



Leicester
City Council

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Appendix AOUB1

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Special Cabinet
Full Council

23rd November 2009
25th November 2009

LEICESTER'S BID TO BECOME A CANDIDATE HOST CITY FOR THE 2018 OR 2022 FIFA WORLD CUP™ - **PART A**

Report of the Strategic Director Development, Culture and Regeneration

1. PURPOSE OF REPORT

- 1.1. This report requests Council to consider and make a resolution as to whether Leicester City Council should submit its final bid to England 2018 to become a Host City for the 2018 or 2022 FIFA World Cup™ and sign relevant Agreements to accompany the bid, namely, the Host City Agreement, Intellectual Property Rights ("IPR") Assignment, and the Host City Contribution to England 2018 Campaign and Marketing agreement.
- 1.2. The report also makes both direct and indirect reference to previous World Cups and sets out comparable benefits, using appropriate pattern of trends, for Leicester.

2. SUMMARY

- 2.1. There is a compelling case for Leicester to become a Host City for the FIFA World Cup™ 2018 or 2022. The FIFA World Cup™ is the biggest single sport event in the world. In Germany 2006, there were 32 participating teams, 64 matches played over 31 days, 12 stadia in 12 different cities, 18,850 media representatives on site, 3.36 million spectators in stadiums, 18.4 million spectators at fan parks, 24 billion viewers in more than 240 countries watched at least 1 match and no doubt new benchmarks will be set for South Africa 2010 and Brazil 2014.
- 2.2. The FIFA World Cup™ and the One Leicester 25 year vision interface and complement each other in a number of ways which include:

Investing on our Children

- Our Football Investment Strategy is arguably the biggest ever programmer of its kind nationally. Our involvement as a FIFA World Cup™ host for 2018 will help us to grow our Football Investment Strategy for another decade.

Planning for people not cars and Reducing carbon footprint

- We are proposing a project to monitor carbon footprint at grassroots football matches
- We aspire to bring to a environmental friendly vision to any events held in the city for FIFA World Cup™ 2018
- Our detailed transport strategy for the 2018 FIFA World Cup™ is designed to cater for fans arriving from around the world and for fans living within the conurbation of Leicester
- Wherever possible and practical our strategy is based on using the most sustainable form of transport as the first mode of choice
- The strategy caters for fans moving in and around the city between the stadium, fan fests sites, Victoria Park and Abbey Park
- A key route for pedestrians heading for the FIFA Fan Fest at Victoria Park will be Leicester's historic New Walk

Creating thriving safe, communities

- Leicester has already established a global reputation in the successful integration and empowerment of its wide range of local communities through sport. Leicester plan to exploit the opportunity of holding the FIFA World Cup™ 2018 to the fullest by focusing on promoting unique possibilities for engagement with local communities
- We have a golden thread of investment from grassroots participation to international excellence
- Leicester City Football Club runs a successful community scheme which achieved charity status with a determination to invest in a future generations.

Improving well-being and health

- We are working towards transforming Leicester into Britain's sustainable city over the next 25 years improving economic, social and environmental wellbeing across Leicester as well as contributing to sustainable development in the UK
- The promotion of sporting facilities across the city is part of our 25 Year Vision.
- Leicester aims to be first city in England to produce players from a South Asian background to play at the highest levels. We want a progressive city, where everyone has the opportunity to meet their potential regardless of their age, disability, gender or race
- We believe the FIFA World Cup™. finals in 2018 must be aimed directly to achieve positive social change through football

Talking up Leicester

- Leicester is uniquely placed to offer a meaningful research legacy for FIFA World Cup™.
- Leicester is a rich diverse piece of England with a globally represented community living, working and contributing to Leicester's sporting pedigree together a modern, vibrant and multicultural city with a grassroots passion for football
- We are making the city an attractive setting to any event by extending opening hours of museums, libraries and leisure centres creating a family-friendly city and Leicester has established an excellent reputation for hosting both national and international events and is ready to offer a unique hosting concept

- The One Leicester brand will support the promotion of the FIFA World Cup™. , helping us to promote Leicester as widely
- We want to give people in the East Midlands a real sense of longer-term ownership, engagement and participation in the FIFA World Cup™. . Our 25-year vision states we want to create a culture where all of the people of Leicester feel they have a part to play in making our city a greater city

Investing in Skill and Enterprise

- We will work closely with business in and around the city to support business led initiatives that bring further opportunities for growth and wealth to Leicester and its people. We can use the FIFA World Cup™ as an opportunity to work with business in the city to prepare for the event
- There is a great importance in providing attractive sites; infrastructure, a public realm and doing more to stimulate the demand-side of the economy for the city of Leicester. We believe hosting the FIFA World Cup™ in our city will have a positive impact on our economy
- A successful FIFA World Cup™ bid will provide investment and job opportunities in the city and will kick start investment in hotels and services.
- We want the people of Leicester to become more confident – in themselves, their communities and their city

