



LEEDS CITY REGION BUSINESS RATES JOINT COMMITTEE

**Meeting to be held in City Exchange,
(2nd Floor) Albion Street, Leeds, LS1 5ES on
Thursday, 1st June, 2017 at 9.00 am**

MEMBERSHIP

Susan Hinchcliffe - City of Bradford MDC
Tim Swift (Chair) - Calderdale MBC
Richard Cooper - Harrogate Borough Council
David Sheard - Kirklees Metropolitan Council
Judith Blake - Leeds City Council
Peter Box CBE - City of Wakefield MDC
Keith Aspen - City of York Council

A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			<p>APPEAL AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</p> <p>To consider any appeals in accordance with Procedure Rule 15.2 of the Access to Information Rules (in the event of an Appeal the press and public will be excluded)</p>	
2			<p>LATE ITEMS</p> <p>To identify items which have been admitted to the agenda by the Chair for consideration</p> <p>(The special circumstances shall be specified in the minutes)</p>	
3			<p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF PRESS AND PUBLIC</p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p>RESOLVED – That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:-</p>	

4

APOLOGIES FOR ABSENCE

To receive apologies for absence (If any)

5

DECLARATIONS OF INTEREST

To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2000 and paragraphs 13 -18 of the Members' Code of Conduct. Also to declare any other significant interests which the Member wishes to declare in the public interest, in accordance with paragraphs 19 - 20 of the Members' Code of Conduct.

6

MINUTES OF THE PREVIOUS MEETING

1 - 4

To approve as a correct record, the minutes of the previous meeting held on 1st December 2017.

(Copy attached)

7

MATTER ARISING FROM THE MINUTES

To consider any matters arising from the minutes.

**LEEDS CITY REGION BUSINESS RATES POOL
PROGRESS REPORT**

To consider a report by the Chief Officer, Financial Services, Leeds City Council, which provides progress on the Leeds City Region Business Rates Pool, in particular;

- (a) A revised income projections for the LCR Pool: Subject to audit, levies for 2016-17 are projected to total £4.05m, £900k higher than reported on 1st December 2017;
- (b) The implications of the 2017 revaluation on tariffs and top-ups for Pool members and on future Pool income;
- (c) The current spending commitments for 2017-18 and the new proposal to allocate funds to support Screen Yorkshire in 2017- 18;
- (d) Possible commitments of Pool income in 2018-19, including whether funds should be used to support Pool members who are involved in delivery of the 2018 Tour de Yorkshire and the Capital of Culture bid;
- (e) A brief update on the financial arrangements with Welcome to Yorkshire (WtY), with confirmation of payment of the final instalment of 2016-17 grant funding in February 2017 and a recommendation to pay the first instalment of 2017-18;
- (f) An update on the implications of the Government's 100% rates retention proposals, particularly with regard to future pooling arrangements and 2018-19 business rate pilots;
- (g) Requirements relating to the continuation of the LCR Pool into 2018-19.

(Report attached)

9

ANY OTHER BUSINESS

To consider any other business (If any)

10

DATE AND TIME OF THE NEXT MEETING

To determine a date and time for the next meeting of the Joint Committee (If considered necessary)

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LEEDS CITY REGION BUSINESS RATES JOINT COMMITTEE

THURSDAY, 1ST DECEMBER, 2016

Present: Councillor T Swift (Calderdale MBC) - Chair
Councillor S Hinchcliffe (City of Bradford MDC), Councillor D Sheard (Kirklees MC), Councillor M Chambers (Harrogate BC), Councillor P Box (Wakefield MDC) Councillor J Blake (Leeds City Council) and Councillor I Cuthbertson (City of York Council)

In Attendance: K England (City of Bradford MDC), A Lythgo (Kirklees MC), B Libesey (Wakefield MDC) B Still (Combined Authorities), M McRae (Calderdale MBC), T Riordan (LCC), A Gay (LCC) and J Grieve (LCC)

12 Appeal Against Refusal of Inspection of Documents

There were no appeals against the refusal of inspection of documents.

