



Lee Valley  
Regional Park Authority

**LEE VALLEY REGIONAL PARK AUTHORITY**

**EXECUTIVE COMMITTEE**

**23 MARCH 2017 AT 12:00noon**

**Agenda Item No:**

**5**

**Report No:**

**E/486/17**

**SUPPORT FOR THE  
2018 WOMENS HOCKEY WORLD CUP AND  
PROPOSED CAPITAL INVESTMENT PROGRAMME**

Presented by the Head of Sport & Leisure

**EXECUTIVE SUMMARY**

This paper provides information on the Authority's and partners proposed support for July's 2018 Women's Hockey World Cup and the proposed capital investment programme at the Lee Valley Hockey & Tennis Centre.

It is proposed that the Authority makes a financial revenue commitment of £90,000 towards hosting the 2018 Women's Hockey World Cup in addition to support from other partners totalling £2,433,500:

- £1.1m from UK Sport,
- £500,000 from Greater London Authority;
- £708,500 from England Hockey (cash and value in kind); and
- £125,000 from Sport England.

It is also proposed that the Authority makes a capital investment into the venue to support future event delivery totalling £400,000 on confirmation of £350,000 of grant funding from Sport England. This will therefore eliminate the need for future revenue support for hockey events.

The approval of capital investments and associated works prior to the event will mean that the level of Authority revenue support will be reduced to zero.

The 2018 Women's Hockey World Cup will be the sixth major hockey event to be held at the venue since it opened in 2014. The timing of this event is key following on from the success of the GB Women's team in the 2016 Rio Olympic Games and to maintain momentum and profile raising of the sport / venue.

The paper sets out the issues for the Authority and Lee Valley Leisure Trust Ltd (trading as Vibrant Partnerships) (the Trust) and the range of significant benefits these recommendations would bring.

## RECOMMENDATIONS

- Members Approve:
- (1) support for the event with a direct revenue contribution from the Authority to Lee Valley Leisure Trust Ltd of £90,000;
  - (2) the release from the capital programme of £400,000 into the Lee Valley Hockey and Tennis Centre to support event delivery subject to the award of £350,000 grant from Sport England;
  - (3) the Sport England grant conditions for £350,000 external funding as per paragraph 18.

## BACKGROUND

1 The Authority accepted handover of the Lee Valley Hockey & Tennis Centre (LVH&TC) in June 2014 after an extensive period of transformation works following the London 2012 Games. One of the key purposes of the LVH&TC is as a hockey events venue which was a commitment set out to the International Hockey Federation (FIH) within the UK's bid for the London 2012 Games. The Authority has already started to fulfil this commitment by staging four major international Hockey events:

- the Investec London Cup in July 2014;
- the European Championships in August 2015;
- the Men's Champions Trophy 2016;
- Women's Champions Trophy 2016;
- Men's World League Semi Final 2017 (to be staged during June 2017).

2 In November 2015 Members approved (paper E/427/15) a process for National Governing Bodies (NGB's) to follow when seeking support from the Authority and an associated decision making criteria which applications will be scored against. Following this approval the process and associated criteria was communicated to:

- all relevant NGB's;
- UK Sport;
- Sport England (SE);
- Greater London Authority (GLA); and
- London & Partners.

Detailed work is being undertaken with NGB partners to plan the major event bidding programme for the next four years with a number of bids across a range of sports being prepared.

3 As detailed in paper E/435/16 Authority officers have been working closely with England Hockey (EH) to bring any future event funding in line with the recommendations approved by Members in November 2015.

This paper seeks to cover the detail and proposed support for the 2018 Women's Hockey World Cup which is the last of the events EH have bid for and won prior to the Authority implementing its major events support process.

- 4 EH are continuing to show their commitment to LVH&TC by moving all their domestic and international finals to the venue for the foreseeable future which includes:

- U16 / U18 National Boys & Girls Schools Finals;
- U14 National Boys & Girls Schools Finals;
- U16 / U18 National Club Finals;
- Hockey League Finals weekend;
- Knock out finals;
- Mixed finals.

These bookings secured over £35,000 of income for the venue in this financial year.

