

**EUROPEAN HOCKEY CHAMPIONSHIPS 2015
AT LEE VALLEY HOCKEY AND TENNIS CENTRE**

Presented by the Chief Executive

EXECUTIVE SUMMARY

This paper provides information on the Authority's and London partners proposed support for the 2015 European Hockey Championships at the Lee Valley Hockey & Tennis Centre.

It is proposed that the Authority makes a financial commitment of £120,000 (£70,000 in cash and £50,000 value in kind (VIK)) following commitment from the other London partners being confirmed. Income projections are estimated at £40,000 which would leave a net contribution of £80,000 to the event.

The 2015 European Hockey Championships will be the first major sporting event to be held at the venue since the London 2012 games. The paper sets out the issues for the Authority, the changes since Member approval to support the bid in February 2012, the recommended way forward and the range of significant benefits this event brings.

RECOMMENDATION

Members Approve: (1) the recommendation in paragraph 13 of this report to supply the event with an additional £25,000 of value in kind and £10,000 cash support.

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 London 2012. One of the key purposes of the LVH&TC is as a hockey events venue which was a promise set out to the International Hockey Federation (FIH) within the UK's bid for the London 2012 games. The LVH&TC has already started to fulfil this promise by staging the Investec London Cup in July 2014.
- 2 In February 2012 Members approved the recommendations in paper E/192/12

to support England Hockey (EH) in their bid to host the 2015 European Hockey Championships in September 2015. The recommendations approved were:

- the Authority to support the event budget with £60,000 cash subject to the London Legacy Development Corporation (LLDC) contributing £50,000 in cash;
 - the Authority to supply the venue in kind to a value of £25,000;
 - London & Partners (L&P) support the event with £25,000 in value in kind (VIK) marketing and promotions support;
 - that officers would report back to Members once a full appraisal was conducted of the 2015 event business plan to finalise the Authority's support.
- 3 UK Sport also agreed to make a funding contribution of £500,000 to the event subject to minimum of £200,000 funding coming from other partners within London. The funding approvals set out in paragraph 2 above total £160,000 leaving a shortfall of £40,000 to be met by the partners within London.
- 4 EH were successful in their 2015 European Championship bid and officers have now ascertained the true event costs through operating the LVH&TC over the past 8 months and EH finalising all areas of the event budget.
- 5 This process has taken longer than initially anticipated due to delays in the transformation project, the later than anticipated handover of the LVH&TC and EH's contractual negotiations with the FIH.
- 6 EH are continuing to show their commitment to the LVH&TC by moving all their domestic & international finals to the venue for the foreseeable future which includes:
- Investec London Cup;
 - U16 / U18 National Boys & Girls Schools Finals;
 - U14 National Boys & Girls Schools Finals;
 - U16 / U18 National Club Finals;
 - Men's Hockey League Finals.

These bookings have secured approximately £40,000 of income for the venue in this financial year and the 2015/2016 finals programme is currently being finalised.

THE 2015 EUROPEAN HOCKEY CHAMPIONSHIPS

- 7 The FIH calendar has now been finalised for 2015 and the confirmed dates for the competition are 21 – 30 August 2015, with two training days on 19 – 20 August 2015. August is not a peak period for hockey or indoor tennis and these competition dates will minimise the impact on these facilities. Any impact on the outdoor tennis programme is anticipated to be minimal and a revised programme is being drawn up with the Lawn Tennis Association and the Trust.
- 8 The event is for men and women. It comprises of eight teams of each gender with 288 athletes and 128 support staff. Nations that have already qualified include:
- England;

- Germany;
- Belgium;
- Netherlands;
- Spain;
- Ireland;
- Scotland.

The other teams are still waiting for the final qualification process to be completed.

- 9 The commercial events rights for this event are held by EH along with the national broadcast rights which have now been finalised and an agreement has been signed with the BBC. The international broadcast rights are the property of the FIH. EH have targeted 100 million viewers and 200 hours of broadcast time over the period of the event.
- 10 The event overlay required to support the championships is significant. It involves a temporary stand being built on the main hockey pitch (raising the capacity from 3,000 to 5,000) and large marquees being erected around the venue requiring exclusive use of the venue by EH for a period of 16 days.

ISSUES FOR THE AUTHORITY

- 11 Since the last report regarding this event in February 2012 EH has estimated the costs of hosting the event at c£2.4m, see Appendix A to this report. 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 of £350,000 from EH (the funder of last resort) and a contribution from UK Sport of £500,000, see Appendix B to this report for full public sector funding.
- 12 As set out in paragraph 3 the contribution from UK Sport is predicated on a contribution from other partners within London of a minimum of £200,000. Discussions between the Authority, LLDC, Greater London Authority (GLA) and L&P have taken place to determine how this £200,000 can be funded.
- 13 Working with other London partners officers have assessed whether it is appropriate for the Authority to put further funding into this event. A number of benefits will be available to the Authority as a result of funding this event and they are set out below in this report.