The current position of the Leicester Bid

- 2.3 In May of this year the City Council expressed an interest in becoming an Applicant Host City for the 2018 or 2022 FIFA World Cup™. This was in response to an Invitation to Qualify issued by England 2018, a wholly owned subsidiary of the Football Association (FA), established in accordance with FIFA requirements to participate in the bidding process of the right to host the FIFA World Cup™ in 2018 or 2022. In 2010 FIFA will announce the host countries for both the 2018 and 2022 World Cup™s. The FA has expressed a preference for 2018, but the bids are being submitted in tandem. Should Leicester submit its bid this will be for both the 2018 and 2022 events, though for simplicity this report refers to 2018 throughout.
- 2.4 In October Cabinet agreed to submit a bid to England 2018 seeking the status for Leicester of Candidate Host City for the 2018 and 2022 FIFA World Cup™. At that time an officer explained that three documents had been received and had been circulated internally for comment, and that new information continued to be received. These documents were the Host City, Stadium and Training Site Agreements. It is now clear that in order for Leicester’s bid to be considered “Compliant”, signed copies of these agreements need to be submitted alongside the bid.
- 2.5 Information from England 2018 suggests that the potential economic benefit could be between £90million and £100 million spend depending on the number of games staged. But staging the event would create demands on public services. In order to achieve the benefits an amount of “up front” investment is required however a number of these costs we would normally accrue through “business as usual”. Further information

together with cost implications and the best estimate of expenditure for the City Council is £15.3 million as detailed in this report.

2.6 The timetable for the bid process is set out in the table below :

Event	Target Date
Submission of Bids	26 November 2009
Selection of Candidate Host Cities	December 2009
Selection of Host Nation	December 2010
FIFA confirms selection of Host Cities	2013

2.7 As a Host City, Leicester may be selected by FIFA to host matches for the Confederations Cup, a small tournament of 4 matches held as a “dry run” in the year before the World Cup™ itself. It is considered highly unlikely that Leicester would be selected and therefore no costs have been included in relation to this competition in this report.

3. RECOMMENDATIONS

3.1 To enable the City Council as lead agency to submit the final bid to England 2018 along with a signed copy of the Host City Agreement, Intellectual Property Agreement and Host City Contribution to England 2018 Campaign and Marketing Agreement to ensure full compliance and therefore continue to seek status for Leicester of Candidate Host City for the 2018/2022 FIFA World Cup™ it is recommended that :

3.1.1 Cabinet considers the estimated benefits, cost and risks of entering into legal agreements as detailed in this report and the confidential report and resolves that subject to necessary approvals by Council in respect of budgetary provision :

(a) It approves the Council's bid and endorses the execution of the legal agreements described in this report namely :

- i) The Host City Agreement for the 2018 and 2022 FIFA World Cup™ Bid
- ii) The Intellectual Property Rights Assignment for the 2018 and 2022 FIFA World Cup™ Bid
- iii) Host City Contribution to England 2018 Agreement and

(b) Authorises the Strategic Director, Development, Culture and Regeneration to agree to enter into any other documentation which is considered necessary in so far as it is ancillary or incidental to the bid.

3.1.2 Cabinet approves the payment in the financial year 2010/11 of pre Host Country selection costs (contribution to England 2018 Campaign and Marketing costs) and

project management costs of £0.35m out of 2009/10 revenue budget corporate under spends. This is contingent upon Leicester being named as a candidate Host City.

- 3.1.3 Cabinet approves subject to England being selected as the Host Country in December 2010, the payment of £0.25m over the financial years 2011-2013 for project management and other FIFA inspection related costs to be incurred prior to Leicester being confirmed as a Host City in March 2013, to be paid out of revenue budget corporate under spends in the years 2010/11 and 2011/12 or other external funding if available.
- 3.1.4 Cabinet agrees to set up an earmarked reserve to enable the accumulation of one off under spends prior to a decision being taken by FIFA to confirm Leicester as Host City.
- 3.1.5 Cabinet notes the urgent timescales imposed in the bid process and the dates on which the Cabinet and Council decisions must be made in order to submit a bid to England 2018, namely on 26 November 2009 and therefore decisions of Cabinet will be capable of implementation immediately and accordingly given that this matter will be decided at full Council, Cabinet resolve to waive call-in rights in accordance with Cabinet procedure rule 12.
- 3.1.6 Subject to approval by Cabinet, Council notes the resolutions of Cabinet above and likewise considers the estimated benefits, costs and risks of entering into the legal agreements as detailed in this report and the confidential report and resolve to :
 - (a) approve that the necessary means by which the estimated cost of the event of £15.3m can be funded be included as part of future budget strategies, to enable the Council to submit its final bid to become Host City for the 2018 FIFA World Cup™.
 - (b) Authorise the execution on the Council's behalf of the legal agreements described in this report namely:
 - i) The Host City Agreement for the 2018 and 2022 FIFA World Cup™ bid.
 - ii) The Intellectual Property Rights Assignment for the 2018 and 2022 FIFA World Cup™ bid.
 - iii) Host City Contribution to England 2018 Campaign and Marketing agreement.
 - (c) Authorises the Strategic Director, Development Culture an Regeneration to agree to enter into any other documentation which is considered necessary in so far as it is ancillary or incidental to the bid.