In addition to the events above, EH is currently bidding for the hosting of up to 16 International games per year from 2019 onwards (see paragraph 14). This has the potential to bring in additional benefits and income to the venue.

#### **THE 2018 WOMEN'S HOCKEY WORLD CUP**

- 5 The FIH calendar has now been finalised for 2018 and confirmed dates for the competition are 21 July to 5 August 2018, with training days on 15 – 20 July 2018.

July/August is not a peak month for Hockey but traditionally it is for Tennis due to the close proximity to Wimbledon. As per previous years, any impact on tennis is to be managed via a revised programme which is currently being drawn up with the Lawn Tennis Association (LTA) and the Trust.

- 6 The event is for women only. It comprises 16 teams with 288 athletes, 128 support staff and 35 officials. There will be four pools of four teams all playing one another totalling 24 matches. The top team in each of the four pools will go straight into the quarter-finals and the last team in each pool will be eliminated. Cross-overs between 2<sup>nd</sup> and 3<sup>rd</sup> in pools play off for the other four quarter-final places (4 matches), losers of cross-overs will be eliminated. The quarter-finals will be four matches, with the losers being eliminated. The semi-finals and medal matches will be four matches.

The Women's World Cup is the second largest women's event on the international hockey calendar with only the Olympic Games having a greater profile. The World Cup will expand to 16 teams in 2018 making it the largest Women's World Cup to date.

- 7 The commercial event rights for this event are held by FIH and EH along with all the host broadcast rights which are being negotiated with BT Sport. The FIH and EH has targeted 100 million viewers and 200 hours of broadcast time over the period of the event. At the recent 2016 Rio Olympics 9.3 million people viewed the Women's final match on the BBC alone.
- 8 The additional infrastructure required to support the event is significant. It involves the erecting of a temporary TV commentary position, camera platforms, additional accessible seating areas and elevated hospitality location. The spectator capacity for the venue will potentially be increased to between 8,000 and up to 10,000 through the use of additional temporary seating structures. EH

will require exclusive use of the venue for a period of 28 days.

- 9 The event has a range of funding partners currently totalling £2,433,500:
- UK Sport have agreed to make a cash funding contribution of £1.1m;
  - GLA have agreed to make a cash funding contribution of £500,000;
  - EH are contributing a value in kind (VIK) and cash contribution of £708,500;
  - SE has agreed to make a cash contribution of £125,000 to the legacy programmes.

If Members approve the recommendation in paragraph 24 the total partner funding (including the Authority) will total £2,523,500.

## CAPITAL INVESTMENT

- 10 At Members request, Authority officers have been working with EH and the Trust on a capital investment plan that would negate any future reliance on the Authority supplying revenue funding for EH's future major events programme. £250,000 has already been identified within the Authority's 2017/2018 and 2018/19 capital programme and this report seeks approval to access this funding up to £400,000 as detailed in paragraph 11 and 12. SE has made available a capital investment sum through EH of £350,000 should Members approve the Authority's capital contribution and the entering into the associate agreement with SE, see paragraph 18.
- 11 Phase 1 of the proposed investment into LVH&TC will develop a more fit for purpose events venue and therefore reduce the costs of temporary event structures which in turn reduces the events budget and the Authority's requirements to support via revenue. The proposed investment will be initially invested in the following areas:

Item	Cost (£)
Permanent additional Wi-Fi band width	6,000
Additional Power and water connection points, and data points	174,000
Permanent sports presentation structure and cabin	65,000
PA system	250,000
Additional Media Tribunes	5,000
	<b>500,000</b>

The above works totals £500,000 and is seen as phase one of the works that is due to be delivered by September 2017.

- 12 Phase 2 of the project is the conversion of the western plaza to hard standing which is currently a mixture of grass and pathways. This area is not currently fit for events use and temporary flooring is installed costing £22,000 per event. The current position also prevents the Trust fully utilising this area for their own commercial uses. It is estimated that a full conversion of this area would cost £250,000 and due to the potential planning requirements would not be delivered until April 2018.

It is proposed that Members approve a total capital sum of £750,000 with a contribution breakdown as follows:

- Authority contribution - £400,000; and
- Sport England contribution - £350,000.

