

City of Salford Community Stadium Limited (A J Bell Stadium)

Report to Council from Councillor David Lancaster & Councillor Bill Hinds

2021/2022

City of Salford Community Stadium Limited (AJ Bell Stadium)

1. Background

In 2008, after earlier discussions with a consortium, the Council in conjunction with Peel Holdings formed a joint venture company, the City of Salford Stadium Company for the purpose of building a community stadium and securing the redevelopment of an area which was seen as an important part of the City's regeneration plans.

The A J Bell Stadium has been open for business since late 2011 and remains a significant part of the overall regeneration and development of the 17 hectares of land known as 'Salford Gateway' adjacent to the Manchester Ship Canal and A57 Liverpool Road. Alongside the Western Gateway Infrastructure Scheme (WGIS) road scheme and Port Salford, the area, its connectivity, and overall development is moving forward. Sales have been successfully negotiated with the first sale of land to Greene King having taken place and a further sale to Aldi supermarket, other plots in further discussions continuing.

The WGIS road opened in December 2017 including the lifting bridge across the Manchester Ship Canal providing a vital link to the Intu Centre and beyond. Port Salford is in development and the Culina warehouse is in operation. It will, along with other developments at the Stadium site and Salford Gateway development, provide several thousand new jobs in the area.

The A J Bell Stadium comprises:

- A total of almost 2,000m2 of meeting and hospitality space.
- A 700 – 900 (depending on type of event) capacity suite capable of coping with events as diverse as major corporate uses, gala dinners, parties, exhibitions, private and community meetings.
- 13 syndicate rooms which can be used as hospitality boxes on match days, overlooking the main pitch.
- A commercial gym.
- Home to the Salford Red Devils Rugby League Super League Club and Sale Sharks Rugby Union Gallagher Premiership club.
- Salford Red Devils business offices and training suite
- Sale Sharks community and family suite
- Sale Sharks souvenir and sportswear shop
- Swinton Lions office & training space.
- Financial services company
- A fleet hire company
- An accessible driving assessment centre
- An IT Business Solutions company
- A medical emergency transport service
- A mail drop facility for two businesses

As well as the main Stadium pitch, there are two other facilities; a 3G all-weather floodlit sports surface with high usage from professional and amateur teams from a wide range of sports which has accreditation from the RFU and FA, and a floodlit outdoor grass pitch with availability for rugby, football, and other team sports.

The Covid Pandemic affected the operation of the Stadium, with matches held without supporters present, no hospitality or conference business allowed, the gym and outside pitches not allowed to operate, but the individual tenants in the office space all met their financial commitment to the Stadium and this helped the day-to-day operation of the Stadium continue.

In May 2021 the regulations on allowing supporters into stadia relaxed, all Covid Regulations were met and gradually over the following months supporters returned, by September 2021 all supporters who wanted to attend could do so, due to demand and space available; the gym re-opened, and commercial activities re-commenced, albeit with smaller, socially distanced groups.

The Stadium will be very much part of the wider and significant leisure offer that the City of Salford provides to its people, businesses and communities and is therefore seen as a valuable asset in that context.

2. Stadium facts and offer

2.1. Sporting

The Stadium has a capacity of just under 11,500 spectators accommodated in 4 stands with the opportunity to increase the capacity to approximately 20,000 in the future should the need arise.

When the Stadium first opened, it was home to the Salford Red Devils, the Rugby League Super League team, within its first year, the Stadium also recruited Sale

Sharks, the Gallagher Premiership Rugby Union team as its second anchor tenant making it the home of top-class rugby in the northwest, Sale Sharks have primacy of tenure which means that their home matches take precedence over any other events at the Stadium.

During the last year, 2021/22, 31 fixtures have been held at the Stadium for Sale Sharks (16) and Salford Red Devils (15, including 1 Challenge Cup and 2 Friendlies). Five of these fixtures were carried out 'Behind Closed Doors' (BCD), this was due to the closure of sports grounds to spectators during the Covid Pandemic. Sale Sharks first home match as restrictions started to be relaxed was on May 28th, Salford Red Devils hosted the Test Event on May 19th.

