

**SUPPORT FOR THE
2017 MENS HOCKEY WORLD LEAGUE SEMI FINAL**

Presented by the Head of Sport & Leisure

EXECUTIVE SUMMARY

This paper provides information on the Authority's and partners proposed support for June 2017's Men's Hockey World League Semi Final at the Lee Valley Hockey & Tennis Centre.

It is proposed that the Authority makes a financial commitment of £76,500 following commitment from other partners.

The 2017 Men's Hockey World League Semi Final is a two week competition comprising of 13 sessions, 33 matches and will be the fourth major hockey event to be held at the venue since the London 2012 Games. The timing of this event is key following on from the success of the Women's team in the 2016 Rio Olympic Games and to maintain momentum and profile raising of the sport / venue in the lead up to the 2018 Women's World Cup.

The paper sets out the issues for the Authority and the Lee Valley Leisure Trust and the range of significant benefits this event brings.

RECOMMENDATION

Members Approve: (1) support for the event with a direct contribution from the Authority to Lee Valley Leisure Trust of £76,500 for venue hire costs.

BACKGROUND

1 The Authority accepted handover of 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 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 four major international Hockey events:

- the Investec London Cup in July 2014;

- the European Championships in August 2015; and
 - the Men's & Women's Champions Trophy in 2016.
- 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. This more commercial, clear, transparent process and associated criteria was communicated to the following organisations following Members approval: -
- 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 for early 2017.

- 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 included two further events that had been bid for and won but event support had not been finalised. These were:
- Men's Hockey World League Semi Finals - June 2017; and
 - Women's Hockey World Cup - July 2018.

This paper seeks to cover the detail and proposed support for the 2017 Men's Hockey World League Semi Final. Authority officers are progressing discussions with EH in line with the major event bidding criteria regarding the one remaining event. A paper will be presented to Members in early 2017 to outline the proposed support for the final event.

- 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. These events are straight hire fee's which receive no financial support from the Authority, they include:
- U16 / U18 National Boys & Girls Schools Finals;
 - U14 National Boys & Girls Schools Finals;
 - U16 / U18 National Club Finals; and
 - Men's Hockey League Finals.

These bookings secured over £40,000 of income for the venue in this financial year and the 2017 finals programme has been finalised with 12 events confirmed and five (one off international matches) in negotiation between February and June 2017.

Since the venue's opening over 48 regional, national and international events have been held at LVH&TC, four supported by the Authority supplying value in kind (VIK), the other 44 generating an income through venue hire paid by EH.

THE 2017 MEN'S HOCKEY WORLD LEAGUE SEMI FINAL

- 5 The FIH calendar has now been finalised for 2017 and confirmed dates for the competition are 15 – 25 June 2017, with training days on 11 – 14 June 2017. June is not a peak month for Hockey.
- 6 The event is for men only. It comprises 10 teams with 180 athletes, 80 support staff and 19 officials. Round 1 of the qualifications have just got underway with the full line up of nations to be known in early 2017 which will be the teams ranked in the world's top ten.
- 7 The commercial event rights for this event are held by FIH & EH along with all the broadcast rights, host rights have been agreed 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 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 a temporary stand being built on the main hockey pitch (raising the capacity from 4,000 to 5,000) and large marquees being erected around the venue requiring exclusive use of the venue by EH for a period of 14 days.
- 9 The cost of this overlay installation is £450,000 and officers are working with EH to ascertain what items of overlay could be installed permanently to reduce this ongoing cost and the Authority's revenue support moving forward.
- 10 The event has a range of funding partners currently totalling £820,000:
 - UK Sport have agreed to make a cash funding contribution of £360,000;
 - GLA have agreed to make a cash funding contribution of £200,000;
 - EH are contributing a VIK and cash contribution of £220,000;
 - SE has agreed to make a cash contribution of £40,000 to the legacy programmes, detail within the community section in paragraph 14.