4. REPORT

- 4.1.1 England 2018 have published a vision statement that makes clear reference to positive change and legacy that they believe will be a fundamental product of hosting the FIFA World Cup™ and are convinced that they have a strong case in the following areas:
- A passion for and well developed football market
 - Experience of hosting major sports events
 - Outstanding candidate host cities
 - Programme for development of football around the world
 - Home crowd for every team
- 4.1.2 The legacy of the FIFA World Cup™ in Leicester will have four major elements :
- Continued promotion of sporting excellence and participation.
 - Promotion of cross-community involvement and integration via the event.
 - Anti-racism, social inclusion and positive global relations promoted through the development and use of educational materials and community experiences – including events and festivals for adults and children – around the matches.
 - A research-based programme on the local, regional and national impact – producing a public World Cup™ 2018 Memory Archive – and a vital legacy for FIFA, the FA and future hosts.
- 4.1.3 The city's new rallying call of 'One Passion, One Leicester' has been extended to embrace the world of football for our World Cup™ campaign - 'One World, One Passion, One Leicester'. We share FIFA's aspiration to build a better future for all through the game. And that makes Leicester the ideal setting in which to show the world our unique mix of community diversity and a shared grassroots passion for football.

What positive change would the residents of Leicester expect to see?

- 4.1.4 Hosting World Cup™ games in Leicester would bring with it real tangible benefits before, during and long after for residents throughout the city. The event will create new jobs, innovation and creativity, economic, social and other benefits. It will change and progress the position of the city both within the sub region and nationally. In addition it will offer the potential to draw in additional investment opportunities.
- 4.1.5 FIFA World Cup™ in Leicester in 2018 will also be aimed directly to, ‘achieve positive social change through football, not just in Leicester but throughout the entire East Midlands region. It must connect football with educational ambition and achievement, and it must produce more football-related activity at all levels and with all local communities in host cities. This will ensure more social inclusion and a sustainable legacy before, during and after 2018.
- 4.1.6 Experts from the City’s universities will create a World Cup™ Memory Archive as a lasting legacy allowing researchers, residents and visitors to reflect about the experience of welcoming the football world to the East Midlands. This archive and its related research will capture people’s football memories. But it will also highlight the impact of the World Cup™ on diverse communities in the city. This project can be developed into a national study, with FIFA students ‘embedded’ in communities across England, capturing the experiences of people of all ages, conditions and backgrounds. The information gathered would provide invaluable information to guide the future development of football locally, nationally and, through FIFA, across the world in support of positive social change.
- 4.1.7 Leicester now has an established Football Investment Strategy (FIS) which is the biggest-ever programme of its kind nationally. It aims to harness the power of the game to improve social conditions in our city through a sustainable development plan involving clubs, schools, volunteers, trainers and new teams. We want the world to see how we are using football to strengthen local communities, encourage social integration, promote healthy lifestyles, improve chances in education for disadvantaged young people, diverting them from crime and allowing more people to reach their full potential to live richer lives.
- 4.1.8 We have ambitions to be the first city in England to produce players from a South Asian background to play at the highest levels in the domestic game and even in the England national team – perhaps in FIFA World Cup™ 2018, or soon after. Needless to say, the promise of hosting fixtures in the FIFA World Cup™ finals in the City in 2018 can only contribute to these aspirations, which we regard as detailed, structured, realistic and achievable.
- 4.1.9 The FIFA World Cup™ is, of course, the globe’s biggest single-sport event. But it is about much more than the players, the lucky ticket holders, the television viewers, and the honored guests and nations involved. For the host cities it is also a hugely important opportunity, one that will promote unique possibilities for engagement with the peoples of the world. But it will also offer new directions for work with all their local communities in the lead up to the FIFA World Cup™ finals, during the tournament, and particularly long after the event has departed these shores.

