

## REQUEST FOR MAYORAL DECISION – MD1637

### Title: Major League Baseball 2017

#### Executive Summary:

This decision seeks a commitment of £300,000 from the GLA's Major Sports Events fund towards the cost of staging Major League Baseball games in the Olympic Stadium from June 2017 onwards.

#### Decision:

The Mayor approves expenditure of £300,000 from the GLA Major Sports Events Fund towards the costs of staging Major League Baseball in the Olympic Stadium in 2017, to be given as a grant to Major League Baseball; and also provision of the value in kind services set out in section 1.

#### 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:

29/04/2016.

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

### **Decision required – supporting report**

#### **1. Introduction and background**

##### **Background**

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 and is in keeping with the stated legacy aims from London 2012, one of which is to ensure that the facilities built for the Games continue to be used to stage high-level international sporting events. They include the 2015 Rugby World Cup, 2015 European Hockey Championships, 2015 Formula E Championships, 2016 European Swimming Championships, 2016 Track Cycling World Championships, 2017 IAAF World Athletics Championships and IPC World Athletics Championships.

Recognising that most major sporting events require some level of public support, the GLA allocated £2.4 million over four years to future major sporting events as part of the 2014/15 budget setting process. This Major Sports Events Fund supports the Mayor's major sporting events strategy for London, 'London: Home of World Class Sport', which was published in April 2014.

This new London-wide approach to bidding for and supporting major sporting events establishes the Mayor's Office as the first point of call for anyone looking to bring their event to London, and firmly establishes the Mayor's Office as London's strategic lead for major sporting events.

##### **Major League Baseball**

MLB is the main professional league for baseball in the US and Canada. There are 30 teams competing in the league, as well as around 240 minor league teams affiliated to the major league teams. Along with the NFL (American Football), the NBA (basketball) and the NHL (ice hockey), it is one of the four major professional sports leagues in the US. It has a huge following and profile across the US and Canada. Baseball is also hugely popular in Japan, Korea and many Central and South American Countries.

The most well-known teams competing in MLB include the New York Yankees and the Boston Red Sox – both of which have highly-recognisable global brand identities.

##### **MLB in London**

The GLA, LLDC and E20 LLP have been in discussion with Major League Baseball (MLB) since early 2015 with regard to the possibility of staging regular-season MLB games in the Olympic Stadium on Queen Elizabeth Olympic Park. Initially, the intention was for games to begin annually from summer 2016. However, this was later revised and the current intention is for games to take place from 2017 onwards.

The aim is to stage three games per year, over the course of a weekend in early June, in the period between the end of the football season and the start of the period during which the stadium is reserved for use by UK Athletics.

For MLB, staging regular-season games in the UK represents a key milestone in their plans to develop the sport's fanbase and popularity outside its traditional markets. It is part of a wider effort they are making to

grow the game globally, which has also included establishing a new MLB office in London focused on Europe, the Middle East and Africa.

For LLDC and E20, hosting Major League Baseball in the Olympic Stadium would represent another fantastic example of the versatility of the venue and help deliver on the commitments that were made around making the stadium a genuine multi-use facility.

It is, however, recognised that E20 will only commit to hosting MLB if it represents a financially sound proposition and allows E20 to meet its objectives for revenue generation. The grant being sought in this decision is entirely dependent on MLB committing to stage games in London. If any of the parties involved decide not to pursue the project, the grant would not be made. It is anticipated that a final decision on whether to stage MLB games in London will be taken by April 31 2016.

For London, becoming the first city outside America to host an annual series of MLB games would represent a significant coup, and would build on the city's reputation as the world's number one sporting city.

### **City support**

We have worked with MLB and the various London stakeholders to put together a package of city support to help ensure that staging MLB games in London represents a viable proposition; and also to ensure that, if games are staged here, they are as successful as possible.

The package of confirmed support includes:

- Operational and logistical support in the staging of the games;
- Assistance in securing access to London venues, to stage fan-related activity and other ancillary events around the games; and
- Promotional and marketing support, making use of GLA and L&P assets to ensure the games are given the highest possible profile.

In addition to these three areas, it is proposed that £300,000 from the GLA's Major Sports Events fund is committed towards the staging costs of the events in 2017. The exact areas in which this funding would be deployed are still to be agreed with MLB. However, it is anticipated that it will at least in part focus on the marketing and communications element of the event, in order to ensure that the games generate the best possible exposure for London. This would represent a one-year offer to MLB, in order to help ensure a successful pilot programme of staging games in London.

As the proposed funding stretches into the new Mayoralty, the funding agreement to be entered into will contain a break clause enabling the GLA to terminate the agreement by serving 30 days' notice.