13 Late Items

There were no late items of business

14 Exclusion of the Public

There were no items identified where it was considered necessary to exclude the press or public due to the confidential nature of the business to be transacted.

15 Apologies for Absence

Apologies for absence were received from: Councillor K Aspen and Councillor R Cooper.

16 Declarations of interest

There were no declarations of any disclosable pecuniary interests.

17 Minutes of the Previous Meeting

RESOLVED – That the minutes of the previous meeting held on 28th July 2016 were approved as a true and correct record.

18 Matters Arising from the Minutes

Chair of Welcome to Yorkshire - With reference to Minute No.9 (vi) it was noted that Ron McMillan, Chair of Welcome to Yorkshire be invited to attend a future meeting of this Joint Committee.

The Deputy Chief Executive, Leeds City Council reported that Mr McMillan was unavailable for this meeting but would be invited to a future one.

19 Leeds City Region Business Rates Pool - Progress Report

The Deputy Chief Executive, Leeds City Council submitted a report which provided progress on the Leeds City Region Business Rates Pool and in particular; the final outturn for 2015-16, proposed allocation of funding for host towns for the Tour de Yorkshire 2017, an update on the financial position of Welcome to Yorkshire, an update on the implications of the Government's 100% rates retention proposal and the proposed continuation of the LCR Pool into 2017-18.

On the issue of additional funding for cities hosting Tour de Yorkshire events, it was agreed that a broader cultural strategy should be developed which should have regard to other cycling events throughout the region and to also include the Leeds Capital of Culture bid.

RESOLVED –

- (i) To note the final outturn for 2015-16 as set out in section 2.2, of the submitted report, and the implications for future expenditure as referred to in section 3.6;
- (ii) To approve the allocation of £200k to Bradford and Harrogate, host towns for the 2017 Tour de Yorkshire, as referred to in section 3.5
- (iii) That an outline report be prepared for the next meeting on the development of a broader cultural strategy which should have regard to other cycling events throughout the region and to also include the Leeds Capital of Culture bid.
- (iv) To note the actions in relation to funding for Welcome to Yorkshire as set out in section 4
- (v) To note the implications for the Pool of the 2017 revaluation and the longer-term implications of the 100% rates retention proposals as referred to in section 5
- (vi) To confirm the continuation of the LCR Pool into 2017-18.

20 Potential for a Business Rates Pilot Across the Leeds City Region Business Rates Pool Area

The Deputy Chief Executive, Leeds City Council submitted a report which sought the views of Members on the potential for a Business Rates pilot across the Leeds City Region Business Rates Pool area.

Draft minutes to be approved at the meeting
to be held on Date Not Specified

The report provided comment on the following issues:

- Potential for a LCR Pool Pilot
- The benefits of participating in a pilot
- Benefits from the Government's perspective
- Elected Mayors
- Start date for the pilot
- Loss of levy income
- Governance issues

In the discussion that ensued Members were supportive of the proposal to begin a discussion with DCLG officials with a view to pursuing a Business Rates pilot across the Leeds City Region Business Rates Pool area.

RESOLVED – That Officers' be requested to hold further discussions with DCLG officials with a view to pursuing a Business Rates pilot for the Leeds City Region Business Rates Pool area.

21 Any Other Business

There were no issues raised under any other business

22 Date and Time of the Next Meeting

RESOLVED – To note that a date, time and venue for the next meeting of the Joint Committee would be determined at a later date.

