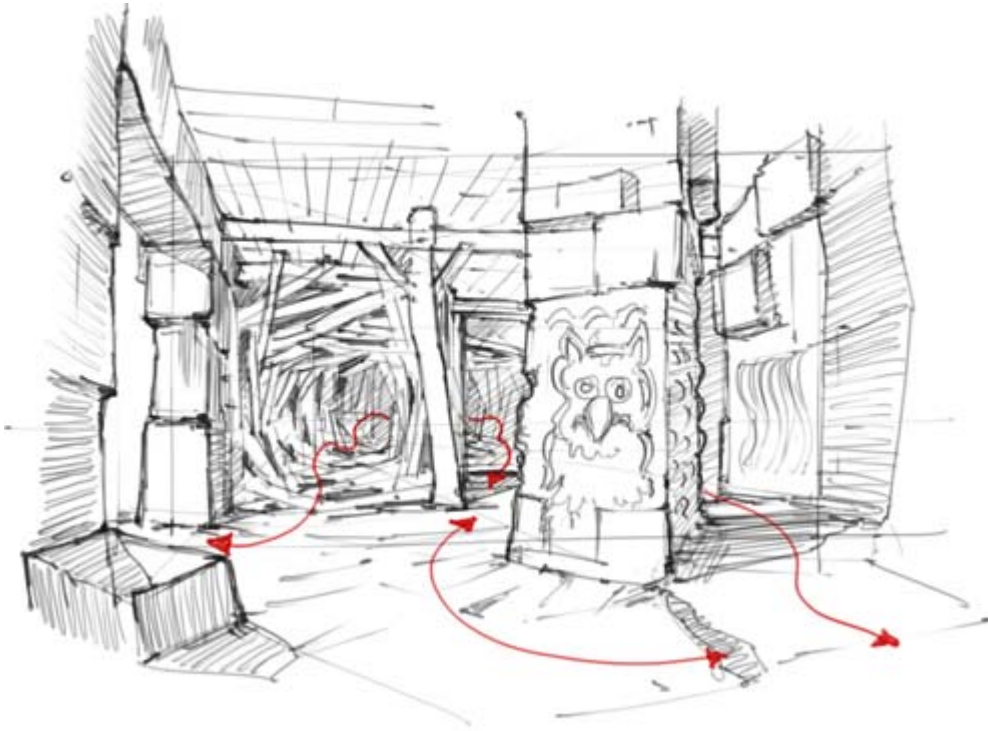


Image 10: Sensory Play Area

- 3.8 Whilst the proposed area would clearly have play value it is also intended as an area to explore and learn about the environment. This will be an integral part of the overall attraction and therefore complement interpretation and enable all who visit to help gain an understanding of the importance of conservation in support of zoo licence objectives.
- 3.9 The drawings that have been illustrated represent initial concepts and there is more work required to develop detailed designs to incorporate all aspects of structural requirements as well as detailed cost estimates. The Ziff family have been consulted on the proposals and approached with a view to potentially making a contribution to this development given their long association with the attraction since originally constructed in 1984. The investment would in general be funded via prudential borrowing, however there is a need to inject £300k into the capital programme with authority to spend for initial design costs.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The proposals are relevant to earlier consultation outcomes that supported the idea of developing the attraction and improving the visitor offer. As the design and development process develops the Leeds Community Youth Ambassadors (LCYA) will support the process and development. The LCYA will work with parks staff and developers of the scheme to produce a creative, active, exciting design for children. This will ensure that children and young people are at the centre of the design process.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 A screening has been prepared and is attached to this report. Inclusive play and related access will need to be a consideration at detailed design stage and there are opportunities for broader consultation to inform this process.

4.3 Council policies and best council plan

- 4.3.1 The proposals in this report support the Vision for Leeds 2011 to 2030 and a city that 'is compassionate and caring with a strong economy which tackles poverty and reduces inequalities'. It also supports a city that 'is fair and sustainable, ambitious, creative and fun for all'. In particular it contributes to the key aim that 'Leeds will be fair, open and welcoming', and 'all Leeds' communities will be successful'. It will support the 'best city for children', 'best city for business', and 'best city for communities' with specific reference to the aspiration that 'there are high quality buildings, places and green spaces, which are clean, looked after, and respect the city's heritage, including buildings, parks and the history of our communities'. It will support children 'to do well at all levels of learning and have skills for life' and 'have fun growing up'.
- 4.3.2 The proposals contribute to the Best Council Plan outcomes to 'enjoy happy, healthy, active lives', to 'do well at all levels of learning and have the skills they need for life' and 'enjoy greater access to green spaces, leisure and the arts'.

4.3.3 Climate Change Emergency

- 4.3.4 Tropical World is a licensed zoo and as part of the conditions of this licence must demonstrate how people are educated about biodiversity as well as promoting conservation. Interpretation signs provide information about the individual species and these are reviewed and updated. A quarterly newsletter is produced for the public about Tropical World and is distributed on site and online.
- 4.3.5 The addition of a jungle themed indoor play area has potential to increase the number of visitors and to engage people in education activities in support of the positive development of biodiversity and conservation. Tropical World will also be used to promote ways the public can reduce their carbon footprint and contribute to the city conversation about climate change on an on-going basis. Ultimately, these proposals will support the provision of lifelong learning opportunities to raise awareness, and to increase respect and knowledge about global biodiversity, climate change and other issues – as well as engaging and connecting people of all ages with the natural world.
- 4.3.6 It is also worth noting that a biomass boiler has already been installed as part of a new heating system at Tropical World thus reducing considerably the requirement to burn fossil fuels.