### **Event evaluation**

As with all events that we are looking to support, the impact of staging MLB games in London has been considered against the three key criteria set out in the Mayor's framework for major sporting events, "London: Home of World Class Sport". The below summarises the outcomes of this evaluation:

**Economic benefit:** A full economic evaluation of the impact of 3 regular season games per year has not been conducted. However, we can look at the NFL model and extrapolate that the benefits would run into many millions. As well as attracting baseball fans from across the UK and Europe to London, there would be significant organiser spend in the city. Bearing in mind that this is a one-year commitment of £300,000, and MLB are planning on returning to London year on year, this initial investment will in the long term come to represent excellent value for money.

**International exposure:** The games would be broadcast live in the USA, which is a key target market for London. There is a commitment from MLB to ensure that at least one of the teams competing here would

come from one of the biggest markets (ie the Yankees and/or the Red Sox). Baseball also has a massive following in Japan and Korea, South and Central America. Viewing figures for an individual game average over 2million in the US alone, with far higher figures for the most popular teams.

**Community engagement:** MLB are committed to using the London games as a springboard for growing the sport in London and the UK. Increasing participation in sport will be a key part of this. They are also aware of the requirement to make use of Team London ambassadors as part of the event delivery. As set out above, MLB has committed to creating a fully-staffed European office in London for the first time. This is strong evidence of their long-term commitment to developing MLB and baseball in London.

This proposal was put to the GLA Events Steering Group (GESG) and was approved, subject to agreeing the specification of which elements of the event the funding would be applied to.

## **Next steps**

The London stakeholders continue to work with MLB to establish the viability of hosting games in the Olympic Stadium from 2017 onwards. Discussions around operational matters and scheduling are close to being concluded successfully and it will then be a question of determining whether the project is financially viable.

It is felt that the £300,000 commitment recommended by GESG is critical to ensuring that MLB commit to staging games in London in 2017. Bearing in mind the significant work to be done if games are going to be staged, it is anticipated that a final decision will be taken by all partners by the end of April 2016.

## **2. Objectives and expected outcomes**

The objective of this decision is to secure a series of Major League Baseball games to take place in the Olympic Stadium in June 2017, with a view to this becoming an annual event. This will:

- Support delivery of the Mayor's major sports events strategy, 'London: Home of World Class Sport';
- Increase economic investment into London;
- Increase international exposure of London;
- Increase opportunities for Londoners to participate in sport and physical exercise programmes associated with major sporting events;
- Assist the Mayor in delivering his commitment to a lasting sports legacy following the 2012 Olympic and Paralympic Games.
- Increase opportunities for Londoners to volunteer at a major sporting events;

## **3. Equality comments**

Every major event that seeks financial support from the GLA must demonstrate how the event will engage with the local community, in line with the Mayor's grassroots sport policy, 'A Sporting Future for London' and the Mayor's Sports Legacy Programme.

An equalities impact assessment has previously been undertaken on the overall Mayor's Sports Legacy Programme.

According to the most recent Sport England Active People survey (APS 8 published in January 2015), levels of participation in sport and physical activity are variable across different socio-demographic groups in London. Across all 33 London Boroughs, average figures indicate that 43% of men participate in sport at least once a week compared to 32% of women. 37% of Black Asian Minority Ethnic (BAME) people participate weekly compared to 39% of people of white origin. 19% of disabled people participate weekly compared to 40% of non-disabled people. 17% of people over the age of 65 participate weekly compared to 52% of those between the age of 16 and 25. 41% of

people from socio-economic groups 1 to 4 participate weekly compared to 25% of people from socio-economic groups 5-8 (based on the National Statistics Socio-economic classification system).

Sports programmes supported by the Mayor's Sports Legacy Programme engage significant numbers of women, disabled people, BAME people and people from lower socio-economic groups, both via sports participation programmes and training opportunities. We are seeking to increase participation opportunities for these groups through the Major Sports Events Engagement Fund that this event has also bid to.

#### 4. Other considerations

##### Key risks

	Risk	Likelihood / Impact	Response & Mitigation
1	That the event does not deliver against London's key strategic objectives	Low	<p>The evaluation process undertaken in order to determine city support for events is robust and thorough.</p> <p>MLB is a huge global brand and hosting it in London on an annual basis is certain to generate positive exposure.</p> <p>The GLA will work closely with MLB to ensure that it delivers on its community engagement responsibilities.</p>
2	Another partner withdraws support, putting the event at risk, and thereby exposing the Mayor/GLA to reputational risk.	Low	<p>The various parties to staging this event – MLB, LLDC, E20, LS185, GLA – have invested significant time and resource into the planning process. Should agreement be reached, it is highly unlikely that any of the parties would back out, especially once the plans are in the public domain. In addition, MLB are looking to engage a promoter to assist in the delivery of the event and to share in the risk, thereby mitigating the exposure of any one party and further reducing the likelihood of withdrawal.</p>
3	Reputational risk of the event failing to sell all tickets and broadcasting pictures of the venue internationally with empty seats.	Low/medium	<p>Whilst it is anticipated that there will be strong interest in the event, both from within the UK and from across Europe, this is a unique undertaking and it is likely that ticket prices will be relatively high to make the project economically viable. It is, however, in the interests of all parties to ensure a full stadium. As such, it is anticipated that a very strong marketing and communications campaign will be implemented from the moment that the event is confirmed. In addition, the huge success of both the NBA and NFL games staged in London suggests that there is a very robust market in the UK for professional US sports.</p>