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Originator: Doug Meeson
0113 378 8540

Report to: LEEDS CITY REGION BUSINESS RATES JOINT COMMITTEE

Date: 1ST JUNE 2017

Subject: LEEDS CITY REGION BUSINESS RATES POOL PROGRESS REPORT

SUMMARY

This report sets out:

- a) revised income projections for the LCR Pool: Subject to audit, levies for 2016-17 are projected to total £4.05m, £900k higher than reported on 1st December 2017;
- b) the implications of the 2017 revaluation on tariffs and top-ups for Pool members and on future Pool income;
- c) the current spending commitments for 2017-18 and the new proposal to allocate funds to support Screen Yorkshire in 2017-18;
- d) possible commitments of Pool income in 2018-19, including whether funds should be used to support Pool members who are involved in delivery of the 2018 Tour de Yorkshire and the Capital of Culture bid;
- e) a brief update on the financial arrangements with Welcome to Yorkshire (WtY), with confirmation of payment of the final instalment of 2016-17 grant funding in February 2017 and a recommendation to pay the first instalment of 2017-18;
- f) an update on the implications of the Government's 100% rates retention proposals, particularly with regard to future pooling arrangements and 2018-19 business rate pilots;
- g) requirements relating to the continuation of the LCR Pool into 2018-19.

1. INTRODUCTION

- 1.1 The Pool generates income because it is allowed to retain the levies on business rates growth that would otherwise be paid over to Government by the three tariff authorities: Harrogate, Leeds and York. Without the Pool, the levies of the three tariff authorities would be lost to the region and have to be given to Government. Since the commencement of the Pool on the 1st April 2013, and to

the end of 2016/17, the Pool has enabled over £10m of business rates to be retained and invested in the region. The potential downside of Pooling is that if any member's income declined significantly the Pool would not receive a safety-net payment from Government and the shortfall would have to be made up by the other Pool members. No Pool member is expected to require a safety-net payment for 2017-18.

2. REVISED POOL INCOME PROJECTIONS 2016-17

2.1 Based on authorities' business rate returns, the latest income projections for 2016-17 Pool income are set out below:

<i>Reported in:</i>	July 2016	December 2016	June 2017
	£m	£m	£m
Harrogate	0.300	0.713	0.840
Leeds	0.800	1.150	1.206
York	1.500	1.298	2.008
Total	2.600	3.161	4.054

2.2 As can be seen, the main reason for this significant improvement is the £700k increase in York's levy figure since December. There have also been smaller but significant increases for the other two authorities.

2.3 These figures will not be final until post-audit returns are submitted to Government in September 2017.

3. FUTURE INCOME AND EXISTING COMMITMENTS

3.1 The 2017 Valuation List came into effect on 1st April 2017. The effect of the revaluation has been to change rates bills for individual ratepayers, and also the business rates generated in each billing authority. However, revaluation is designed to be neutral for individual billing authorities (before allowances for inflation and appeals) and, in order to achieve that, top-ups and tariffs have been adjusted.

3.2 Under the revaluation the four "top-up" Pool members, Bradford, Calderdale, Kirklees and Wakefield have remained "top-ups", and the three "tariff" authorities, Harrogate, Leeds, and York have remained "tariffs". As a result the Pool remains viable in 2017-18, but all three tariff authorities have seen reductions in their tariffs, which has consequently reduced the levy rates for both Leeds and York. Whilst Harrogate's levy rate remains at 50%, York's has fallen from 48.6% to 45.1% and Leeds' from 18.6% to 8.3%. This could reduce the amounts they pay into the Pool and hence the funding available for distribution.

- 3.3 The current commitments for the Pool are summarised below. The table includes projections of income for 2016-17, 2017-18 and 2018-19 and includes all existing commitments entered into to date for 2017-18 and the impact should they also be agreed for 2018-19.
- 3.4 The income projection shown for 2016-17 has been increased in line with 2016-17 returns as outlined in Paragraph 2 above. The estimated income for 2017-18 is based on 2017-18 returns submitted in January 2017 and reviewed by tariff authorities in May 2017. The current 2017-18 projection is £0.5m higher than the figure provided to the December meeting. However, because of the inherent volatility of business rates income and the as yet unknown impact of the 2017 revaluation and changes to the appeals system, this projection remains uncertain and the estimate for 2018-19 remains tentative.