The Stadium has Multifit gym as one of its key anchor tenants which is a newly refurbished commercial gym located within the Stadium's west stand; it offers quality gym facilities at very competitive rates and had approximately 2,500 members, unfortunately, as with all gyms, there were significant periods of closure during the Covid Pandemic, but membership increased as regulations relaxed.

2.2. Non-sporting

The Stadium event and conferencing business, run by Elixir, was not operational during the Covid Pandemic as no events were allowed to take place and the business was not able to adapt to operating as a restaurant or public bar. It was a significant employer both in the local and regional area, some staff were made redundant, a small number of permanent staff were furloughed and there was no work available for the match day staff until restrictions were relaxed from May 2021. The Stadium's partnership with Elixir, the Stadium's catering partner continues as we seek to develop the non-match day Conference and Events sales towards pre-pandemic business levels.

The Stadium utilised the available outside space to host a socially distanced outdoor 'Horrible Christmas' drive-in theatre event in December 2021.

The Stadium Operation's Team numbers 24 including casual staff, with eight of those staff in permanent positions. Most of these live in the local area, within a seven-mile radius of the Stadium. During the Covid Pandemic the Stadium worked with the furlough scheme to support all permanent and casual staff, as soon as was practicable staff returned to work, although roles were reviewed to ensure maximum flexibility from the team to support the business.

The Stadium has significant conferencing, banqueting and event facilities located in the main west stand. A range of events can be accommodated ranging from 1 person through to 900 on the second and third floors.

The Company has successfully converted the former Fans Bar into office space which is let to provide an income for the Stadium Company, moving the financial position of this area from 19K catering commission (less cleaning and utility costs) to 58K rental income. (the tenants occupying this space all paid their rents throughout the period of the Covid Pandemic). A Fans Village has been developed utilising a marquee adjacent to the community pitches offering even more facilities and opportunities for visitors. This makes the Stadium one of the premier and largest event venues in the

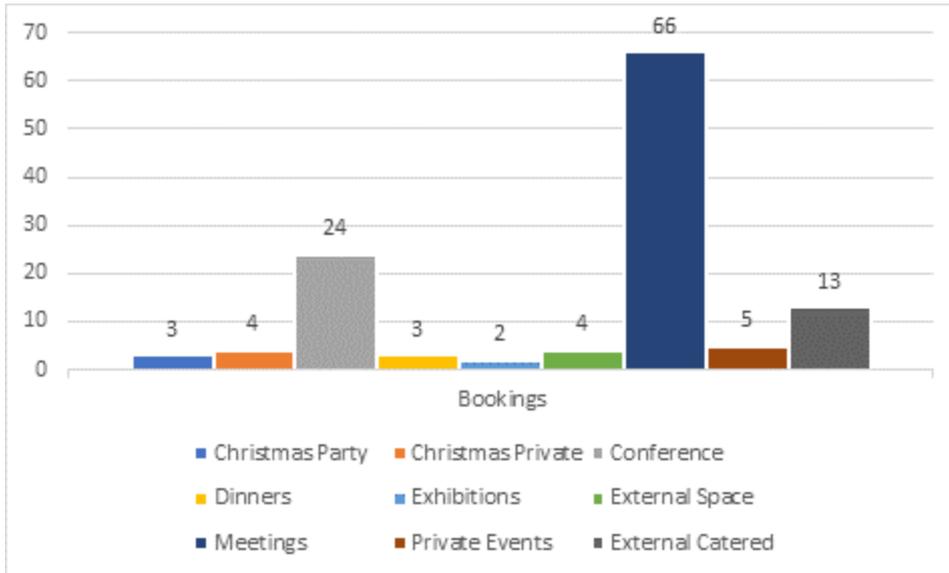
northwest. The Stadium benefits from its unique accessible location and car parking for up to 600 cars on the main car park in front of the Stadium Reception access.

The Stadium's catering and events contractor is part of the Elior Group. Prior to the Pandemic it employed a core conferencing and banqueting team of 8 on site with a further 200 casual staff brought in as events dictate and a business development team of three to drive forward future business. The vast majority Elior staff members live in Salford and its immediate environs. In addition, Elior Cleaning successfully tendered for the whole of the Stadium cleaning in July 2019. Unfortunately, Elior has experienced some challenges in providing catering staff as the Covid regulations relaxed and this has been the case with many hospitality businesses.

