

REQUEST FOR MAYORAL DECISION – MD1265

Title: World Class Hockey Events 2016-2018

Executive Summary:

England Hockey is currently bidding to bring the 2016 Champions Trophy, 2017 World League and 2018 Women's World Cup to London. The final bid is to be submitted on August 31st 2013. England Hockey has requested that the GLA makes a financial commitment to these events as part of the bid.

This MD seeks approval to commit £500,000 from the Mayor's Sports Legacy Programme to these events.

Additionally, this MD seeks approval for the allocation of an additional £100,000 from the GLA Central Programme Budget.

Decision:

The Mayor approves the allocation of up to:

- £500,000 from the Mayor's Sports Legacy Programme; and
- £100,000 from the 2013/14 GLA Central Programme Budget;

to be used as funding for England Hockey should it win the right to host the 2016 Champions Trophy, 2017 World League and 2018 Women's World Cup.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:

Date: 29 August 2013

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

1.1 Funding for major sporting events

The majority of major sporting events – in both Olympic and non-Olympic sports – require a level of public funding support to cover staging costs. The case for this funding is made against the economic and social benefits to the cities, regions and nations from participants in, and visitors to, these events. Recognising this, UK Sport has its World Class Events Programme to distribute approximately £5 million of Lottery funding each year to support the bidding and staging costs of major events. This figure was put up from approximately £3.5 million in the last Comprehensive Spending Review, in recognition of the fact that major sporting events deliver significant return on investment. UK Sport funding is only released alongside partnership funding from national governing bodies, city/regional authorities and commercial partners.

The success of the 2012 Olympic and Paralympic Games has cemented London's position as a world-leading host of major sporting events. The Queen Elizabeth Olympic Park has also added significantly to the range of world class sporting facilities available for hosting events in London. A key part of the on-going legacy of London 2012 is ensuring that these facilities and others around London be regularly and fully made use of.

London has already secured a portfolio of additional events for the years ahead that will help sustain our position as a world-leading host. They include the 2013 UEFA Champions League Final, 2014 Tour de France, 2015 Rugby World Cup, 2015 European Hockey Championships, 2017 IAAF World Athletics Championships and IPC World Athletics Championships. Additionally, there are several other events for which bids are on-going, including the 2016 World Track Cycling Championships and the 2016 European Swimming Championships.

As well as the on-going bids, there is already a substantial and ever-growing list of national governing bodies and other federations who have expressed an interest in bringing further events to London, including England Hockey.

1.2 GLA Major Events Strategy

Whilst GLA funding has been made available for specific events on an individual basis, within the GLA there has not been a ring-fenced amount or programme of investment for major sporting events.

With this in mind, the GLA Sports Unit has been working with London and Partners, LLDC and other colleagues to develop a proposal for a Major Sports Events strategy, which sets out a portfolio of events that London will look to secure, based upon an evaluation framework that looks at return on investment, international broadcast and community engagement. Central to this strategy will be a proposal for a ring-fenced annual budget that can be allocated towards specific events. A paper setting out the background to the event evaluation framework is attached at Appendix A.

We are intending to present this proposal under the 2014/15 budget-setting process. However, the deadline for bid submission for these hockey events falls well before the 2014/15 budget setting process. As such, funding is being sought outside of the planned overall events strategy.

1.3 Hockey Events

With the support and funding of UK Sport, England Hockey is proposing a long term strategy for major events in their Olympic legacy venue, the Lee Valley Hockey and Tennis Centre, which covers the current period of UK Sport funding up to 2019.

In addition to its existing annual event held in London (previously at Chiswick in west London) and the 2015 European Championships (won from a competitive bid in 2012), there would be three further events, which would require financial support from GLA: the 2016 Champions Trophy; the 2017 World League and the 2018 Women's World Cup.

It is expected that the 2018 Women's World Cup bid will face competition from New Zealand and Australia.