Summary of LCR Pool Income and Commitments 2015-16 to 2018-19

	2015/16 Final Outturn £m	2016/17 Updated Projection £m	2017/18 Updated Estimate £m	2018/19 Initial Estimate £m
Income				
Balance b/f	2.544	1.689	3.597	2.735
2015/16 Levies (Final Outturn)	3.110			
2016/17 Levies (revised estimate)		4.054		
2017/18 Levies (updated estimate)			3.484	
2018/19 Levies (initial estimate)				3.000
Balance available to fund 2015/16 activities	5.654			
Balance available to fund 2016/17 activities		5.743		
<i>Potential Balance available to fund 2017/18 activities</i>			7.081	
<i>Potential Balance available to fund 2018/19 activities</i>				5.735
Previous Commitments				
Leeds City Region Secretariat	-0.620	-0.620	-0.620	-0.620
Combined Authority Transport Fund	-0.696	-0.696	-0.696	-0.696
Tour de Yorkshire	-1.123		-0.200	
Tour de Yorkshire (additional costs incurred by York)	-0.012			
Welcome to Yorkshire subscriptions	-0.167	-0.167	-0.167	-0.167
Welcome to Yorkshire grant funding	-0.663	-0.663	-0.663	-0.663
Contributions towards Economic Development	-0.684		-2.000	
Balance c/f	1.689	3.597	2.735	3.589

- 3.5 Under the existing Pooling arrangements levy income generated for any year does not become available until the following year. This has short-term cash flow implications which are currently being met by Leeds on behalf of the other Pool members.

Commitments and Considerations 2017-18 and 2018-19

- 3.6 The table above assumes that the 'core' commitments entered in to for 2017-18 are repeated in 2018-19 and that costs will be unchanged. However, it should be noted that if existing subscriptions

to Leeds City Region and Welcome to Yorkshire and the Transport Fund levy were not met by the Pool they would still need to be met by individual member authorities. The Welcome to Yorkshire grant funding is discussed in Paragraph 4 below.

- 3.7 A number of proposals for funding from the Pool have emerged and are discussed in detail below. These include two proposals for funding in 2017-18, one of which urgently needs to be considered by the Joint Committee.
- 3.8 Further to the commitments already agreed for 2017-18, members are asked to consider approval of expenditure of £200k in 2017-18 to support Screen Yorkshire, funding which would support the organisation's running costs until March 2018. Additionally, members are asked to consider committing £150k in 2018-19 which would establish a new LCR/Yorkshire 'Film Office', enabling the organisation to continue to operate at a reduced level for a further year, giving them greater opportunity to develop their Growth Plan and attract necessary investment to continue their work. Please see **Appendix 1** for further details. Members may consider whether a decision to commit these funds should be subject to appropriate due diligence by officers.
- 3.9 Members will be aware that the Chancellor announced measures to support businesses affected by the 2017 Revaluation at the Spring Budget. These included providing funding over four years to enable authorities to establish local discretionary relief schemes. Authorities in West Yorkshire intend to implement a common local scheme, but there is a risk that expenditure would exceed Government funding. These authorities have asked whether it might be possible to mitigate this funding risk through the Business Rates Pool.
- 3.10 Should the Screen Yorkshire expenditure in 2017-18 be approved at £0.2m and after the £2m contribution towards economic development agreed at the July 2016 meeting, current projections indicate that there could still be over £2.5m available for further funding opportunities during 2017-18. If that £2.5m is carried forward, and on the assumption that the Pool continues into 2018-19, there could then be £5.5m available for distribution during that year. However, it is important to re-iterate that the income projections for 2017-18 remain uncertain at this early stage and those for 2018-19 remain tentative.
- 3.10 A significant number of previous and proposed investments from the Pool focus on culture and sport. This reflects the economic importance of both these sectors, in particular to the direct visitor economy but also in making the region an attractive place for inward investment and improving quality of life. Culture and sport sectors largely lack opportunity to benefit from other strategic economic development investment through Local Economic Partnerships, as the direct jobs and growth they create are harder to enumerate. The economic benefit realised is less for applicant organisations but instead spills over into other sectors such as tourism, accommodation, food and drink. Whilst this is now being addressed (e.g. through consideration of including a review of cultural and sporting investment opportunities in the WYCA/LEP Strategic Economic Plan), investment opportunities for the sector remain noticeably weak.