Authority capital investment will only be attributed to works that benefit the long-term commercial viability of the venue and to host future major sporting events with a zero reliance on Authority revenue support.

- 13 This capital investment into the venue will allow a more commercial set up as the Authority looks to reduce the level of financial support for hockey and other major events over time. As an example, the 2018 Women's World Cup would potentially require a commitment of £134,000 in venue hire, venue staffing costs and other support services. The request for Authority support for this event will be £90,000, making a reduced commitment from the Authority of £44,000. This position is reflective of:

- the increased venue hire fee from £50,000 which was quoted by the Authority to EH at bid stage to £134,000; and
- a move towards zero revenue support for future major hockey events.

As additional permanent infrastructures are completed this will result in no Authority financial support for major events from 2019 onwards and the Trust will receive directly from EH all associated venue hire fees.

The table below highlights the level of potential savings for each major hockey event and international based on the level of investment made into permanent event infrastructure.

Item	High Level Costs to Provide	POTENTIAL SAVINGS		
		2017 HWLSF Budget Element	2018 WWC Relief	2019 Home & Away
Permanent additional Wi-Fi band width	6,000	1,228	2,000	3,000
Additional Power and water connection points, and data points	174,000	10,000	15,500	40,000
Permanent sports presentation structure and cabin	65,000	16,000	17,500	20,000
Hard standing	250,000	23,000	18,000	70,000
PA system	250,000	15,000	25,000	35,000
Additional Media Tribunes	5,000	0	1,500	0
<i>HWLSF – Hockey World League Semi-Final</i> <i>WWC – Women's World Cup</i> <i>Home and Away – Hockey Internationals</i>	750,000	65,228	79,500	168,000 (per season)

- 14 The FIH are changing their current international competition format which will see up to 16 international matches being held at LVH&TC annually from 2019 onwards. The four hosting windows from April to October each year will each include four international matches with the potential for large spectator numbers, as an example the 2017 GB Women's hockey international against the Netherlands sold out within one hour.

## **SPORT ENGLAND FUNDING AGREEMENT**

- 15 The Sport England funding arrangement is via an Exchequer Funding Agreement (EFA). This is a comprehensive document with a number of conditions which are applicable to the Authority, very similar to the Lottery Funding Agreements (LFA's) already in place for:
- Lee Valley White Water Centre;
  - Lee Valley Athletics Centre;
  - Lee Valley VeloPark; and
  - LVH&TC.
- 16 This opportunity has been presented to the Authority via EH's four year funding cycle negotiations with SE to support their reduction in reliance on public funding. Without the Authority's outstanding previous delivery around funding with SE this unique opportunity would not have been possible.
- 17 As detailed in paragraph 15 above, the stipulations within the EFA are almost identical to those the Authority has already signed up to previously. This application has been ratified by SE's CEO and if Members approve the recommendation an agreement is envisaged to be completed within the next month.
- 18 The key conditions of the agreement are highlighted below;
- grant amount £350,000 on the proviso the Authority makes its capital financial commitment;
  - the term of the grant is 15 years;
  - all Grant money to be spent by 30<sup>th</sup> September 2017 unless written permission is granted by SE;
  - the Authority can draw down the grant in stages;
  - the grant can only be used for the projects identified within this paper;
  - a small plaque is placed on site recognising the contribution made to these projects by SE;
  - a four year operations plan for the new facilities with associate KPI's to be implemented; and
  - QUEST accreditation at the venue is achieved within the next 18 months.

## **ISSUES FOR THE AUTHORITY**

- 19 The FIH and EH have budgeted the costs of hosting the 2018 Women's Hockey World Cup at circa £5,479,682. This includes:
- an event rights fee;
  - venue and logistics;
  - staffing;
  - contractors;
  - TV production;
  - accommodation;
  - transport;
  - marketing;
  - IT; and
  - sports presentation.

Income includes:

- ticket sales;
- sponsorship;
- advertising;
- a financial commitment from event partners either via VIK or cash.