If Members approve the recommendation at paragraph 17 of this report the partner contribution to this event will total £896,500.

ISSUES FOR THE AUTHORITY

- 11 The FIH & EH have budgeted the costs of hosting the event at circa £1.81m, 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; and
- a financial commitment from event partners either via VIK or cash.

- 12 As per the Authority's major events support process, the 2017 Men's Hockey World League Semi Final has been assessed accordingly to the following criteria.

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 (LTA) targets;
- 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 72.46 out of 100 on the above scoring matrix with the minimum support level set at 65, section scores are as follows, details within Appendix B to this report:

- Financial – 28.76 out of 40;
 - Community Engagement – 21.75 out of 30;
 - Exposure – 14.30 out of 20; and
 - Strategic Value – 7.65 out of 10.
- 13 The proposed £76,500 payment to the Trust by the Authority is to cover the costs associated with the hire of the venue, direct costs and loss of potential income. Therefore from EH's perspective it is receiving £76,500 of VIK for the event from the Authority. Authority officers have worked closely with the Trust using the pre-agreed venue hire template to approve the appropriate value for hire which is an actual, non commercial rate as per the clauses within the LSC.
- 14 Below is an overview of the benefits and opportunities the Authority and Trust will gain from the event which are in line with the proportion of support being made:

Assessment of Benefits and Opportunities

Financial

- all catering income will be retained by the Trust which is estimated to be net benefit of £40,000;
- 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 from across the nation / region 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 from across the region;
- development of traditional club participation for both adult and junior, working specifically on a number of club based projects;
- 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;
- 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;
- regional 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 regional communities; and
- increasing the number of regional young people involved in EH Talent Pathway programmes.

Exposure

- TV and media coverage will promote the LVH&TC, and by implication the 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 25,000 – 35,000 spectators will attend the event;
- branding in key locations both on the venue, in promotional material such as advertising, event programme, field of play 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 £24,000;
- key performance indicator set for 1,500 LVH&TC separate references through all publicity.

Strategic Value

- access to event imagery and video footage for Authority and Trust marketing activities;
- access to all the email addresses from ticket holders opting in to be used for specific targeted marketing initiatives;
- platform to continue to build strategic relationships with key players, UK Sport, Sport England, London Legacy Development Corporation, local government, national bodies, GLA and London and Partners;
- highly visible activation of a London 2012 legacy venue, helping deliver an overall legacy from the London 2012 Games.

The Authority and 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.

- 15 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.
- 16 If Members approve the recommendations of this report, financial support for major events from the Authority for 2017 would be as follows:

Event	Authority Funding	Notes
2017 Men's Hockey World League Semi Final	£76,500	Pending Members approval
2017 NEC Wheelchair Masters	£21,259	Pending Members approval in December 2016
Total	£97,759	

A paper will be presented to Members in December regarding the recommended support for the 2017 NEC Wheelchair Tennis Masters. If Members approve this paper also, the 2017 total support for NGB related major events would be £97,759.

- 17 Members are asked to approve the allocation of £76,500 to be paid to the Trust to support supply of the LVH&TC to EH and the FIH to deliver the 2017 Men's Hockey World League Semi Finals.
- 18 As part of the Leisure Services Contract (LSC) review in preparation for a potential retender the Authority will be entitled to a number of free days for major event hosting. This along with the detailed work being undertaken as per paragraph 9 of this report will help reduce the level of revenue support the Authority will be required to give for major international events moving forward.

ENVIRONMENTAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

- 20 The Authority will need to allocate a one-off contribution from the general fund reserve of £76,500 in 2017/18 to fund the hire arrangements of the venue for the event set out in this report. Estimated reserves are expected to be £4.1m in 2017/18 and therefore Member approval to allocate £76,500 will not reduce the reserves below the £4m minimum approved by Authority.