4.4 Resources and value for money

- 4.4.1 The proposal will be subject to detailed cost analysis during project design and development with an overall cost profile in the region of £2 million funded via prudential borrowing or potentially include a donation subject to feedback from the Ziff family.

4.4.2 Capital Funding and Cash Flow

- 4.4.3 The table below provides a summary breakdown of the holistic costs associated with the delivery of the above improvement plan and identifies the requirement for prudential borrowing.

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2020 £000's	FORECAST				
			2020/21	2021/22	2022/23	2023/24	2024 ON
			£000's	£000's	£000's	£000's	£000's
LAND (1)	0.0		0.0	0.0			
CONSTRUCTION (3)	1760.0	1000.0	380.0	380.0			
FURN & EQPT (5)	50.0	50.0	0.0	0.0			
DESIGN FEES (6)	190.0	150.0	20.0	20.0			
OTHER COSTS (6)& (7)	0.0		0.0	0.0			
TOTALS	2000.0	1200.0	400.0	400.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)							
	TOTAL £000's	TO MARCH 2020 £000's	FORECAST				
			2019/20	2020/21	2021/22	2022/23	2023 ON
			£000's	£000's	£000's	£000's	£000's
LCC: MRP DEPTL Funded Unsupp	2000.0	1200.0	400.0	400.0			
Total Funding	2000.0	1200.0	400.0	400.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

4.4.4 The initial value of £2.0m capital funding required is based on feasibility work and indicative budget estimates. It should be noted that generally businesses cannot reclaim VAT on expenditure that relates to generating income that is exempt from VAT. However, Local Authorities are different in that they can recover VAT on expenditure relating to VAT exempt traded activities such as sport and culture as long as such VAT does not exceed 5% of the total VAT incurred by the Local Authority on its revenue and capital expenditure. If the 5% limit was to be breached it is not just the excess over 5% that is irrecoverable but the total VAT relating to all exempt activities, which for the Council would be in excess of £5m.

4.4.5 To date, the Council has been able to remain below the 5% limit, but with the admission charge for Tropical World being exempt from VAT as a cultural admission charge, VAT on expenditure attributable to building the proposed development will take the Council closer to the 5% limit. Therefore this scheme needs to be considered in the wider context of other proposed schemes in respect of sports, cultural amenities, investment in crematoria and certain land transactions. Prior to final approval of the scheme, options need to be assessed that could exclude the VAT on this scheme from the 5% calculation in order for this scheme not to contribute to the Council's 5% VAT recovery limit being breached, given the likely expenditure levels and timeframes of those other schemes and their priority as part of the capital review that is currently being undertaken.

4.4.6 Revenue Financial Table

4.4.7 The table below summarises the revenue impact of the proposed development and demonstrates the positive net impact anticipated over a 5 year period at £661k.

REVENUE EFFECTS	2020/21 £000's	2021/22 £000'S	2022/23 £000'S	2023/24 £000'S	2024/25 £000'S
EMPLOYEES	73.5	75.7	78.0	80.3	82.7
FINANCING COSTS	101.5	121.5	141.5	141.5	141.5
OTHER COSTS	70.0	50.0	23.0	23.7	24.4
TOTAL COSTS	245.0	247.2	242.5	245.5	248.6
EXTERNAL INCOME GENERATED	-378.0	-378.0	-378.0	-378.0	-378.0
NET SAVINGS	-133.0	-130.8	-135.5	-132.5	-129.4

4.4.8 Dwell time at Tropical World is currently up to 90 minutes and this development will transform the attraction offering an increase in dwell time of up to half a day which

would be reflected in a moderate price increase (subject to consultation and a separated delegate decision). As a result of this the above data projects that the service will return additional gross income of £378k per annum and this equates to a net return of circa £132k per annum after financing and other costs. The employee costs reflects the additional budget for 3.36 FTE Visitor Assistants, thus providing for full staff cover of the indoor play area.

- 4.4.9 During the initial construction it is probable that visitor numbers may be impacted by ongoing construction work. The intention is to look to implement some access improvement early in the programme to mitigate this impact.
- 4.4.10 In summary, the introduction of a significant play feature presents an opportunity to develop further revenue streams and it is anticipated that this would meet borrowing costs along with any additional revenue requirements.

4.5 Legal implications, access to information, and call-in

- 4.5.1 There are no issues identified with access to information. As a key decision the report is subject to call in.

4.6 Risk management

- 4.6.1 There is considerable in house expertise within the service and experience gained in successfully developing Tropical World and Lotherton Wildlife World working with specialist contractors. There is not considered to be a risk in delivering the project within budget.

5. Conclusions

- 5.1 The proposals in this report would further establish the Arnold and Marjorie Ziff Tropical World as a major regional attraction and encourage more visitors to spend more time visiting the attraction throughout the year. This will in turn foster further opportunities for education and conservation in support of the Zoo licence, particularly relevant given the recent declaration of a climate change emergency.

6. Recommendations

- 6.1 Executive Board are requested to approve the following:
- (i) The in principle development of an indoor play facility at the Arnold and Marjorie Ziff Tropical World with an injection of £2.0m capital, funded through prudential borrowing.
 - (ii) To give approval to incur expenditure to undertake a full feasibility design.
 - (iii) To delegate authority to spend approval of the full scheme to the Director of Communities and Environment, subject to consultation with the Executive Member for Environment and Active Lifestyles.
 - (iv) To note that the Chief Officer Parks and Countryside will be responsible for implementing this project with anticipated opening in Easter 2020.

7. Background documents¹

- 7.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.