20 As per the Authority's major events support process, the 2018 Women's Hockey World Cup has been assessed against the following key areas (see Appendix A to this report):

- **Financial** – The robustness and deliverability of the business plan and its process to create an economic benefit for the Authority and the Trust;
- **Community Engagement** – To fully maximise community engagement across the Region, this includes an increase in opportunities for sports, volunteering and workforce development;
- **Exposure** – The level at which the event can positively expose the Authority, regionally, nationally and internationally;
- **Strategic Value** – The level at which the event meets the strategic objectives of the Authority.

The event scored a total of 73.30 out of 100 on the above scoring matrix with the minimum support level set at 65.

21 The proposed £90,000 payment to the Trust by the Authority is to cover the costs associated with the hire of the venue, direct costs and loss of other potential income. Additionally it is proposed that the Authority invest in capital improvements to the venue to support future event delivery and that this capital contribution is seen as further VIK investment to support this event. Authority officers have worked closely with the Trust using the pre-agreed venue hire template to approve the appropriate value for hire.

22 Below is an overview of the benefits and opportunities the Authority and the Trust will gain from the event which are in line with the proportion of support being made:

#### **Financial**

- all catering income will be retained by the Trust which is estimated to be net benefit of £45,000;
- Trust campsites will be advertised to spectators, volunteers and officials, potentially increasing sales/hires at these sites.

#### **Community Engagement**

- the community delivery aspect of the programme will engage with 40 primary schools and 12 secondary schools in 2016/17 to develop a hockey habit in and out of school. This includes school based coaching, teacher training, festivals and children attending international events;
- the creation of a local universities informal hockey programme at LVH&TC;
- a programme of community hockey delivery aimed at engaging with 'hard to reach' young people and organisations;
- the development of traditional club participation for both adult and junior, working specifically on a number of club based projects;

- the development of new 'Ways to Play' / Informal offer. Examples include; Community 7-a-side offer at LVH&TC, 'Hockey Hang Out' at LVH&TC (Friday Night) and a walking hockey project in Waltham Forest;
- the creation of a 'coaching and coaches development' taskforce with the aim of developing and deploying local workforce in schools and community settings;
- increasing the number of local volunteers at events;
- local programme of teacher training and coach education;
- further developing corporate partnerships via local networking and Workplace Hockey events;
- working with clubs and local partners to engage a further 8000 people over the year at community events in the immediate area. Offering free taster sessions, signposting people to opportunities to play and for discounts / offers to attend events / watch International hockey;
- further targeted marketing in local communities;
- increasing the number of local young people involved in EH Talent Pathway programmes.

### **Exposure**

- the TV and media coverage will promote LVH&TC, Authority and Trust as a whole, reaffirming the Lee Valley position as a world class leisure destination;
- live coverage of all games on BT Sport HD with international broadcasters being confirmed post qualification;
- between 90,000 – 120,000 spectators will attend the event;
- branding in key locations both on the venue, in promotional material and via the various communications channels;
- opportunities to market the venue activity programmes during the event;
- a range of VIP, standard and community tickets for all sessions, valued at £170,000;
- KPI set for 1,500 LVH&TC separate references through all publicity.

### **Strategic Value**

- access to event imagery and video footage for Authority and the Trust marketing activities;
- access to all the email addresses from ticket holders opting in to be used for specific targeted marketing initiatives.

The Authority and the Trust benefits detailed above are safeguarded through specific clauses outlined within the venue use agreement with EH. The venue use agreement between the Authority and EH has been agreed in full with the Trust and an associated side agreement is in place.

- 23 In addition to the event benefits, ongoing bookings from EH to secure domestic finals and competitions is a direct financial benefit to the Trust through increased hire income and secondary spend (see paragraph 4) and therefore also to the Authority pursuant to the management fee arrangements.
- 24 If Members approve the recommendations of this report, financial revenue support for major events from the Authority for 2017 onwards would be as follows:



<b>Event</b>	<b>Authority Funding</b>	<b>Notes</b>
2017 NEC Wheelchair Tennis Masters	£21,259	Members approved
2017 Men's Hockey World League Semi Final	£76,500	Members approved
2018 Women's Hockey World Cup	£90,000	Budget approval required
2019 UCI Track Cycling World Cup	£100,000	Budget approval required
2019 ICF Canoe Slalom World Cup	£67,577	Members approved
2020 ECA Canoe Slalom European Championships	£67,577	Members approved
<b>Total</b>	<b>£422,913</b>	

This paper recommends support for the 2018 Women's Hockey World Cup. If Members approve this recommendation, and a potential Track World Cup paper, total support for NGB related major events from 2017 onwards would be £422,913.

