# Subject: SportAccord 2011 Report to: Budget and Performance Committee Report of: Executive Director of Secretariat Date: 9 June 2011 This report will be considered in public

# 1. Summary

1.1 This report sets out information relating to the SportAccord International Sporting Convention which took place in April 2011.

### 2. Recommendation

2.1 That the Committee notes the report, puts questions to Daniel Ritterband, Director of Marketing at the GLA, and notes the discussion.

# 3. Background

- 3.1 The Budget and Performance Committee and the Budget Monitoring Sub-Committee have been monitoring spending on the SportAccord International Sporting Convention which took place in April 2011. The Budget and Performance Committee first looked at SportAccord and the GLA's approach to attracting sporting events at its meeting on 24 November 2009. It has kept a watching brief in the intervening period.
- 3.2 Most recently, the Chair wrote to the Director of Marketing after the event requesting "final breakdowns of the conference budget and costs to the GLA group and, as well as an assessment of the likely benefits from hosting it, in particular detailing any progress made in securing future events" (**Appendix I**). The Director of Marketing's response gives the total cost of the event but says that a full account of income and expenditure will only be possible when the accounts have been concluded "within the next few weeks" (**Appendix J**).

### Potential benefits to London

3.3 The estimated direct economic benefit to London of hosting SportAccord was £5 million as a result of the chance to secure future international sporting events for the capital. The Director of Marketing told the Committee that a strategy to determine the five "most winnable events" and "ensure a significant win" for London would be prepared by summer 2010 (**Appendices B** and **D**). The Committee has not yet seen the strategy, although a list of all the events that the GLA could potentially bid for over the coming years was provided.

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<sup>&</sup>lt;sup>1</sup> Mayoral Decision 429, September 2009

- 3.4 Correspondence in May 2010 described potential GLA support for a bid to hold the 2014 Hockey World Cup at the Olympic Park (**Appendix F**).<sup>2</sup> However, in November 2010, the International Hockey Federation voted to award the competition to the Netherlands.
- 3.5 Following SportAccord, the Mayor noted the decision to hold the 2015 World Canoeing Championship at Lee Valley. He said it was too early to assess the success of the convention but that the International Canoe Federation's vote on 15 April to hold the event in London was a "very positive" sign for the amount of money Sport Accord will generate. The Director of Marketing has indicated that London is now also bidding for 2013 World Championships Triathlon Final and a 2015 Hockey International Series event to be held at the Olympic Park (Appendix J).

### Costs of the SportAccord Convention

- 3.6 The budget and funding sources for SportAccord were set out in September 2009.<sup>4</sup> The anticipated cost was £1.753 million and the GLA group was expected to provide £650,000 through a grant from the LDA. In approving the £650,000 grant, the LDA described SportAccord as "an excellent opportunity to promote London for inward investment as host of new international sporting events post 2012".<sup>5</sup>
- 3.7 Other public sector funding was due to total £628,000, although around a third had not at that stage been secured. It was hoped sponsorship would make up the remaining £475,000 (£300,000 in cash and £175,000 as 'value-in-kind'). The GLA was to provide an unspecified level of value-in-kind contribution, presumably including project management and administrative support for the event by the GLA Marketing team.
- 3.8 There were problems attracting the required level of sponsorship for the event. In December 2010, consultants Red Torch were appointed to attract new sponsors because only 58 per cent of the anticipated income had been secured a shortfall of around £200k. This shortfall was reduced to £120,000 with around 75 per cent of the sponsorship target being achieved. To cover the risk of a sponsorship shortfall, the Mayor had approved an LDA underwrite for the event of £345,000 and a further GLA underwrite of £330,000 in the event that the LDA underwrite was not sufficient. The Director of Marketing recently indicated to the Committee that no calls on the LDA or GLA underwrites were anticipated (Appendix J).

## 4. Issues for Consideration

4.1 The total cost of the event was £1.712m – £41,000 under budget (Appendix J). In terms of funding, the Mayor has said that the LDA did not provide funding beyond its original grant for SportAccord "in 2010/11". The Director of Marketing has not yet provided a final breakdown of costs to the GLA group and other public sector bodies so questions remain around the funding of the

<sup>&</sup>lt;sup>2</sup> At that stage the GLA was considering offering LDA funding of £500k, subject to "a robust business case showing economic benefits to the city".