- 4.1.10 It is certainly the clear ambition of Leicester to exploit this opportunity to the fullest extent and especially to strongly reflect FIFA's progressive new *Football for Hope* agenda, which has been taken on since 2005. That is, we aim to use football for socially responsible, involved and committed forms of local and regional development and to 'build a better future' for all as a result of our involvement in FIFA World Cup™ 2018. Rather than see the tournament as an event for others, one which briefly visits the city and then leaves, we want to give people in the East Midlands a real sense of longer term ownership, engagement and participation in the FIFA World Cup™ 2018, even if most of them are not directly involved in the events as paying spectators, project workers or volunteers.
- 4.1.11 We will also use the occasion of hosting FIFA World Cup™ matches here as an opportunity to demonstrate the importance of inspiring leadership and corporate responsibility. We will also use the theme of promoting fair play, the importance of ethical business practices in sport and the wider society,
- 4.1.12 We are entirely confident that we will meet the challenge of hosting the World Cup™ in 2018 with enthusiasm and flair. But we also want the world to see how we are developing football in ways that make an important contribution to society and help us meet the challenges we face. We want to share that passion with the world and show that Leicester is ready and able to play a unique role at the heart of England's 2018 World Cup Bid.
- 4.1.13 Thus hosting the World Cup™ in Leicester will have a major impact on well being within the City, making a contribution across the City's Sustainable strategy as outlined in One Leicester.

4.2 **What would this mean to Leicester?**

4.2.1 **Opportunities for international trade promotion, and establishing networks and linkages.**

4.2.1.1 Prospect Leicestershire, as the sub-regional inward investment promotion agency, expects to launch a programme of sectorally focused trade and investment events within the scope of a national programme to be led by UK Trade and Investment (UKTI). The generic investment offer for Leicester and Leicestershire is already well developed. Prospect Leicestershire generally promotes the sub-region to only a domestic market – it collaborates with UKTI and emda in supporting overseas promotion. Prospect Leicestershire is well placed to exploit the opportunity of large numbers of visiting football supporters from overseas reacting nimbly to the confirmation of each overseas team playing in the City in concert with the UKTI and the relevant diplomatic mission. It's objective in acting as host to selected visitors of business influence, will be to forge durable working relationships which can then be exploited through the usual casework load for the inward investment promotion team.

4.2.2 **Complimentary investment in hospitality infrastructure - hotel upgrades**

4.2.2.1 There is strong evidence to support the expectation that the tourism sector will maximise the opportunity presenting itself by high numbers of visitors to the City and County by investing in room refurbishment or even hotel upgrades. Liverpool experienced a net increase in letting bedrooms of around 500 between 2005 and 2007 supplementing the existing stock by around 16%. Annual refurbishment and replacements grew from 39 rooms in 2005 to 305 in 2007 – nearly a ten-fold increase.

4.2.3 Feeding the economic feel-good factor

4.2.3.1 Despite the recession, business confidence in Leicester and Leicestershire has grown between 2008 and 2009 (source: Leicestershire Business Survey). The World Cup™ in 2018 is realistically expected to contribute significantly to the economic feel good factor not just for Leicester but also for the wider economic sub-region.

4.2.3.2 Platform for business networking, engagement and hospitality – Business to Business, Government to Business

4.2.3.3 The 2002 Manchester Commonwealth Games is cited as a model of good practice in leveraging maximum benefit for a sub-regional economy. Upon confirmation of its host city status, a programme of specific complimentary economic development support initiatives was mapped out to be delivered by a multi-agency partnership – at that time supported by Single Regeneration Budget. One project aiming to engage with a target of 485 local companies reported a corresponding outturn performance of 5333. 12 new business networks were established against a target of six. This indicates considerable private sector support and enthusiasm for the Games.

4.2.3.4 Likewise, we anticipate being able to use the 2018 event as a platform upon which, during the years leading up to the event, we can engage with the sub-regional business community to create a shared commitment to collaboration to joint endeavors as well as encouraging business-to-business network opportunities.

4.2.3.5 Finally, we expect that local companies will wish to use the 2018 event as a platform for hospitality thus forging closer relationships within their own supply chains and affording the opportunity to many contacts external to Leicestershire to experience the unique character of our international city.

4.3.4 Feeding community spirit

4.3.4.1 We expect the World Cup™ to capture the imagination of the community and to act as a focus of pride – demonstrating the achievement to both an internal and an external audience of the capacity of a ‘can-do’ society.

4.3.4.2 We plan to link the hosting of FIFA World Cup™ 2018 directly with the Leicester FIS so we can extend the impact of this new investment far beyond our original five year plan. Using 2018 as a springboard we can seek out new investment partners and bring even more young people into the game around these excellent facilities. As a result we will develop the skills and involvement of members of local football clubs in support of the management and policy making of the local game. This will also create more local football clubs in the lead-up to FIFA World Cup™ 2018 and will deliver training and

coaching programmes that will reach out, especially into “hard-to-reach” disadvantaged communities.