HUMAN RESOURCE IMPLICATIONS

- 21 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

- 22 The venue use agreement for the event includes provisions dealing with the £76,500 worth of support from the Authority to EH. Until the major events sign-off process referred to in paragraph 23 below is formally adopted (pursuant to which a side agreement between the Authority and the Trust will be entered into for each major event), the LSC provisions on major events deal with the corresponding arrangements between the Authority and the Trust.

RISK MANAGEMENT IMPLICATIONS

- 23 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

- 24 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/435/16	Support for 2016 Women's Champions Trophy	25 February 2016
Executive	E/427/15	National Governing Body Major Event Support 2016-2020	26 November 2015
Executive	E/192/12	Eton Manor Hockey & Tennis Centre - Hockey European Championships Bid 2015	23 February 2012

APPENDICES ATTACHED

Appendix A	Event Budget
Appendix B	Scoring Matrix

LIST OF ABBREVIATIONS

NGB	National Governing Body
FIH	International Hockey Federation
LVH&TC	Lee Valley Hockey & Tennis Centre
EHF	European Hockey Federation
VIK	Value in kind
L&P	London and Partners
SE	Sport England
GLA	Greater London Authority
EH	England Hockey
LTA	Lawn Tennis Association
the Trust	Lee Valley Leisure Trust Ltd
LFA	Lottery Funding Agreement
LSC	Leisure Services Contract

2017 Mens Hockey World League Semi Final**Budget V 1 September 2016**HWL v 1
Budget**REVENUE**

R1. Spectator Income	550,000
R2. Sponsorship & Advertising	315,000
R3. Merchandising & Licensing	14,000
R4. Broadcasting and Other Media	16,000
R5. Public & Partner Funding	896,500
R6. International Federation Funding	0
R7. Competitor Income	0
R8. Accommodation and Transport	12,000
R9. Other Income	40,000
Total Income	1,817,000

EXPENDITURE

E1. LOC Personnel	294,000
E2. LOC Co-ordination	17,250
E3. IT & Tele & Sports Pres	156,000
E4. Finance, Legal & Insurance	2,500
E5. Venue & Warm-up	482,500
E6. Doping Control	6,800
E7. Security	88,000
E8. Medical	10,500
E9. Accreditation	11,800
E10. Media & TV	27,000
E11. Ticketing	5,000
E12. Marketing, Advertising & PR	90,000
E13. Accommodation	104,400
E14. Transportation	77,250
E15. Protocol & Events	33,000
E16. Sponsor Servicing	64,000
E17. Development Programmes	50,000
E18. IF Hosting Fees	140,000
E19. Other costs	82,000
E20. Contingency	100,000
Total Expenditure	1,815,500

Net Deficit/Surplus/Variance	1,500
UK SPORT FUNDING	
OVERALL NET DEFICIT/SURPLUS	

Scoring Matrix

Overview

CRITERIA: (100%)

INSERT BIDDERS NAMES =====>			England Hockey	
QUALITY CRITERIONS	CRITERIA WEIGHT	POINTS WEIGHT	Q.Ass. SCORES	QUALITY SCORES
1. Financial	40%	40.0%	71.90	28.76
2. Community Engagement	30%	30.0%	72.50	21.75
3. Exposure	20%	20.0%	71.50	14.30
4. Strategic Value	10%	10.0%	76.50	7.65
			QUALITY SCORE:	72.46

Criteria Scoring Breakdown

1. FINANCIAL (40%)

ITT Ref:		WEIGHT	England Hockey
1	Can the event bid demonstrate the ability to limit the overall Financial Risk to the Authority / Venue be demonstrated?	49%	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 increased 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%	6
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%	6
SCORE:			71.9

2. COMMUNITY ENGAGEMENT (30%)

ITT Ref:		WEIGHT	England Hockey
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
SCORE:			72.5

3. EXPOSURE (20%)

ITT Ref:		WEIGHT	England Hockey
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%	7
SCORE:			71.5

4. STRATEGIC VALUE (10%)

ITT Ref:		WEIGHT	England Hockey
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
SCORE:			75.5