The last four years major events cycle have attracted eight major international events with a total Authority revenue investment of £670,000, averaging £83,750 per event. This next cycle (as detailed above) has the potential to attract six major events to Authority venues with a total of £422,913 revenue investment, which is £70,485 per event. Officers continue to work with NGB's and UK Sport to further reduce the costs associated with hosting major events.

- 25 Members are asked to approve the allocation of £90,000 to be paid to the Trust to support the supply of LVH&TC to EH and the FIH to deliver the 2018 Women's Hockey World Cup and an additional £400,000 for capital investment.

#### **ENVIRONMENTAL IMPLICATIONS**

- 26 There are no environmental implications arising directly from the recommendations in this report.

#### **FINANCIAL IMPLICATIONS**

- 27 The Authority will need to allocate a one-off contribution of £90,000 in 2018/19 to fund the hire arrangements of the venue for the event set out in this report and this will be included as part of the 2018/19 budget process.

In addition to this, a capital investment of £400,000 will be required which will be committed from a two year provision of £500,000 (£250,000 2017/18 and £250,000 2018/19) set out in the current capital programme.

## **HUMAN RESOURCE IMPLICATIONS**

- 28 The event liaison will be undertaken by the Authority's Head of Sport & Leisure and Events Manager. This is the standard approach to major events of this nature and is funded from existing budgets.

## **LEGAL IMPLICATIONS**

- 29 The venue use agreement for the event includes provisions dealing with the £90,000 worth of revenue support from the Authority to the event. As per the process approved by Members (paper E/427/15) and outlined in paragraph 2, the Authority enters into side agreements with the Trust for the Leisure Services Contract provision for major events.

The Authority will need to enter into a 15 year funding agreement with Sport England all details within (paragraph 18) of this report.

## **RISK MANAGEMENT IMPLICATIONS**

- 30 A major events sign-off process has been agreed between senior officers of the Authority and the Trust and is awaiting formal approval. This process recognises that the hire fee quoted by the Trust is an accurate assessment of the loss of income and other costs the Trust will incur in connection with the event and has been signed off by the Trust's Managing Director.

The hire fee is fixed. The process recognises that the Trust bears the potential risk of the costs it actually incurs exceeding the stated hire fee and that no provision/adjustment will be made to the Management Fee in connection with this arrangement. This reflects the commercial arrangement agreed between the parties.

## **EQUALITY IMPLICATIONS**

- 31 There are no equality implications arising directly from the recommendations in this report.

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Author: Dan Buck, 01992 709 896, [dbuck@leevalleypark.org.uk](mailto:dbuck@leevalleypark.org.uk)

## **PREVIOUS COMMITTEE REPORTS**

Executive	E/435/16	Support for 2016 Women's Champions Trophy	25 February 2016
Executive	E/427/15	National Governing Body Major Event Support 2016-202	26 November 2015
Executive	E/192/12	Eton Manor Hockey & Tennis Centre - Hockey European Championships Bid 2015	23 February 2012

## **APPENDIX ATTACHED**

Appendix A Major Events Scoring Matrix

**LIST OF ABBREVIATIONS**

FIH	International Hockey Federation
LVH&TC	Lee Valley Hockey & Tennis Centre
EHF	European Hockey Federation
SE	Sport England
GLA	Greater London Authority
EH	England Hockey
VIK	Value in Kind
the Trust	Lee Valley Leisure Trust Ltd (trading as Vibrant Partnerships)
EFA	Exchequer Funding Agreement
LFA	Lottery Funding Agreement

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## Major Events Scoring Matrix

### 2018 Women's Hockey World Cup

As per the Authority's major events support process, the 2018 Women's Hockey World Cup has been assessed against the following key areas:

- **Financial** – The robustness and deliverability of the business plan and its process to create an economic benefit for the Authority and Trust:
  - overall financial risk;
  - increased revenue through the venue (i.e., increased food & beverage sales);
  - profitability level;
  - increased stays at Trust's visitor accommodation.
  