4.3.4.3 The FIFA World Cup™ is, of course, the globe’s biggest single-sport event. But it is about much more than the players, the lucky ticket holders, the television viewers, and the honored guests and nations involved. For the host cities it is also a hugely important opportunity, one that will promote unique possibilities for engagement with the peoples of the world. But it will also offer new directions for work with all their local communities in the lead up to the FIFA World Cup™ finals, during the tournament, and particularly long after the event has departed these shores.

4.3.5 Increase in volunteering - capacity building

4.3.5.1 As important as the immediate economic and social benefits of acting as a host city to the World Cup™ will be its legacy in the medium to long term. Already Leicester enjoys strong levels of volunteering participation. Organisers at the start of the Special Olympics anticipated that they would need around 1,500 trained volunteers to work at the 20th anniversary games and help provide a welcome to the 4,000 athletes that visited the city for the big event and this proved to be a huge success. Liverpool 08 sought to engage large numbers of city residents in delivering its even vision and succeeded in increasing the number of volunteers registered locally from 259 in 2005 to 9894 by August 2008 – around 90% being resident in the sub-region. All received basic training across a range of visitor and hospitality-related skills leaving a substantial legacy of community participation. We expect similar benefits to accrue from Leicester’s hosting of the 2018 World Cup™.

4.4 What would happen if Leicester were not part of the World Cup?

4.4.1 There are currently 16 bidding cities and England 2018 have made it clear that they are proposing to geographically spread the event across the country. On that basis Leicester will be in a direct opposition to Nottingham, Derby, Birmingham, Sheffield and Milton Keynes. If it were that Leicester’s participation could be considered in isolation, it would be reasonable to ignore the possible costs of not bidding. The benefits described in the foregoing paragraphs will however accrue to host cities and will have a displacement effect on Leicester – for example, World Cup™ will not create inward investment but will, through raising profile, increase the advantage of participating cities in landing investment. This will tend adversely to distort markets against Leicester and to neutralise this distortion, there will be a real cost.

4.4.2 If it is reasonable to assess the likely value of positive PR to Leicester to be £3-4m, then it is equally reasonable to expect this value to accrue to an alternative winning host city. To neutralise this benefit, we assess that similar levels of funding will need to be committed by Leicester.

4.4.3 In a similar manner, it is reasonable to recognise the need to make alternative financial provision to create alternative networking, promotion and engagement opportunities. Using standard multipliers, the cost of creating around 1400 jobs in promotional terms would amount to around £560,000. This covers only promotional costs. Downstream costs of job creation could amount to a further £8.4m.

What the German World Cup achieved for its Host Cities

- 4.4.4 It is well documented that host cities in Germany benefited significantly from being part of the 2006 FIFA World Cup™. The following quotes highlight how it not only helped to boost the image of cities but consequently tourism and the local economy.
- 4.4.5 *"It would be remiss of me not to mention the fact that hosting the tournament brought with it a 150m Euros investment in infrastructure and development projects representing a huge shot in the arm to the local economy and ensuring long term benefits for our city"* Bernard J Deubig, Mayor of Kaiserslautern.
- 4.4.6 *"Around a million people came to the Fan Fest in the Olympia Park, while eight million fans flocked to the city on match days, including many who simply wanted to sample the Munich FIFA World Cup™ atmosphere. This has made a lasting positive contribution to the city's image..."* Christian Ude, Mayor of Munich.
- 4.4.7 *"The FIFA World Cup™ has given the city a real boost, and our citizens can now have a real sense of pride. This was the biggest and most impressive way of advertising the region we could have imagined, and the tourism industry will reap the rewards from it in the years to come"* Dr. Ulrich Maly, Mayor of Nuremberg.

5. Financial implications

5.1 Summary

Estimated Costs		Estimated economic impact
Estimated total City Council Event Costs	£15.3m	£90m
Revenue Costs to be incurred in 2010/11 prior to Host Country selection	£0.35m	
Revenue Costs to be incurred in 2011/13 prior to Host City confirmation	£0.25m	
Estimated Stadium upgrade costs	£16m - £20m	

5.1.2 The estimated cost for the City Council is £15.3m.

5.1.3 There are revenue costs which are required to be spent at risk prior to Host Country selection and Host City confirmation. (Spend on the bid process in 2009/10 is approximately £0.1m which has been externally funded.)

5.1.4 A stadium upgrade would be required at the Walker's stadium to meet FIFA requirements. The estimated cost of upgrade is the responsibility of the stadium owner.

5.1.5 The estimated economic impact for Leicester and Leicestershire is based on the additional spend of international visitors in the local economy during the World Cup™ itself. This is discussed in more detail in paragraph 4.2.