Whilst it is not a requirement that all three events be bid for together, England Hockey views this as a key strength of its offer for two key reasons. First, the International Hockey Federation has indicated that it is not willing to award the World Cup (the sport's 'Blue Riband' event) to a nation that does not also show an interest in supporting some of the sport's other events. Second, they view the 2016 and 2017 events as critical to building interest in the sport, developing the sport's presence in its new venue on the QEOP and thereby ensuring that the 2018 Women's World Cup be as well-supported and successful as possible.

International events of this nature provide socio-economic benefits to London through tourism expenditure, international exposure and community impacts. Assessment of these benefits against the new evaluation framework indicates these are relatively high priority (2016 Champions Trophy and 2017 World League - Bronze level, 2018 Women's World Cup - Silver/Gold level).

The formal funding request to the GLA was made by England Hockey in late July 2013. It was for £200,000 cash for each of the 2016 Champions Trophy and 2017 World League events and £500,000 for the 2018 Women's World Cup, a total of £900,000. England Hockey's proposed headline budget for the three events is attached as Appendix B. In addition to the funding contributions set out in the budget, Lee Valley RPA will be providing in-kind support with regard to, amongst other things, venue hire cost.

1.4 Funding proposal

Whilst the request from England Hockey is for £900,000, we propose to make an offer of £600,000, and to make clear our intention to work with them to secure the additional £300,000 after the bid has been submitted.

The figure of £600,000 has been reached following discussions between the GLA and England Hockey. Whilst it is not the full amount requested, we consider it a large enough amount to allow England Hockey to take its bid forward and assume the risk for any possible shortfall. The risk of England Hockey's failing to meet the shortfall will be mitigated by the GLA's providing assistance to find funding from other sources.

By making use of the programme contingency the GLA Sports Unit has been able to identify up to £500,000 that can be allocated to this project. The remaining £100,000 can be found from the GLA Central Programme Budget.

2 Other considerations

2.1 Issues for consideration

England Hockey, with financial and non-financial support of UK Sport and London, previously bid for the 2014 Men's and Women's World Cup but lost the bid to Holland, which provided a stronger commercial offering to the international federation. Therefore, England Hockey needs to have significant financial support for this bid to be successful.

UK Sport has recently requested increased financial support from London to more closely mirror the level of grant funding from lottery fund for international sports events of this kind. At the time of submitting this paper, it is not clear what conditions UK Sport will place on its funding award to England Hockey. Without this funding, England Hockey will not be able to put forward a competitive bid, which could damage London's legacy objectives and reputation as a world-class host for sport. By comparison, the UK Sport awards for the 2015 European Championships and unsuccessful 2014 Men's and Women's World Cup were £500,000 and £980,000 respectively.

The fact that a bespoke hockey arena forms part of the QEOP in legacy mode means that as a city and a country we have presented hockey as a key sport for development and support. It is therefore important that we ensure the venue be fully utilised and that we be seen to be upholding the commitments around sports and venue legacy that have been made.

2.2 Risks/Mitigation

It is proposed that any financial contribution from the GLA be capped with financial underwriting risk being held by England Hockey. England Hockey's representatives have stated that they are comfortable in taking this (proportionate) financial risk due to their experience in staging other international events in UK and London.

As with all sporting events, there is a risk that the bid to bring these events to London will not be successful. This might present reputational issues for the GLA, if we are seen to be strongly backing a failed bid. There is, however, a level of public understanding that all bids are competitive and that not all will be successful. The best mitigation of this risk is to ensure that the bid be as robust as possible and that the key partners – GLA included – be seen to be fully supportive.

The fact that the Mayor's Sports Legacy Programme is willing to allocate £500,000 to this bid is predicated to some extent on an aspiration that the GLA will fund a major sporting events strategy, thereby allowing the Sports Legacy Programme to return the £500,000 to its original purpose. However, there is a risk that this will not be the case and that the £500,000 will need to be used. This risk is accepted on the grounds that the proposed bid is of significant importance and that, by making use of the programme contingency, the impact on the Sports Legacy Programme can be minimised.

This risk is accepted on the grounds that the proposed bid is of significant importance, **AND THAT SUCH EVENTS ASSIST IN PROMOTING PARTICIPATION**, and that, by making use of the programme contingency, the impact on the Sports Legacy Programme can be minimised.