- **Community Engagement** – To fully maximise community engagement across the Region, this includes an increase in opportunities for sports, volunteering and workforce development:
  - a focus on sports participation, particularly in hard to reach communities and people new to the sport;
  - sports programmes that can demonstrate longevity and a real commitment to ensuring lasting participation;
  - ability to support the Authority in delivery of its Lottery Funding Agreement Targets (LFA's);
  - opportunities for event volunteering, particularly in hard to reach communities and people not currently involved in the sport;
  - a commitment to workforce development, mentoring and training, providing people new to the sport with opportunities to engage at a major event.
  
- **Exposure** – The level at which the event can positively expose the Authority, regionally, nationally and internationally:
  - event status to create a greater awareness of the venue and its facilities;
  - broadcast plan and reach;
  - media plan and reach;
  - credibility of event.
  
- **Strategic Value** – The level at which the event meets the strategic objectives of the Authority:
  - delivering a regional audience with a non-riparian focus;
  - support the Authority in becoming a must visit destination;
  - stakeholder engagement.

The event scored a total of 73.30 out of 100 on the scoring matrix with the minimum support level set at 65, section scores are as follows:

**1. FINANCIAL (40%)**

BIDDERS		England Hockey	
ITT Ref:	WEIGHT		
1	Can the event bid demonstrate the ability to limit the overall Financial Risk to the Authority / Venue be demonstrated?	40%	7
2	Can the bid demonstrate the ability to maximise the commerciality of the event - tickets, sponsorship, merchandise, concessions?	15%	8
3	Has the bid demonstrated the opportunities to increase revenue through the venue (i.e. increased food and beverage sales and return paid visits to the venue)?	20%	8
4	What is the profitability level?	8%	7
5	Can the bid demonstrate the ability to increase stays at Authority accommodation portfolio including its third party partners (i.e. the Youth Hostel)?	8%	7
<b>SCORE:</b>			<b>73.5</b>

**2. COMMUNITY ENGAGEMENT (30%)**

BIDDERS		England Hockey	
ITT Ref:	WEIGHT		
1	Can the bid demonstrate a focus on sports participation, particularly in hard to reach communities and people new to the sport?	25%	6
2	Does the event deliver sports programmes that can demonstrate longevity and a real commitment to ensuring lasting participation?	25%	8
3.0	Does the event demonstrate the ability to support the Authority in delivery of its Lottery Funding Agreement Targets (LFA's)?	25%	8
4	Can the event provide opportunities for event volunteering, particularly in hard to reach communities and people not currently involved in the sport?	15%	7
5	Can the event demonstrate a commitment to workforce development, mentoring and training, providing people new to the sport with opportunities to engage at a major event?	10%	7
<b>SCORE:</b>			<b>72.5</b>

**3. EXPOSURE (20%)**

BIDDERS		England Hockey	
ITT Ref:	WEIGHT		
1	What is the ability for the event status to create a greater awareness of the Authority's venues and its facilities?	40%	8
2	Has the broadcast plan and potential reach been identified?	25%	7
3	Has a media plan been produced and the potential reach demonstrated?	25%	6
4	What is the credibility of the event, is this an event with a history or creates an opportunity?	10%	6
<b>SCORE:</b>			<b>72.5</b>

**4. STRATEGIC VALUE (10%)**

BIDDERS		England Hockey	
ITT Ref:	WEIGHT		
1	Can the event demonstrate that it is delivering a regional audience with a non riparian focus?	35%	7
2	Can the event support the Authority in becoming a must visit destination, delivering a message that you can use these facilities?	35%	8
3	The event should demonstrate stakeholder engagement - opportunities to engage with current, new and potential stakeholders?	30%	8
<b>SCORE:</b>			<b>76.5</b>