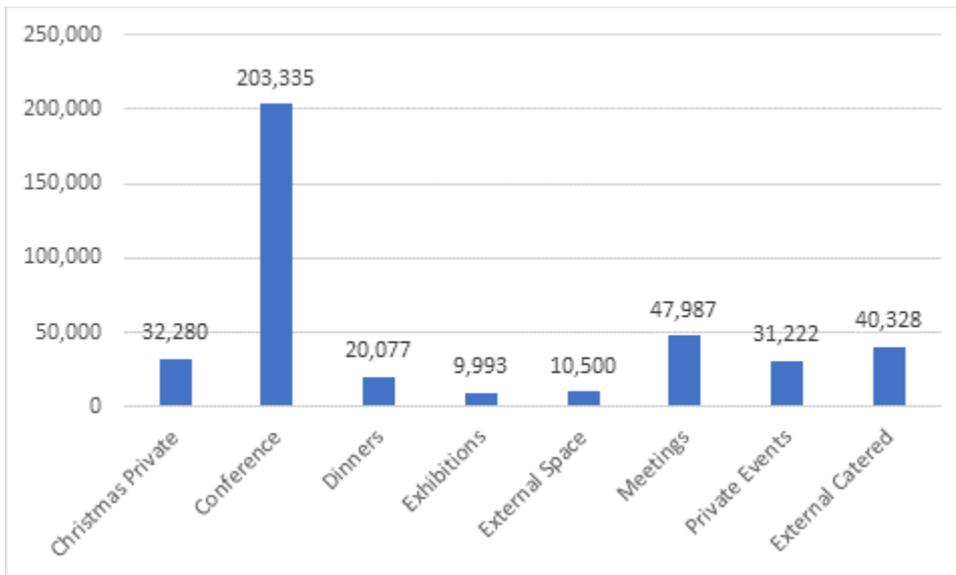
Prior to the Covid pandemic the Stadium had seen year on year improvement in the level of service provided for conference and banqueting events with 19-20 conference business generating 43% of the Elior catering revenue, and the commission from this revenue yielding 19.3% of the Stadium's total revenue, as the business starts to re-build itself those same figures for 21-22 are 33.6% and 9% respectively. The non-match day events were a well-established and profitable income stream for the company. The venue was popular for its Christmas parties 'Jinglefest', self-catered weddings, conferences, awards dinners, and auctions with the accessibility from the motorway network and the parking a significant feature. There was a strong local focus, and it was a popular venue, and it is committed to re-building and developing these links. Post pandemic the drive is to build back better.

There have been limited visitors to the Stadium as rules relaxed post pandemic, with some SRD games played BCD, the total attendances for the Clubs in 21-22 were SRD 18,317 (due to BCD) and Sale Sharks 47,061. The outside event attracted circa 1,200 visitors and Commercial Events days totalled 126 Events with 10,186 visitors to the Stadium; in 19-20 there were 35,560 visitors to the Stadium for conference and events of which there were 362 in total. The impact on the Conference and Banqueting business was that Covid restrictions were in place until 23 July 2021, business then opened back up only to suffer the effects of the Omicron variant in November 2021, which continued to impact the events business until the end of February 2022. One key event was the May Election Count that was held at the Stadium.

Business Mix By Bookings



Business Mix By Revenue



Key Bookers

Client Name	Total
Salford Council	85,859
VIP Promotions	18,063
Network Plus	17,400
White Collar Boxing	11,368
White Collar Boxing	9,330
Salix Homes	9,146
Bien Venue	8,667
Logistics UK	8,275
Logistics UK	8,275
P P O'Connor	7,776
Thwaites	7,334
Mark Flannigan - Dinner	7,201
AE3 Media	6,940
Lee Mossop - Dinner	6,398
VIP Promotions	5,766
John Lewis	5,499

To deliver these events requires a significant supply chain, much of which is locally sourced. Significant six figure expenditure is spent each year with businesses, many of which are SMEs which helps drive forward the local and regional economy.