3.11 The Pool provided funding of £1.1m to member authorities towards the cost of the Tour de Yorkshire in 2015 and, although no funds were allocated for the event in 2016, a £200k allocation was agreed for Bradford and Harrogate in 2017-18, representing the staging fee for the 2017 event. At the time of writing, start and finish venues for the 2018 Tour de Yorkshire, which hopes to expand to a 4 day event, are being considered. The costs for any participant authority comprise a £100k staging fee plus costs associated with the local delivery of the event including traffic management, resident and business communications, infrastructure, marketing and staffing. With some exceptions, required road repairs are generally absorbed into overall maintenance schemes. Within these parameters it is proposed that an initial allocation of £0.4m is reserved for the event in 2018, with confirmation later in the year when the number of starts and finishes in the Pool area are known.

3.12 In addition, as previously raised at the Joint Committee, there is an opportunity for support to be provided to Leeds's Capital of Culture bid. This is further outlined in **Appendix 2**, and it is proposed that an allocation of £0.35m is reserved in 2018-19, which would improve Leeds' chances of winning as it would be tangible evidence of the regional support for the bid.

4. **WELCOME TO YORKSHIRE FUNDING**

4.1 As members are aware, the Pool has currently committed to provide funding to WtY of up to £200,000 for members' subscriptions and £630,000 of grant funding for specific activities per annum. Subscriptions for 2017-18 were held at 2016-17 levels (£167,000), giving headroom to confirm grant funding of up to £663,000 (the same as in previous years).

4.2 The monitoring of both WtY's financial position and their activities against the grant agreement has been delegated to a Steering Group of officers from the sub-region. This group currently consists of the Chief Officer – Financial Services (Leeds) (Chair), the Head of Visitor Economy and Inward Investment (Leeds) and the Director of Communities and Service Support (Calderdale). In addition, because the North Yorkshire Business Rate Pool also contributes to the funding of Welcome to Yorkshire, the Corporate Director of Strategic Resources from North Yorkshire County Council is a member of the group.

4.3 Since the December meeting of the Joint Committee, the Steering Group has reviewed the final WTY reports for 2016-17 and the initial reports for 2017-18 and has agreed that these are in line with the recovery plan. As such, the Steering Group recommended release of the final instalment of 2016-17 grant funding in February 2017 and have recently recommended release of the first instalment of 2017-18 grant funding.