5.2 **Background**

5.2.1 The main parties associated with the funding of the FIFA World Cup™ are FIFA, Central Government, Host Cities, Stadium owners and the Local Organising Committee (LOC) which would be the England Football Association.

5.2.2 The overall cost of the World Cup™ has been estimated by England 2018 at circa £900m with contributions from central government, host cities (local authorities) and by the LOC funded from FIFA revenue sources. This excludes any stadium redevelopment capital costs required to bring the stadium up to the necessary FIFA standard of at least 45,000-seat capacity.

5.3 **City Council Costs**

5.3.1 The principal cost categories within the £15.3m related to:

- i) Organisation and delivery of two Fan Fests.
- ii) Transport
- iii) Marketing
- iv) City Dressing
- v) Provision of training sites
- vi) Stadium related event costs
- v) Project management

5.3.2 The cost estimates are based on indicative costs and other information provided by England 2018 and FIFA (which in turn have been based on the last World Cup™ in Germany) together with our own internal City Council estimates. The costing also includes an allowance for inflation and a contingency.

5.3.3 The City Council will be able to generate some income from the Fan Fests, including sponsorship, sale of hospitality packages during the 31-day event and charges for separate events on non-match days. This income has been included in arriving at the £15.3m cost.

5.3.4 The costs of the required stadium upgrade are not included in the £15.3m as these are the responsibility of the stadium owners.

5.3.5 If Leicester is selected as a candidate Host City there will be revenue costs of £0.35m required in 2010/11 including a contribution to England 2018 bid costs.

5.3.6 If England is selected as the Host Country in December 2010 then Leicester will incur estimated costs of £0.25m over the financial years 2011-2013 for project management and other FIFA inspection related costs prior to confirmation that Leicester has been selected as Host City.

5.4 **Cost benefits**

5.4.1 Leicester's confirmation as a 2018 Host City and the delivery of its vision is expected to bring significant economic benefits. We have reviewed both pre and post tournament

evaluations of the delivery of other major sporting and cultural events including the 2006 German World Cup™, the 2010 South African World Cup™, the Liverpool 08 European Capital of Culture and the 2002 Manchester Commonwealth Games considering direct, indirect and induced benefits.

- 5.4.2 PricewaterhouseCoopers (PwC) were commissioned to undertake an initial economic impact assessment to assess the potential economic benefits of hosting the World Cup™ in England. A successful England bid to host the World Cup™ has the potential to deliver a range of economic, social and other benefits for the UK. PwC's analysis indicates that the most significant benefits at the national level are likely to be those which arise from the increased number of international visitors to the UK, especially those visitors who choose to visit England to either attend the matches themselves or to participate in the associated Fan Fests. The economic assessment does not consider the impact on Leicester of additional domestic visitors and therefore will understate the total economic impact for Leicester. Domestic visitors could account for up to 50% of ticket sales. The PwC report is looking at the national impact and changes in the pattern of domestic expenditure across regions will tend to cancel each other out at a national level.
- 5.4.3 The key drivers of the model are the number of international visitors that will potentially visit a Host City to attend a World Cup™ football match and the number of international visitors who will potentially stay in the Host City between matches and or attend the Fan Fests.
- 5.4.4 The estimate of increased expenditure in the City during the World Cup™ is based on typical levels of international match day ticket holders, the number of international visitors at the Fan Fests, estimates of length of stay in the city and average expenditure levels. This gives a very broad estimate of £90m of additional expenditure within Leicester if the City hosts 4 group matches. Should the number of matches allocated to Leicester rise to 5 then this figure is estimated to be £100m.
- 5.4.5 It is important to note that the estimates are based on direct spend by international visitors and make no attempt to place an economic value on the international media coverage achieved by a host city. If this were calculated in terms of the cost of commercially purchasing the same level of coverage (which is the norm for calculating the full impact of major events) then the additional benefit would be significant.
- 5.4.6 Leicester is a top-ten UK city but enjoys only modest levels of public recognition. We expect to be able to derive significant profile awareness benefit during the seven years leading up to the event in terms of brand recognition and positive PR. We expect to be able to capitalise upon the prestige of being appointed as a host city through the application of the event logo onto promotional literature thus supporting inward investment and investor development activities.
- 5.4.7 In the run up to the competition and during delivery we expect to receive substantial positive public relations (PR). Liverpool experienced a 25% growth in media coverage in the four years leading up to the European Capital of Culture event with 96% of coverage being positive and 100% positive or neutral. In the year prior to the event Liverpool assessed the value of positive publicity around the relevant theme of culture

to be around £39m. No doubt this figure would have been exceeded greatly by in-year PR but no figures have yet been assessed.