The Stadium Company, in conjunction with Elior continues the desire to hold further concerts at the Stadium, the current licensed concert capacity is 14,999 and there are Event Management plans for concerts on file. There has been a return to the business of holding special event nights including boxing matches and a sportsman's dinner, to complement and expand the business plan.

The Stadium Management Team is committed to delivering the highest standards of Health & Safety and Counter Terrorism at the Stadium. The team work very closely with the Safety Advisory Group (SAG) and external companies such as Mott Macdonald and ARK who audit the Stadium building structure, maintenance, operations, and fire control to ensure compliance with health and safety legislation. All Health and Safety work is completed to the required timetable.

Counter Terrorism remains a high priority with ACT training for managers and all stadium staff and partners is ongoing, to date all Stadium staff have completed the ACT training; the stadium promotes the safety message "SEE IT; SAY IT; SORTED". The Stadium management encourages a challenge culture from all staff, particularly in the reception area. Stadium managers work closely with GMP and NaCTSO (National Counter Terrorism Security Office) with the Deputy Stadium Manager, who is also the Stadium Safety Officer for match days, taking the lead. The Stadium regularly receives updates from Premiership Rugby and the RFL in addition to those received from NaCTSO, all information received is actioned, discussed, or cascaded as appropriate. The Stadium's PSIA score continues to improve, aided by the work

on hostile vehicle mitigation which included the provision of boulders around the Fan Zone and barriers, including post and seating barriers, deployed along the corner of the forecourt adjacent to Stadium Way.

3. Community

The Stadium was constructed with the local community in mind. It provides a valuable local asset and employer for the local area.

The Salford Red Devils Foundation is no longer based at the Stadium, having moved to Eccles College, although they use the training pitches at the Stadium. They are the community arm of the Club and undertake significant community-based work throughout the City of Salford and the region as a whole. They use the sport of rugby league as a vehicle for delivering important programmes relating to public health and skills and for work. Similarly, Sale Sharks utilise the Stadium's facilities for a variety of school based educational sessions.

The Stadium also has the two secondary community pitches at its disposal which it utilises both commercially and for community and charity use. The outside pitches are well used, particularly in winter months due to having floodlights, in 21-22 the pitches were used for 1,141 hours and generated over 41K income, excluding SRD training use.

Swinton Lions, also use these pitches for their training sessions. Swinton Lions have also developed a base at the Stadium.

The Stadium Management Team also provides support to Salford City Football Club advising on Ground Safety matters and match day support.

4. Development Land

The Stadium is surrounded by development land which belongs to the Stadium Company. It totals just over 17 hectares and makes it an important development site in Salford. The first plot of land (1.3 acres) was sold to Greene King for the development of a pub/restaurant called the Barley Farm. The new pub has generated approximately 90 jobs. The sale of a second plot has been concluded and the building of an Aldi Supermarket was completed in March 2020 and opened in May 2020, the exterior of the building compliments that of the Stadium and the store is trading well.

Port Salford is under construction further down the A57 which will generate 3,000 job opportunities and economic growth for the region. As part of this construction, the A57 road immediately adjacent to and feeding the Stadium has been modified under the Western Gateway Infrastructure Scheme. The amended A57 and bridge layout is now well established and both teams based at the stadium are linking effectively to the Trafford Centre. The Culina distribution company 'Great Bear' is now operating, forming the first tranche of the Port Salford development.

The Stadium has a plan in place to identify end users for the various development sites at the Stadium. Potential users may include budget retailers, fast food outlets,

petrol filling stations, car showrooms and large 'shed' style retailers, and interest in the sites available is increasing.

5. Stadium Financing

To be provided

6. Summary

The Stadium Company is committed to securing development for the site to ensure capital receipts for the Stadium Company. The Council provided loans to the Company to facilitate the development of this area and the capital receipts will offset the original loans made to the stadium company. Over time, the City will benefit from improved economic development in the area including increased employment and business rates.

Cllr David Lancaster

Cllr Bill Hinds

July 2022.