4.4 The existing agreement to provide grant funding to WtY runs to the end of 2018-19.

5. THE 2017 REVALUATION AND THE IMPLICATIONS OF 100% RATES RETENTION - UPDATED

- 5.1 New rateable values resulting from the national revaluation of business rates came into effect on 1st April 2017. As a result business rates baselines, tariffs and top-ups have changed for each billing authority including those within the Pool. Harrogate, Leeds and York continue to be tariff authorities, so, providing growth can be maintained, there is no immediate threat to the viability of the LCR Pool. However all three authorities have seen reductions in their tariffs, which has consequently reduced the levy rates for both Leeds and York, detailed above in Paragraph 3.2. This may reduce the amounts they pay into the Pool and hence the funding available for distribution.
- 5.2 With regard to 100% retention, a second round of consultation on the design of the new scheme closed on 3rd May, whilst the promised consultation on Fair Funding is now expected after the June general election, somewhat later than initially proposed. As a result of the general election being called, the Local Government Finance Bill did not complete its passage through Parliament before the dissolution of Parliament and it will be for the new Government to decide whether or not to reintroduce the Bill at the start of the new session. Until then, in common with other aspects of Government policy development, Government work on the Fair Funding review and further business rates retention is on hold and the joint DCLG/LGA working groups are not currently meeting. An April 2019 start date for 100% retention was confirmed by Government in January, however given these delays there is certainly a possibility of later implementation.
- 5.3 It was reported to the December 2016 Joint Committee that, as the planned abolition of levies on growth would remove the financial benefits of Pooling, it might be appropriate to collapse the LCR Pool as the new system starts. Since that meeting Government has published the Local Government Finance Bill and, in February 2017, the “100% Business Rates Retention; Further consultation on the design of the 100% business rates system”. The Finance Bill included proposals to broaden the ability of the Secretary of State to designate pools of authorities, removing the requirement for local authority consent but introducing a requirement to consult with affected authorities, which the Government has stated is intended to ensure that pools are created across functional economic areas, maximising opportunities for growth. The February consultation then asked for views on the Government’s plans for pooling and on a range of potential incentives for pools, including:
- Additional growth incentives, including the ability for pools to set up local growth zones and keep a proportion of the growth in business rates income from those areas, outside of the ‘reset’ system;
 - A different level of safety net, to provide additional support to those authorities willing to be ambitious in their plans for growth;
 - Different or additional responsibilities to be funded through Business Rates Retention that would be better exercised at a larger geographical area.
- 5.4 At this stage the requirements for pooling arrangements under 100% retention are not clear. Members will be updated as information is made available.

5.5 The 100% Business Rates pilots for 2017-18 are now operational and Government have encouraged applications for 2018-19. It appears that they are particularly interested in testing aspects of the new system not covered by existing pilot schemes, particularly in two tier areas. Notably, all councils are now able to apply to participate in pilots as there is no longer a requirement for pilot authorities to have committed to having elected mayors. The February consultation document stated that Government will be publishing more information shortly. Again, members will be updated as information is made available.

6. CONTINUATION OF THE POOL 2018-19

6.1 In accordance with the Governance Agreement, members are reminded that if any authority decides to leave the Pool, regulations require that the Pool will be dissolved. Pools can only be dissolved at the end of a year. If any authority intends to leave the Pool they should inform DCLG and all other members of the Pool as soon as possible, and by 30th September at the latest, to allow the remaining members time to seek designation of a new Pool for the following year.

7. RECOMMENDATIONS

7.1 Members are recommended:

- a) to note the revised income projections for 2016-17 as set out in paragraph 2.1;
- b) to approve the allocation of funding in 2017-18 as set out in paragraph 3, including consideration of the £200k requested to support Screen Yorkshire, discussed in paragraph 3.6 and at Appendix 1;
- c) to consider the potential spending commitments for 2018-19, including whether funds generated by the Pool should again be used to meet subscriptions and levies and whether members wish to support the potential areas of investment in 2018-19 as outlined in paragraph 3 and at Appendix 2;
- d) to note the position in relation to funding for Welcome to Yorkshire as set out in paragraph 4;
- e) to note the implications for the Pool of the 2017 revaluation, discussed in paragraph 5;
- f) to note the longer-term implications of the 100% rates retention proposals as set out in paragraph 5, particularly with regard to future pooling arrangements;
- g) to note that all authorities are able to apply to participate in 100% retention pilot schemes in 2018-19 but that further information is awaited, as discussed in paragraph 5;
- h) to note the requirements regarding the continuation of the Pool in 2018-19, discussed in paragraph 6.

A PROPOSAL TO PROVIDE INTERIM FUNDING TO SCREEN YORKSHIRE FROM THE LEEDS CITY REGION BUSINESS RATES FUND

The Proposal

It is proposed that the Leeds City Region Business Rates Joint Committee provides financial support to Screen Yorkshire, to the end of March 2018, to stabilise the business whilst longer-term decisions are made about the Growth Plan.