## **Links to Mayoral strategies and priorities**

GLA support for the event will:

- support delivery of the Mayor's major sports events strategy, 'London: Home of World Class Sport';
- support the aims of 'Inclusive and Active 2' strategy for increasing participation in sport and physical activity amongst disabled people in London;
- support delivery of the Mayor's grassroots sport policy, 'A Sporting Future for London';
- assist in meeting the objectives of the Mayor's Health Inequalities Strategy;
- promote social development in London;
- assist the Mayor in delivering his commitment to a lasting sports legacy following the 2012 Olympic and Paralympic Games.
- support the Mayor's priorities around volunteering and his Team London programme.

## **Impact Assessments and Consultations**

An equalities impact assessment has previously been undertaken on the overall Mayor's Sports Legacy Programme. Further information is available at Section 3 of this document.

In writing 'A Sporting Future for London', the GLA Sports Unit consulted extensively with over 400 individuals from over 100 different groups and organisations including national governing bodies of sport, the Pro-Active Partnerships, senior representatives from local authorities and a wide variety of sports clubs and community organisations.

The conclusions reached received broad support from all key stakeholders and reaction to the plan itself has been very positive.

In writing 'London: Home of World Class Sport', the GLA Sports Unit consulted extensively with various national governing bodies of sport in the UK, Sport England, UK Sport, London Sport, relevant Local Authorities, LLDC, Lee Valley Regional Park Authority, London & Partners, sports venue owners in London and Transport for London. The strategy has been greatly welcomed by all key London stakeholders and partners, as well as the key national agencies identified above.

## **5. Financial comments**

- 5.1 Approval is being sought for expenditure of £300,000 from the existing GLA's Major Sports Events fund towards the costs of staging Major League Baseball in the Olympic Stadium in 2017.
- 5.2 The budget of £300,000 is to be incurred over 2 years, with spend of £100,000 in 2016-17 and £200,000 in 2017-18.
- 5.2 Any changes to this proposal, including budgetary implications will be subject to the Authority's decision-making process.

## **6. Legal comments**

- 6.1 Sections 1-4 of this report indicate that:

- 6.1.1 the decisions requested of the Mayor (in accordance with the GLA's Contracts and Funding Code) fall within the GLA's statutory powers to do such things considered to further or which

are facilitative of, conducive or incidental to the promotion of economic development and wealth creation and social development in Greater London; and

6.1.2 in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people (further details on equalities are set out in section 3 above) and to the duty under section 149 of the 2010 Act to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not<sup>1</sup>;
- consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
- consult with appropriate bodies.

6.2 In addition, under section 378 of the Greater London Authority Act 1999 the GLA has a duty to promote tourism to Greater London and holding of a Major league Baseball series in London from 2017 can fairly be described as an event that will promote tourism to London.

6.3 Officers have indicated in the report above that the contribution to the recipient, Major League Baseball amounts to the provision of grant funding and not payment for services. Officers must ensure that the funding is distributed fairly, transparently, in accordance with the GLA's equalities and in manner which affords value for money in accordance with the Contracts and Funding Code.

Officers must ensure that an appropriate funding agreement is put in place between and executed by the GLA and recipient before any commitment to fund is made.

## **7. Investment & Performance Board**

IPB considered and approved the GLA's new framework for major sporting events in January 2014, and at the same time agreed an overall budget of £2.4 million to be invested into major sporting events in accordance with the criteria set out in the framework. It was agreed that individual awards would be authorised by the GLA Events Steering Group (GESG). This decision is based on GESG approval.

## **8. Planned delivery approach and next steps**

<b>Activity</b>	<b>Timeline</b>
MLB/LS185 reach agreement on staging games in the Olympic Stadium	May 13 <sup>th</sup> 2016
GLA and MLB agree specific application of GLA grant	May 31 <sup>st</sup> 2016
First MLB games staged in Olympic Stadium	June 2017

<sup>1</sup> The protected characteristics and groups are: age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation and marriage/ civil partnership status.



**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**

This should be deferred until it is confirmed that MLB will be staging annual games in the Olympic Stadium, and this information has been released into the public domain.

Until what date: 30 June 2016

**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.

✓

**Assistant Director/Head of Service:**

Amanda Coyle has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

**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:**

Sir Edward Lister 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

*M. J. Allen*

Date

*28.4.16*

**CHIEF OF STAFF:**

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

Signature

*Edward Lister*

Date

*28.04.2016*