- 5.4.8 The World Cup™ event is of a different but comparable character. On a national level it is anticipated that the event will be of comparable or larger scale. On this basis Leicester Shire Promotions Limited has assessed that the likely value of PR for Leicester will amount to £3-4m. Naturally, PR during the event will be heavily dependent on the profile of the teams actually playing in Leicester – of course, this will not be known in advance.
- 5.4.9 In addition to the 4 World Cup™ games the extended Walkers stadium will be able to accommodate around 10,000 additional visitors for major games. If these are fully occupied then assuming an average spend of £40 per visitor across 21 games played each year by LCFC, we estimate an additional £8.4m being injected into the local economy. Applying a multiplier factor of three – a commonly accepted multiplier to take account of secondary spending in the economy – a gross spend of £25.2m is anticipated leading to the creation of a further 969 FTE jobs (source: ONS).
- 5.4.10 Assuming a capital investment of between £16m and £20m in extending the Leicester City stadium facilities, using standard industry multipliers, we estimate that this will lead to the creation of between 400 and 500 FTE construction jobs.
- 5.4.11 England 2018 issued the national Economic Impact Report, which suggests a total incremental national spend of £5.3 billion associated with hosting the World Cup™ with a £3.2 billion impact on GDP.
- 5.4.12 The Economic Impact Assessment is based on provisional plans and will be revised by England 2018 during 2010 once the Candidate Host Cities have been selected and detailed costs have been refined.

5.5 Funding

- 5.5.1 FIFA announce the host country in December 2010 and host cities are confirmed in March 2013. A means of funding the estimated cost of £15.3m will therefore be addressed as part of future budget strategies when the announcement has been made. The bulk of the costs will be incurred in the 2017/18 financial year, however project management will be an ongoing cost which will increase as 2017/18 approaches.
- 5.5.2 Prior to 2013/14 an earmarked reserve will be established within which one off under spends will be accumulated.
- 5.5.3 The Department for Culture, Media and Sport (DCMS) indicate that the Treasury have made clear that the costs of the tournament will lie where they fall and that DCMS will not be in a position to provide funding to any host cities in the event of a successful bid. DCMS will be looking at other funding options including the lottery or supplementary business rates but there can be no commitment at this stage. The City Council will also seek other funding sources from partners. Thus a non-comprehensive list of alternative funding sources would include :
- Other Local Authorities in the sub region
 - Sub Regional investment funding

- Lottery

- 5.5.4 Officers will work on a strategy to deliver £5million from the above sources, and to maximise Fan Fest income, although these are only targets and cannot be guaranteed.
- 5.5.5 The revenue costs which would be incurred in the period 2010/11 if Leicester is selected as a candidate Host City by England 2018 would be funded by corporate under-spends from the 2009/10 revenue budget
- 5.5.6 The revenue costs which would be incurred in the period 2011-2013 prior to Leicester being confirmed as a Host City would be funded by corporate under spends from the 2010/11 and 2011/12 revenue budgets.

6. LEGAL IMPLICATIONS

- 6.1 In this report officers have advised that if Leicester's bid to become Host City for the 2018/2022 FIFA World Cup™ is successful this will bring with that status, significant economic and social benefit to the city. Cabinet and Council are asked to note that statutory powers exist for this Council to pursue its bid to become a Host City and enter into the legal agreements mentioned. These powers include s 144 Local Government Act 1972 (powers to encourage visitors to the area for recreation etc); s145 Local Government Act 1972 (powers to provide entertainment of any nature); s19 Local Government (Miscellaneous Provisions) Act 1976 (allows authorities to support the provision of recreational facilities etc); s 2 Local Government Act 2000 (power to do anything which is likely to achieve the promotion or improvement of the economic social and environmental well being of the area for residents etc); S 111 Local Government Act 1972 (power to do anything which is calculated to do anything which is calculated to facilitate, conducive or is incidental to the exercise of other functions such as those set out above).
- 6.2 In exercising its powers and in considering its decisions the Council must act reasonably taking into account all relevant information including its own approved policies and strategies and balance the benefits costs and risks. Regard to Leicester's community strategy is relevant and essential to enable exercise of the Council's well-being powers.
- 6.3 Should the Council resolve to agree the recommendations it will need to execute and enter into a Host City Agreement, Intellectual Property Rights Assignment and Host City Contribution to England 2018 Campaign and Marketing Agreement. These have been presented to all candidate Host Cities and are non-negotiable. Within the bid process bidding candidate Host Cities are bound to keep confidential these agreements and information disclosed by England 2018 as part of the process. One of the factors in this, is that the nature of this process in the wider context namely that England 2018 then have to prepare their bid for England to become Host Nation in competition with other nations is such that such confidentiality needs to be preserved. Detailed legal advice in respect of these agreements is therefore for these reasons and for reasons of legal privilege, set out in the report entitled "Leicester's bid to become a candidate host city for the 2018 or 2022 FIFA World Cup™ – Confidential" appearing on Part B of this

meeting's agenda. There are many components bringing together organisations to facilitate the successful running of major events. One of these which is of particular relevance to potential Host Cities is that the government intends to enact special legislation that will enable at a national and local level Host Cities to successfully stage and deliver this event.