Paragraph 2 sets out the funding agreed at the time of the report in February 2012. The table below sets out the proposed increased levels of support from all the partners within London.

Partner	Original Support	Proposed Support
LVRPA	£60,000 cash	£70,000 cash
	£25,000 venue hire VIK	£50,000 venue hire VIK
LLDC	£50,000 cash	£60,000 cash
L&P	£25,000 Marketing & promotion VIK	£25,000 marketing & promotion VIK
GLA	N/A	£20,000 cash
Total	£160,000	£225,000

This revised support package from London addresses the £40,000 funding gap within the event budget as set out in paragraph 3, with the Authority's recommended total support increasing from £85,000 to £120,000. This report seeks Member approval to the increased contribution from the Authority of £35,000.

14 Since an in principle approval for support was agreed by Members in February 2012 EH have fully ascertained the benefits and opportunities the various parties can gain from the event, with the specific benefits to the Authority and Trust set out below (these are significantly more than other partners due to size of Authority support);

- the TV and media coverage will promote the LVH&TC, Authority and Trust as a whole, reaffirming the Lee Valley position as a world class leisure destination. Audiences are expected to be significant – 1.1m people watched the 2013 EuroHockey Championships on the BBC. For the 2015 EuroHockey Championships the BBC have a deeper relationship with the organisers and it is expected that these figures will be heavily exceeded. EH estimate that an international tournament reaches an audience of between 7.5m and 12.5 people in print and online;
- between 30,000 to 40,000 spectators will attend the event which can provide income generating opportunities for the Trust, e.g., visitor accommodation at the campsites and catering income for the venue;
- branding in key locations both on the venue and in all event promotional information and websites;
- opportunities to market the venue activity programmes during the event;
- a range of VIP, standard and community tickets for all sessions, valued at £27,000;
- the Trust will retain the catering rights which will generate approximately £40,000 net profit on projected ticket sales;
- access to event imagery and video footage for Authority & Trust marketing activities;
- elite athlete attendance and coaching at LVH&TC Hockey programmes;
- implementation of a coach development programme at the venue which will establish the LVH&TC as the central coaching hub for hockey in the UK;
- a series of corporate and workplace development programmes to be implemented which will create more demand for rush hockey at the LVH&TC;
- a range of disability events will be staged during the event to raise awareness and launch new disability programmes for hockey at the LVH&TC.

The Authority's benefits detailed above are safeguarded through specific clauses outlined within the venue use agreement with EH.

15 In addition to the event benefits, ongoing bookings from EH to secure domestic finals and competitions is a direct financial benefit to the Authority/Trust through increased hire income and secondary spend (see paragraph 6).

MAJOR EVENT SUPPORT MOVING FORWARD

16 The current series of international events (2014-2016) being hosted at the Authority's legacy venues were all secured prior to London 2012. This was also

prior to the venues being in the Authority's management and individual venue business plans being developed. Supporting these major events helped to position the Authority both nationally and internationally and ensure that these venues were seen to be capable of hosting major legacy events.

- 17 Since this time there have been significant changes with increased financial pressures on the public purse and particularly on the levy and the Authority has set up the Trust to operate these venues from April 2015. The Authority has now operated all venues for a period of time, developed the business plans and successfully hosted three major international events. A new strategy for funding and hosting major international events now needs to be developed and officers will return to Members later in the year with their recommendations for this strategy.

ENVIRONMENTAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

- 19 The proposal requires one-off advanced cash funding of £70,000 in 2014/15 and the use of the venue with support (during the periods described) free of charge during 2015/16. This has an estimated cost of £50,000 and with the estimated £40,000 of catering income this will leave a net Authority commitment of £80,000.

It is proposed that the one-off funding is financed from the existing underspend within the LVH&TC from the business rates saving received.

- 20 The VIK support has been factored into the venues budget for 2015/16 and therefore is included within the 2015/16 management fee to the Trust.

HUMAN RESOURCE IMPLICATIONS

- 21 There are no human resource implications arising directly from the recommendations in this report.

LEGAL IMPLICATIONS

- 22 The venue use agreement for the event includes provisions dealing with the proposed £70,000 (exclusive of VAT) cash support from the Authority. These state that the payment is subject to: LLDC advancing its support of £60,000 to EH; the Authority undertaking a detailed review of the business plan for the event; the Authority giving its prior written consent to the way in which its money shall be applied; and to EH materially complying at all times with its obligations under the agreement. The agreement also states that if the event does not take place for any reason and/or is cancelled, EH will promptly return to the Authority its cash support in full, without making any deductions or exercising any right of set-off.

RISK MANAGEMENT IMPLICATIONS

- 23 There is a small risk that the costs to the Trust may exceed the £50,000 earmarked to support the event in 2015/16. If that was the case the Trust may

seek an adjustment to the management fee to compensate the loss. To mitigate this risk officers from the Trust and Authority have jointly agreed the estimated loss of income and costs in advance to ensure that the £50,000 VIK is accurately estimated.

