

Delegated Decision Notice (DDN)

This form is the written record of a key, significant operational or administrative decision taken by an officer.

Decision type	<input checked="" type="checkbox"/> Key Decision	<input type="checkbox"/> Significant Operational Decision	<input type="checkbox"/> Administrative Decision
Approximate value	<input checked="" type="checkbox"/> Below £500,000 <input type="checkbox"/> £500,000 to £1,000,000 <input type="checkbox"/> over £1,000,000	<input type="checkbox"/> below £25,000 <input type="checkbox"/> £25,000 to £100,000 <input type="checkbox"/> £100,000 to £500,000 <input type="checkbox"/> Over £500,000	<input type="checkbox"/> below £25,000 <input type="checkbox"/> £25,000 to £100,000
Director¹	Director of City Development		
Contact person:	David Hopes	Telephone number: 0113 378 4047	
Subject²:	Setting up a trading company – LMG Exhibitions Ltd – to support the delivery of Leeds Museums & Galleries' new five-year strategy		
Decision details³:	<p>What decision has been taken? (Set out all necessary decisions to be taken by the decision taker including decisions in relation to exempt information, exemption from call-in etc.)</p> <p>The Chief Officer, Culture & Economy, has approved:</p> <ul style="list-style-type: none"> • Set-up a trading company, LMG Exhibitions Ltd, with immediate effect (before 30th September 2022) to allow for a minimum six-month accounting period in the first year, should the council decide to reclaim tax relief for 2022/23. • Begin claiming tax relief from the end of this financial year (2022-23), and thereafter on any viable claims. These will be considered as part of LCC's overall tax forecasts and strategy so that the Council does not exceed the 5% VAT exemption. Key stakeholders from Finance will be engaged as part of the claims process. • Appoint company directors. • Consider other ways of utilising the trading company to deliver trading activities, particularly retail, catering and events. • Return the proceeds to the local authority (minus the costs of each claim), reinvesting 25% in new exhibitions through Leeds Museums and Galleries. <p>A brief statement of the reasons for the decision (Include any significant financial, procurement, legal or equalities implications, having consulted with Finance, PACS, Legal, HR and Equality colleagues as appropriate)</p> <p>In order to support the delivery of its new five-year strategy, <i>Deepening Connection, Widening Impact (2022-27)</i>, Leeds Museums & Galleries will set up a trading</p>		

¹ Give title of Director with delegated responsibility for function to which decision relates.

² If the decision is key and has appeared on the list of forthcoming key decisions, the title of the decision should be the same as that used in the list


³ Simply refer to supporting report where used as these matters have been set out in detail.

	<p>company, LMG Exhibitions Ltd. As well as helping the service better deliver cultural services through nine sites and digital channels, for example through trading activities such as retail, catering, and functions and events, having a trading company will also allow LMG to be eligible to begin claiming Museums & Galleries Exhibitions Tax Relief (MGETR). By setting up a trading company, LMG Exhibitions Ltd, the local authority will be able to claim between an estimated total of £275,000 and £563,000 for financial years 2022-23, and 2023-24, depending on the impact on the Council's wider tax profile, particularly the 5% VAT exemption limit. MGETR claims will need to be considered as part of LCC's overall tax forecasts and strategy. Finance and Legal colleagues have been fully consulted on the setting up of the trading company and future claims.</p>
	<p>Brief details of any alternative options considered and rejected by the decision maker at the time of making the decision</p> <p>That the claim could be made by a charitable trust LMG wishes to set up next year (this will be the subject of a separate report). While this is still a possibility, the emphasis is on making activity eligible as soon as possible so a trading company is the preferred option.</p>
Affected wards:	All
Details of consultation undertaken⁴:	<p>Executive Member – Consultation took place with Councillor Jonathan Pryor, Executive Member for Economy, Culture and Education during September.</p> <p>Ward Councillors – N/A</p> <p>Chief Digital and Information Officer⁵ - N/A</p> <p>Chief Asset Management and Regeneration Officer⁶ - N/A</p> <p>Others – Trade Union colleagues – N/A</p>
Implementation	<p>Officer accountable, and proposed timescales for implementation</p> <p>David Hopes, Head of Service, and Yvonne Hardman, Head of Collections and Programmes, Leeds Museums & Galleries. With immediate implementation.</p>
	<p>Date Added to List:- 2nd August 2022</p> <p>If Special Urgency or General Exception a brief statement of the reason why it is impracticable to delay the decision</p>

⁴ Include details of any interest disclosed by an elected Member on consultation and the date of any relevant dispensation given.

⁵ See Officer Delegation Scheme (Executive Functions) CDIO must be consulted in relation to all matters relating to the Council's use of digital technology

⁶ See Officer Delegation Scheme (Executive Functions) CAMRO must be consulted in relation to all matters relating to the Council's land and buildings.

List of Forthcoming Key Decisions⁷	If Special Urgency Relevant Scrutiny Chair(s) approval		
	Signature	Date	
Publication of report⁸	If not published for 5 clear working days prior to decision being taken the reason why not possible:		
	<p>External advisors RSM have confirmed that in order to claim Museums and Galleries Exhibitions Tax Relief the accounting period for the proposed trading company 'LMG Exhibitions Ltd' can be no less than 6 months. Incorporating the new legal entity as at 30th September will allow the exhibition company to have a year-end date aligned with Leeds City Council, 31st March. This would make recharges between LCC and the company easier since they could be absorbed into existing year end processes within the finance team. Claims cannot be backdated prior to the creation of the exhibition company. This advice was received at the beginning of September allowing limited time to complete the report meaning that the report and delegated decision notice cannot be published 5 clear working days prior to the decision being taken without losing the opportunity to claim MEGTR altogether in FY22/23.</p> <p>In line with Executive and Decision Making Procedure Rule 3.1.3 agreement has been sought from the Executive Member for Economy, Culture and Education to proceed to take the Key Decision without complying with the requirement to publish the report and delegated decision notice 5 clear working days in advance of the decision being taken.</p>		
	If published late relevant Executive member's approval		
	Signature	Date	
		20 September 2022	
	Executive Member for Economy, Culture and Education		
Call-in	Is the decision available ⁹ for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	If exempt from call-in , the reason why call-in would prejudice the interests of the council or the public:		
Approval of Decision	Authorised decision maker ¹⁰ Eve Roodhouse, Chief Officer, Culture and Economy		

⁷ See Executive and Decision Making Procedure Rule 2.4 - 2.6. Complete this section for key decisions only

⁸ See Executive and Decision Making Procedure Rule 3.1. Complete this section for key decisions only

⁹ See Executive and Decision Making Procedure Rule 5.1. Significant operational decisions taken by officers are never available for call-in. Key decisions are always available for call-in unless they have been exempted from call-in under rule 5.1.3.

¹⁰ Give the post title and name of the officer with appropriate delegated authority to take the decision.

	<p>Signature</p> <p><i>Eve Rood</i></p>	<p>Date</p> <p>20 September 2022</p>
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