- 6.4 Should Council resolve to agree all recommendations and thereafter execute the legal agreements it will be agreeing in a legally enforceable way as a contract to be bound by the terms and conditions therein subject only to the precondition that it is selected as candidate Host City by England 2018 and eventually if selected as Host City by FIFA to stage either the 2018 or 2022 World Cup.

7 OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph references within the report
Equal Opportunities	Yes	4.1.8 - 4.1.11, 4.1.13
Policy	Yes	4.14, 4.15
Sustainable and Environmental	Yes	7
Crime and Disorder	NO	
Human Rights Act	NO	
Elderly / People on Low Income	NO	

8 ENVIRONMENTAL IMPACT

- 8.1. Leicester is committed to ensuring through careful planning and hard work, that both environmental challenges and environmental sustainability of hosting the 2018 FIFA World Cup™ will be achieved for such a major event.
- 8.2 Football can be a medium for positive environmental behavioural change; De Montfort University and the Leicestershire and Rutland County Football Association have successfully applied to the Department for Environment, Food and Rural Affairs (DEFRA) for a grant to commence a project where environmentalism is broadcast among football clubs to help them improve their carbon footprint in the lead up to the World Cup™. At the same time work will begin with Leicester City Football club to understand the carbon footprint of fans at matches, and to provide basic environmental messages in programmes.
- 8.3 Our overall transport strategy welcomes fans arriving from around the world for the whole or part of the competition period, as well as catering for fans based in the UK, and within the conurbation of Leicester.
- 8.4 The strategy caters for fans moving in and around the city between the stadium, Fan Fests and the city's attractions. We have a specific strategy for competitors and officials traveling between venues once they have arrived in the city. Wherever possible and

practical, our strategy is based on using the most sustainable form of transport as the first mode of choice.

- 8.5 The fans fests are located at Victoria Park and Abbey Park. Both these parks are within easy walking distance of the City Center and a well-signed enhanced 'walking route' will link them to the City Center. During their stay in Leicester fans will be encouraged to walk, along our 'New Walks', between the Stadium, the two Fans Fests and the city center and city visitor attractions. For fans unable to walk between the venues, local bus services and competition shuttle bus services will be available.
- 8.6 Both Parks are well served by existing bus routes, and these will be enhanced to cater for the requirements of the Competition visitors.
- 8.7 Carbon management will be a priority during the World Cup™ and to assess the carbon emissions of the games, each venue will be "Smart metered" to gauge energy and water consumption. Each participant will be asked two questions at the point of purchase:
 - i) 'What is the first part of your postcode?' and
 - ii) 'How did you travel to this venue?'

From this, an assessment of the carbon cost of the event can be calculated.

- 8.8 East Midlands Airport is the closest terminus to Leicester. It has a bus transit from the city, and during the World Cup™ will be re-routed. Each visitor will be asked to complete their journey details on the bus to allow for carbon accounting. Public transport is very well served in the city, with bus routes passing within 100 meters of the major venue, and there will be sufficient parking provided outside the city for coaches. The impact of traffic during the FIFA World Cup™ can be mollified by the use of the city's satellite technology that controls traffic systems.
- 8.9 Leicester has taken a stance to be a pathfinder in zero carbon construction and has called for all new building to be zero carbon by 2013. Any new construction allied to the World Cup™ will be aimed at zero carbon both through energy consumption and operation. The FIFA World Cup™ is a major opportunity for the agency to put into practice those techniques it advocates especially with the football stadium extension.

9. RISK ASSESSMENT

- 9.1 A detailed risk assessment has been completed in the confidential report entitled "Leicester's bid to become a candidate host city for the 2018 or 2022 FIFA World Cup™ – Confidential" appearing on Part B of this meeting's agenda.
- 9.2 These risks in the main relate to detail contained in the Host City Agreement and about which legal advice has been sought. Within the bid process bidding candidate Host Cities are bound to keep confidential these agreements and information disclosed by England 2018 as part of the process.

- 9.3 The non agreement related risks are basically the risk of cost over-run for the City Council together with the impact of tighter financial settlements from Central Government for local authorities following next year's general election and the anticipated reductions in public expenditure which would make funding this project more difficult. In mitigation the cost estimates include contingencies, the event doesn't take place until 2017/18 when the bulk of the costs will be incurred giving time to formulate a funding plan.

10. CONSULTATIONS

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