The Background

Over the last year Screen Yorkshire (SY) has been working with partners at local and national level to develop a Growth Plan to further develop the region's screen industries. This work was funded by the British Film Industry (BFI) and a range of local stakeholders including local authorities and universities. The Plan has been well received at national level – particularly by the BFI and Department for Culture Media and Sport (DCMS) - but discussions with local authorities and the Combined Authority around how/if to fund the recommended interventions at local level have not yet been concluded.

This, together with the recent ESIF decision not to support continued investment in Content (which formed the basis for SY's revenue) has led to uncertainty about Screen Yorkshire's future and if this cannot be resolved it will lead to redundancies in what is already a small, but nationally respected expert team.

The Rationale

Whilst the Growth Plan and the bigger picture requires further discussion, the view is that we cannot let the uncertainty this creates for the future of SY overshadow or jeopardise the work to secure future inward investors.

The diminishment of SY during this process will undermine the statements to be a region that is fully committed to the creative, film and TV sector and could provide an opportunity to question our ambitions for the sector.

What happens if we decide to do nothing?

Screen Yorkshire's annual operating costs are approx. £342,000, equating to £28,500 per month. SY is already drawing on reserves to support its operations. The expected deficit this year is £182,000 (being the annual operating costs less the expected income from content investment). Without any reassurances on future funding SY would expect to have to enter consultation on redundancies in September 2017. SY would restructure to allow it to manage the small remaining content investment funds and carry out no wider activity.

This would ultimately mean no strategic involvement in sector development, no support for productions whether SY funded them or not, no marketing of the region or screen-related

activities and no engagement with regional or national partners on training initiatives. No further marketing of the Church Fenton Studio would take place and effectively Screen Yorkshire would 'retire' from all other activities, including Board memberships at, for example, National Media and Science Museum, University of York TFTV and DC Labs etc. SY would also close off activities including the new northern film alliance (which brings together Manchester, Salford, Liverpool, Newcastle and Yorkshire) which is developed and led by SY.

If SY can't survive beyond September 2017 in any meaningful way, they would have to inform BFI in June/July 2017 and this would severely threaten discussions about securing funding from BFI and Creative Skillset for specific activities relating to the wider development of the sector. Conversations with the BFI have indicated that their goal is to look to commit funds through to 2022 for cluster partners.

The Proposals

On the basis of the above, it is proposed to allocate £200,000 of funding to SY to cover rent, overheads and salaries (3 FTE). This will stabilise the business enabling 'business as usual' to continue between the periods of 1st September 2017 to 31st March 2018.

Additionally it is proposed to consider the further allocation of £150,000 (£350,000 in total) for the establishment of a new LCR/Yorkshire 'Film Office'.

The £200,000 would still enable Screen Yorkshire to continue as usual until end of March 2018 and then simply reduce its resource to enable just the Film Office to operate for a one year period (March 2018 – March 2019) afterwards.

Whilst this is not an optimal outcome for SY, the Film Office would still be a statement of ambition to the sector who view the establishment of a regional Film Office as an immediate priority, putting the region on a par with other northern cities such as Liverpool, Manchester, Salford and Newcastle.

The Film Office would deliver a range of services including dedicated practical support to production seeking to film in Y&H; brokerage between production companies and public/private landowners, film and TV studios and local facilities; support local crew to gain employment through partnership links with crewing services; and the establishment and management of a Y&H Filming Partnership Group with local authorities, hoteliers etc. to develop a new level of film-friendliness to boost the current offer.

The Film Office would also work strategically with existing Northern Film Offices and key partners across the North, as well as the British Film Commission.

This option would allow local authorities and the Combined Authority more time to consider the growth plan and provide them with the opportunity to make a more informed decision once key inward investment opportunities within the sector are resolved.