<sup>&</sup>lt;sup>3</sup> Response to Mayoral Question 1361/2011 by Mike Tuffrey AM

<sup>&</sup>lt;sup>4</sup> Mayoral Decision 429, September 2009

<sup>&</sup>lt;sup>5</sup> Report of the Investment Programme Board, Investment Committee, LDA, 23 July 2009, para 5.9

<sup>&</sup>lt;sup>6</sup> The other public sector organisations expected to contribute were UK Sport (£150,000 – secured), Visit Britain (£128,000 – secured), UKTI/BERR (£150,000 – secured) and UK Cities, Nations and Regions (£200,000 –not secured).

<sup>&</sup>lt;sup>7</sup> Director's Decision 398, December 2010

<sup>&</sup>lt;sup>8</sup> Responses to Mayoral Questions 1359/2011 and 1360/2011 by Mike Tuffrey AM

<sup>-</sup> Cash sponsorship totalled £190,000 (£110,000 less than the target) and value in kind contributions made up £165,000 (£10,000 less)

<sup>-</sup> The responses also noted that "a further £60,000 value in kind was secured to reduce management company costs which therefore reflected on the overall cost to the GLA".

<sup>&</sup>lt;sup>9</sup> The LDA had previously agreed to fund a contingency of £100k, rejecting a proposal that it should make available a contingency of £675,000 (*Report of the Investment Programme Board*, Investment Committee, LDA, 23 July 2009, para 5.9).

<sup>&</sup>lt;sup>10</sup> Response to Mayoral Question 1358/2011 by Mike Tuffrey AM

convention. For example, what was the value of the GLA's 'value-in-kind' contribution? Did the LDA provide any funding for SportAccord beyond its original grant in years other than 2010/11? What was the total public sector contribution to the event and how can value-for-money be demonstrated?

4.2 The Committee may also have questions around the projected economic benefits for London of the 2015 World Canoeing Championship and the other events London is bidding for; and the GLA's strategy for securing further such events.

# 5. Legal Implications

5.1 The Committee has the power to do what is recommended in this report.

# 6. Financial Implications

6.1 There are no direct financial implications arising from this report.

# List of appendices to this report:

The appendices to this report contain correspondence relevant to the Promotion of London programme, as set out in the table below.

Appendix	Date	From	То	Contents
A	8 Dec 09	Committee Chair	Director of External Affairs	Questions on SportAccord including potential events and GLA/DA underwrite
В	5 Jan 2010	Director of Marketing	Committee Chair	Response including a list of potential events
С	6 Jan 2010	Committee Chair	Director of Marketing	Request for more detail and the strategy when it is available
D	14 Jan 2010	Director of Marketing	Committee Chair	Response saying strategy would be available during summer 2010
E	18 May 2010	Committee Chair	Director of Marketing	Request for information about potential funding for the Hockey World Cup 2014 bid
F	24 May 2010	Director of Marketing	Committee Chair	Response including potential for a £500,000 LDA funding agreement to host event
G	11 Feb 2011	Committee Chair	Director of Marketing	Questions on the appointment of Red Torch to attract new sponsorship for the event
Н	8 Mar 2011	Director of Marketing	Committee Chair	Response on Red Torch
I	4 May 2011	Committee Chair	Director of Marketing	Request for final breakdown of budget, costs to the GLA group and likely benefits
J	27 May 2011	Director of Marketing	Committee Chair	Response to Appendix I giving total cost and information about events being bid for – full accounts available in next few weeks

# Local Government (Access to Information) Act 1985

List of Background Papers:

Mayoral Decision 429, September 2009 – SportAccord International Sporting Convention <a href="http://legacy.london.gov.uk/mayor/mayor-decisions/docs/20091014-md429-sport-accord.pdf">http://legacy.london.gov.uk/mayor/mayor-decisions/docs/20091014-md429-sport-accord.pdf</a>

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