3 Financial comments

Background

- 3.1 It is proposed that the GLA earmarks a budget allocation of £600,000 to be provided to England Hockey (via a funding agreement) to part fund events associated with their bid for the 2016 champions Trophy, 2017 World League and 2018 Women's World Cup.

GLA Budget

- 3.2 The GLA's £600,000 contribution will be funded in the first instance from the existing Mayor's Sports Legacy Programme budget for 2013-14 and 2014-15, as approved by MD1119 (£500,000), and the GLA's 2013-14 Central Programme budget for an amount of £100,000.
- 3.3 The phasing of the GLA contribution has not yet been confirmed and is dependent upon England Hockey's bid to the International Federation being successful. If successful, a funding agreement and payment schedule will be agreed between the GLA and England Hockey, and will be subject to further approval via the Authority's decision-making process.

Other Income / Sponsorship

- 3.4 As detailed within the main body of this report, England Hockey had originally made a formal request of £900,000 to the GLA. The GLA have agreed for a £600,000 contribution but will provide England Hockey with assistance with raising the balance of £300,000, which will be accounted for directly within England Hockey's accounts. The GLA will not be liable for the £300,000 nor for underwriting the balance not secured.
- 3.6 Any changes to this proposal including budgetary implications will be subject to further approval via the Authority's decision-making process. All appropriate budget adjustments will be made.

Project Management

- 3.7 The Sports Unit within the Health & Communities Unit (Communities and Intelligence Directorate) will be responsible for managing the GLA's activities relating to this proposal and ensuring adherence to the Authority's Financial Regulations, Contracts & Funding Code, & Funding Agreement Toolkit.

4 Legal comments

- 4.1 The decision requested of the mayor falls within his statutory powers under the Greater London Authority Act 1999 (the 'Act'). To this end, section 378 of the Act confers on the GLA the duty to promote tourism by encouraging people to visit Greater London and to visit the United Kingdom via Greater London. Furthermore, Section 34 of the Act allows the GLA, acting by the mayor, to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of any functions of the GLA exercisable by the mayor.
- 4.2 As set out in paragraph 1.3 above, London's hosting of international sporting events encourages tourism to Greater London and provides international exposure for London. Accordingly, the GLA's provision of funding to England Hockey to assist it to host the 2016 Champions Trophy, the 2017 World League and the 2018 Women's World Cup (the "Events") should it win the bid to host same, may be viewed as facilitative of the promotion of tourism to Greater London.
- 4.3 As set out in paragraph 1.3 above, the GLA has agreed to assist England Hockey to find the £300,000 shortfall between its required budget of £900,000 for the hosting of the Events and the GLA's funding of £600,000. To this end, sub-section 378(9) empowers the GLA to charge for its services and to receive contributions towards the carrying out of its functions under section 378.
- 4.4 Finally, the officers must ensure that the GLA's funding of England Hockey be governed by a written grant agreement and that no money be paid to England Hockey until such grant agreement has been signed by both parties.

5 Investment & Performance Board

- 5.1 The requests made in this MD were considered by the Investment & Performance Board at the meeting held on August 13 2013.
- 5.2 The Investment & Performance Board approved the request to allocate up to £500,000 from the Mayor's Sports Legacy Programme to the three hockey events. The Board also approved the allocation of up to £100,000 from the GLA Central Programme Budget to these events.

6. Planned delivery approach and next steps

Activity	Timeline
Bid to international federation	31 August 2013
Decision/award of event	Late 2013
If bid successful, funding agreement and payment schedule agreed between GLA and England Hockey	Early 2014

Appendices and supporting papers:

- A. Paper outlining GLA/L&P/LLDC event evaluation framework*
- B. Proposed event budget summary*

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason: To ensure that the contents of this MD do not in any way compromise England Hockey's bid, it is required that this MD is deferred until after the decision on where these events will be held has been announced.

Until what date: 30 November 2013

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Kelhem Salter has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

Sponsoring Director:

Jeff Jacobs has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Kate Hoey has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

Date

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

Date