A PROPOSAL TO PROVIDE 2018/19 INTERIM FUNDING TO LEEDS 2023 BID FROM THE LEEDS CITY REGION BUSINESS RATES FUND

The Proposal

It is proposed that the Leeds City Region Business Rates Joint Committee allocates financial support to the Leeds 2023 Capital of Culture 2023, if the bid is successful. The result of the competition will be announced in late Summer 2018 and investment of £0.35m would help bridge the period between the successful announcement and the proposed delivery company (Leeds Culture Trust) becoming fully operational.

The Background

European Capital of Culture is a prestigious Europe-wide competition which celebrates the cultural offer of a city. Following the success of Glasgow 1990 and Liverpool 2008 a UK City will host the European Capital of Culture in 2023. It is a competition and the winner will follow the likes of Barcelona, Lille, Amsterdam and Istanbul in being recognised as a major centre of culture.

Winning would:

- Reposition Leeds and the region's image in the UK and Europe
- Provide 6 years in the spotlight and attract major national funding and events to the region e.g. BBC / Tate Turner Prize
- Develop jobs and skills in the creative industries
- Provide a step change in tourism
- Connect communities
- Promote well-being and pride
- Provide a catalyst for growth and development
- Celebrate our diverse population
- Provide a model for a city and region in a post-Brexit city still strongly connected to Europe.

An Independent Steering Group has been appointed chaired by Sharon Watson, Artistic Director of Phoenix Dance Theatre, with Councillor Judith Blake, Leader of Leeds City Council as Deputy Chair. The group includes representatives from the cultural sector, higher education, private business and the three main political parties in the Council. This demonstrates clear cross-party political support of Leeds' bid which is highly valued by the judges of the competition.

Bidding itself is a significant investment but this is now fully funded. Contributions, in addition to Leeds City Council, come from the HE and FE institutions, Leeds Business Improvement District and significant sponsorship from private sector supporters including Yorkshire Water, Yorkshire Bank, Yorkshire Building Society and AQL.

Successful cities subsequently need to raise investment of between €20-80m in the planning, delivery and legacy of their title. Leeds is currently developing its budget in consultation with partners but the full details will be confidential until shortly before the bid is submitted, in order to avoid giving any advantage to our competitors.

The Rationale

It is a requirement of the competition for a city rather than a region to host the title; however the active support of the region is also vital to the success of any application, and the benefits of winning would not stop at the Leeds boundary. There will be opportunities for cultural organisations, artists and audiences from across the region from a successful bid.

For Liverpool, hosting the title brought over £750 million to the economy in addition to major infrastructure development, a growth in tourism of 34% and transformations in overall perceptions of the city. Moreover the year engaged a huge 60% of the population and saw an increase in city pride.

The evaluation of Liverpool showed that there were significant benefits to the wider Merseyside and Cheshire regions with more hotel beds sold outside the city than in Liverpool itself. The economic benefits of a successful Leeds bid are likely to be spread across the wider region.

The winning city is not based on size or current cultural offering but on which city can best tell the story of how it can transform itself through culture in a European context. The other cities known to be bidding for the title are Belfast/Derry, Dundee, Milton Keynes, Nottingham and Truro/Cornwall.

It is worth noting that there is only one bid from Northern Ireland and one from Scotland, both of which have the advantage of being able to secure 'regional' support from their respective devolved administrations and from the relevant national Arts Councils. The English bidding cities do not have this advantage.

The bid has to be submitted in October 2017 and it needs to include a draft budget for the planning, delivery and legacy of the year. Confirmed support from the City Region Business Rate Fund at this stage would help give confidence to the jury that our budget is realistic and achievable, and that the bid has regional support.

What happens if we decide to do nothing?

Investment from the Pool will improve Leeds' chances of winning as it would be tangible evidence of the regional support for the bid. Without this funding the Leeds application would not be as strong.

The Proposals

If Leeds wins it will have a further 5 years to develop the programme and fundraise and it needs to start this journey as soon as possible. Investment from the Pool in the second half of 2018/19 would boost the ability of the delivery vehicle to start its planning as early as possible. In particular it would allow for early recruitment to key posts and investment in office and IT facilities.

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