



Not for Publication: The appendix of this report is exempt/confidential under Access to Information Rule 10.4 (3)

Report of the Director of City Development

Executive Board

Date: 17 June 2009

Subject: Football World Cup 2018

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In
(Details contained in the report)

EXECUTIVE SUMMARY

On the 13 May 2009 Executive Board considered a proposal that Leeds should bid to become a host city for the Football World Cup 2018. The report outlined the considerable economic, tourism, and sport legacy related benefits which would flow from being selected as a host city and accordingly Members determined to investigate the submission of a bid. In particular, the Board determined that a group of Leeds City Region representatives should attend the Host City Briefing being offered by England 2018 at Wembley on Monday 18 May 2009.

This report updates Executive Board on the new information provided by England 2018 and seeks Members approval to take forward the bid process.

1.0 INTRODUCTION

1.1 On 13 May 2009 Executive Board considered a report about the opportunity for Leeds to bid to England 2018 to become a host city for the World Cup 2018. The England bid to stage the World Cup 2018 is being led by England 2018, a limited liability company established by the English Football Association (FA) for that purpose. England 2018 will be making a bid to the Federation Internationale de Football Association (FIFA) to stage the 2018 tournament.

1.2 The benefits of being a host city were explained to Members as follows:-

- World Cup 2018 will be an international showcase for what the city and the region has to offer. The World Cup 2006 in Germany attracted 24 billion television viewings from 240 countries and these figures are likely to increase by 2018 through new benchmarks which will be set at the South Africa 2010 and Brazil 2014 tournaments.
- Because the World Cup is a 5 week tournament involving teams from all over the world, football supporters will visit and reside in the host country for a significant period of time. This is in addition to the teams and their entourages, the international media, and FIFA officials. Members will note, therefore, that the leisure and business spend in the regional economy resulting from the influx of visitors would be very significant.
- Nomination as a host city could prove to be a catalyst for regional infrastructure development and other physical development, and while increased Government financial support cannot be guaranteed it may well be that Government agencies like the RDAs might be asked to target their expenditure accordingly to support the World Cup.
- As with the Olympics 2012, it would be expected that following the staging of any World Cup tournament the host country would be left with the legacy of improved sports facilities and increased grass roots sport participation.
- It is almost impossible to put a price on the economic value of such benefits but England 2018 has commissioned consultants who will be reporting on this. RDAs may also commission work to supplement that commissioned by England 2018. Many of the above benefits would accrue to the Wider City Region.

1.3 Members were also advised that host cities will be required to sign up to financial and contractual commitments as a condition of the bid process.

1.4 After considering the report Members:-

- (i) Confirmed that Officers further investigate the submission of a Leeds City Region bid
- (ii) Agreed the setting up of a project board to be chaired by the Chief Executive.
- (iii) Agreed the setting up of a project team to be led by the Chief Asset Management Officer.

- (iv) Supported the sending of a delegation to the Host City Briefing at Wembley on 18 May 2009
- (v) Instructed Officers to open early dialogue with City Region partners.
- (vi) Instructed that Officers report back to Executive Board on progress.

2.0 LATEST POSITION

2.1 Each potential host city was invited by England 2018 to send up to 10 representatives to the Host City Briefing. The Leeds City Region sent 9 representatives from the following organisations:-

- Leeds City Council 5 (including Leader of the Council and the Chief Executive)
- West Yorkshire Police 1
- Metro 1
- Chamber of Commerce 1
- Marketing Leeds 1

2.2 The pre-lunch session was used for the official launch of the England 2018 World Cup bid – titled ‘England United The World Invited’ - hosted by BBC television’s Adrian Chiles. A number of England’s 1966 World Cup winning team were present along with current day players such as David Beckham and Wayne Rooney. The Prime Minister, Gordon Brown was present and spoke in support of the England bid.

2.3 The post lunch session was a more practical session for the representatives of the bidding cities where MPs and England 2018 representatives offered guidance as to how bids should be drafted. Attendees were also issued with a comprehensive Invitation To Qualify (ITQ) document which sets down the minimum requirements of FIFA which host cities must meet. England 2018 advises that the contents of the ITQ must not be made public and that Applicant Host Cities in breach of this condition may be disqualified from the Host City bidding competition. Accordingly some of the information provided for Members is contained in the Exempt section of this report on the basis that disclosure could prejudice the commercial interests of the Council.