- 24 The request for cash funding is required in advance of the event (by 1 March 2015) to meet the necessary demands such an event brings. There is a small risk that if the event did not go ahead the advance payment to EH may be at risk. To mitigate this risk the legal agreement for the funding between the Authority and EH includes the provisions detailed in paragraph 22 above.

EQUALITY IMPLICATIONS

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

Author: Dan Buck, 01992 709 896, dbuck@leevalleypark.org.uk

PREVIOUS COMMITTEE REPORTS

Executive	E/192/12	Eton Manor Hockey & Tennis Centre - Hockey European Championships Bid 2015	23 February 2012
-----------	----------	--	------------------

APPENDICES ATTACHED

Appendix A	Event costs
Appendix B	Full partner support breakdown

LIST OF ABBREVIATIONS

FIH	International Hockey Federation
EH	England Hockey
LLDC	London Legacy Development Corporation
LV H&TC	Lee Valley Hockey & Tennis Centre
VIK	Value in kind
L&P	London and Partners
LVRPA	Lee Valley Regional Park Authority

Summary

	V1	V2 01.12.13	V3 10.12.14	Actuals at Dec 2014
Total Income	1,939,111	2,088,961	2,420,020	484,224
Total Expenditure	1,935,947	2,080,736	2,430,289	152,624
Net Profit / Loss	3,164	8,225	-10,269	331,599

Income

Dept	Income	Note	V1	V2 01.12.13	V3 10.12.14
Commercial	Ticket Sales	1	375,350	417,000	542,000
	Hospitality	2	6,800	26,250	297,370
	Sponsorship & Advertising	3	369,250	442,500	265,000
	Commissions & Sales	4	87,711	87,711	103,250
	Broadcast & Other Media	5	0	0	15,000
	Other Revenue		0	0	0
	Sub - Total			839,111	973,461
Non-Commercial	Partners	6	1,050,000	1,065,500	1,050,000
	Grants		50,000	50,000	50,000
	Support Activities	7			97,400
	Sub-Total		1,100,000	1,115,500	1,197,400
	Total Income		1,939,111	2,088,961	2,420,020

Expenditure

Department	Expenditure	Note	V1	V2 01.12.13	V3 10.12.14
Competition	Technical operations		38,785	48,310	50,336
	Doping control		11,700	10,400	10,400
Event Man./LOC	Employees & contractors	8	302,000	253,880	227,000
	SHB/DG/Working Groups		15,350	10,000	10,000
Media	PR & communications	9	25,760	24,260	41,600
	Media services		0	8,700	8,700
Broadcast	TV production & commentary		232,000	257,250	254,500
Hosting Services	VIP hospitality		32,500	35,500	37,000
	Corporate hospitality	10			199,700
Spectator Serv's	Fun Zone, Last Mile & Event Vill.	11			30,000
	Big screens, TVs & cabling	12	26,000	40,000	53,000
	PA, announcers & sports pres		33,000	43,500	46,050
Support Activities	Masters, Flyerz & Gen. Assembly	13	0	10,000	97,352

Activation Progs	Development programmes		20,000	50,000	50,000
Venue Services	Venue	14	162,487	185,700	269,277
	Cleaning		14,000	14,000	18,500
	Logistics	15	35,414	36,000	115,000
	Look		37,200	37,200	37,200
	Medical		17,500	15,400	17,500
	Security		54,000	59,000	65,000
Hockey Makers	Training, uniform & sub.		66,900	63,900	60,900
Finance Services	Finance, legal and insurance	16	19,100	19,500	4,500
Commercial	Rights / hosting fees	17	250,000	250,000	214,000
	Marketing	18	62,500	62,500	73,928
	Ticketing ex commissions		28,090	8,625	2,500
	Sponsorship services	19	5,000	69,000	46,500
Operations	Accommodation		117,365	110,165	106,900
	Accreditation		12,000	12,000	12,000
	Communications		15,000	17,500	15,000
	Technology	20	47,250	48,000	27,000
	Transport		75,046	80,446	78,946
Contingency	Contingency	21	180,000	200,000	150,000
	Total Expenditure		1,935,947	2,080,736	2,430,289

V1 – Version 1 of the budget to support the bid.

V2 – Version 2 of the budget, full review.

V3 – Version 3 of the budget, full review.

Full Partner Support Breakdown

Partner Organisation	Support	Cash / VIK
LVRPA	£70,000	Cash
	£50,000	VIK
UK Sport	£500,000	Cash
England Hockey	£350,000	Cash
GLA	£20,000	Cash
LLDC	£60,000	Cash
L&P	£25,000	VIK
Total	£1,075,000	Cash / VIK

Note: the partner support is £25,000 higher than in V3 of the budget due to the increased venue hire costs being fully known post the budget review in December 2014. For Version 4 of the event budget, this will be updated accordingly.

This page is blank