2.4 Between 10 and 12 stadia will be used for the staging of the competition and 15 cities attended the afternoon session. These were:-

Newcastle Sunderland	} North East
Leeds Sheffield Hull	} Yorkshire and the Humber
Liverpool Manchester	} Greater Manchester/Merseyside
Birmingham	West Midlands

Derby
Nottingham
Leicester } East Midlands

Bristol
Portsmouth } South West

Milton Keynes
London } South

2.5 The inclusion of Milton Keynes may provide some pointers as to the characteristics which England 2018 seeks in host cities. Milton Keynes does not have a Premier League team or indeed a team with a significant football pedigree. Its stadium currently holds only 22,000 supporters but is capable of further development. The inclusion of Milton Keynes illustrates the point made by officers in the May 2009 Executive Board report – that the following will be some of the key criteria in the appraisal of bids:-

- Population catchment
- Infrastructure to support and entertain large numbers of visitors
- Potential to develop the stadium to meet FIFA's minimum requirements

Leeds can score highly in each of these areas.

England 2018 will also be looking for certainty/deliverability with regard to any commitments made by applicant host cities.

2.6 The project team held its first meeting on the 21 May 2009 and the main topic for discussion was the ITQ document and FIFA's minimum requirements. Different team members were allocated responsibility for addressing the various requirements set down in the document. Further information on this is given in the Exempt section of this report.

2.7 It has been determined that contact with City Region partners should be via the Leeds City Region Chief Executive's Group and the Leeds City Council Chief Executive addressed the group regarding World Cup 2018 on 22 May 2009.

2.8 The project board, chaired by the Chief Executive, held its first meeting on 4 June 2009.

3.0 TIMETABLE

3.1 More information is now available regarding the submission of host city bids. Final bids to England 2018 are required by 6 November 2009. England 2018 sees the 6 month period between now and 6 November being used for two way communication where England 2018 will, at intervals, visit bidders and provide feedback on the quality of their draft bids. The full timetable is provided in the Exempt section of this report.

4.0 CONTENT OF THE BID

4.1 Details of the content of the bid are provided in the Exempt section of this report.

Having digested that information, Members will note, that the production of a Leeds bid over the next 5 months will require the commitment of a significant amount of human resource from all parts of the Council and from its partners, in the bid process.

5.0 STADIA

5.1 The invitation to qualify (ITQ) document sets down the minimum requirements of England 2018 and FIFA.

5.2 Stadia seating capacity to stage World Cup matches is:-

- group matches, round of 16 matches, and third place play off match 40,000
- semi-finals 60,000
- Opening match and final 80,000

5.3 The above seating capacities are net after deduction of media and corporate seats. Any seats with restricted views cannot be included. Elland Road currently has a gross seated capacity of circa 40,000 but the net figure after making the above adjustments would be significantly less. The masterplan for development of the Stadium does, however, allow for the construction of up to 60,000 seats with unrestricted views.

6.0 PUBLIC CONSULTATION

6.1 England 2018 (and subsequently FIFA) wish to see evidence that a groundswell of support for staging World Cup 2018 exists across England, and it is particularly important for the Leeds City Region to demonstrate such support.

6.2 England 2018 is setting up an internet website www.England2018bid.com where the public can register their support. It is suggested that Leeds and its City Region partners should encourage local residents to register on the England 2018 site through the publicising of the above web site in as many of its documents, press releases, public buildings etc as possible. The Region needs to work closely with the local media in this regard.

7.0 LETTERS OF SUPPORT AND COMMITMENT

7.1 Letters of support and commitment are required from a number of organisations. These are listed in the Exempt section of this report.

8.0 FINANCIAL AND LEGAL IMPLICATIONS

8.1 While officers continue to work to establish the financial and legal implications, Members should note that at the time of submitting the final bid document it is unlikely that all of the full implications will be known. There will be time, within the bid process, for a further report to be brought to Executive Board, when further details will be available.

- 8.2 Ultimately Members will need to make a judgement as to whether the benefits to the City Region outweigh the financial costs and risks. With regard to the financial implications Members may wish to note the following.
- 8.3 For Germany 2006 there were over a million foreign visitors. This equates to an average of around 100,000 per host city (region). A significant number of these visitors would be in England for the duration of at least the group match stage, which lasts 3 weeks if arrival and departure days are included. For cities involved in the 'round of 16' and quarter final matches some supporters would remain in the region for a further 1½ weeks.

8.4 There will be visitor spend on:-

- hotels, university accommodation, campsites
- food and drink
- transport
- entertainment – cinemas, theatres, nightclubs, museums, art galleries, sport centres, Leeds Arena events etc
- shopping
- football related matters

Members will note that the majority of the spend will benefit, in the first instance, local businesses in the region and this will deliver knock on benefits in terms of employment, and will also help to stabilise or grow some local businesses.

8.5 In contrast, as is usually the case, most of the costs of staging the tournament will fall to the public sector. There are no details yet of any Government funding which may be available to assist cities in staging the World Cup 2018. However, the precedent set by the 2012 Olympics and the commitment expressed by the Prime Minister at the 18 May launch of the England bid to stage the 2018 tournament suggest that some Government funding should be forthcoming even if this is only top slicing of existing national and RDA budgets. RDAs will be charged with supporting cities in their regions. The North-West Development Agency will lead the RDA's nationwide bid strategy and is appointing an officer on a two year fixed contract along with a supporting team.

FIFA and England 2018 have not yet indicated that they will be making funds available.

8.6 The direct costs to the City and Region can be analysed across three categories:-

(i) Bidding costs (up to November 2009)

	£
Project Manager and support (internal recharge)	25,000
Printing, copy writing etc	60,000
Community support campaign	10,000
Other sundry expenses (legal costs, travel etc) say	<u>10,000</u>
	105,000

Members are requested to instruct the Director of Resources to identify a budget to cover these costs of preparing and submitting the bid document.

- (ii) Preparing to stage the tournament if Leeds, and subsequently the England bid, are successful.

These costs are yet to be assessed but will include:-

Project Manager and support (internal recharge) for 8 years to 2018
Marketing and communications budget
Legal costs associated with drawing up agreements with local partners/service providers
Improvements to transport infrastructure
Improvements to IT and communications infrastructure
Elland Road environmental improvements

- (iii) Costs of staging the tournament

Again, these costs are yet to be assessed but will include:-

Staffing for the running of the tournament
Creation of FIFA Fan Fest facilities and the associated staffing of them
Provision of campsite facilities and the associated staffing of them
Rental of large video screens
Provision of transport for FIFA/FA Officials, team delegations, media representatives etc.
Hospitality for VIPs etc
Safety and security costs associated with match days, FIFA Fan Fests, campsites, protection of officials/team delegations
Provision of an entertainment/cultural offer for visitors

9.0 CITY REGION BENEFITS

9.1 Members will note from the foregoing that there are a number of ways in which City Region partners can share in the benefits if Leeds is selected as a host city. Briefly these are:-

- (i) With around 100,000 visitors coming to the Region, hotel, university and other accommodation will be required across the Region, with associated visitor spend on shopping, and leisure.
- (ii) The opportunity to share in the World Cup experience by involving schools and others in the run up to 2018 and by operating FIFA Fan Fests during the tournament.
- (iii) Act as hosts for competing team delegations. Teams only need to base themselves near Elland Road on the eve of a match. At all other times they can be located anywhere in England. For example, a team playing all of its group matches in Manchester could base itself in the Leeds City Region.
- (iv) The opportunity to share in the sporting legacy which the World Cup 2018 will leave behind.

- 9.2 The last World Cup in Germany (2006) created 85,000 jobs and pumped £250m into the German tourism industry.
- 9.3 Members are requested to instruct the Chief Executive to commence dialogue with City Region partners to establish how they wish to be involved in the Leeds bid.

10.0 LINKS TO CORPORATE OBJECTIVES

- 10.1 Host City status would provide the following links to improvement priorities in the Leeds Strategic Plan 2008-11.

- | | | |
|------------------------|---|---|
| Culture | - | to facilitate the delivery of major cultural schemes of international significance |
| Enterprise and Economy | - | Increase international communications, marketing and business support activities to promote the city and attract investment |

11.0 RECOMMENDATIONS

- 11.1 Members are requested to:-

- (i) Note the additional information which has now been provided by England 2018 in relation to the Host City bidding process.
- (ii) Instruct officers to formulate a bid from Leeds on the basis that the City wishes to be selected as a Host City for World Cup 2018.
- (iii) Instruct that officers take all necessary steps to publicise the Leeds bid and to seek support from the community for the bid, in particular by encouraging all those in favour to register their support on the England 2018 website www.England2018bid.com
- (iv) Instruct the Director of Resources to identify an appropriate revenue budget to facilitate the delivery of the Leeds bid document by the end of October 2009,
- (v) Instruct the Chief Executive to commence dialogue with City Region partners to establish how they wish to be involved in the Leeds bid.
- (vi) Note that the deadline for submission of the (draft) Outline Bid will not allow for the submission of a further report to this Board, and to authorise the Chief Executive, in consultation with the Leader of the Council, to approve the submission.

Background Papers

Invitation to Qualify Document