



**Notice of a public
Decision Session - Executive Member for Finance and Performance
[previously Executive Leader (inc. Finance & Performance)]**

To: Councillor Ayre (Executive Member)
Date: Tuesday, 26 November 2019
Time: 5.30 pm
Venue: The King John Room (GO59) - West Offices

AGENDA

Notice to Members – Post Decision Calling In:

Members are reminded that, should they wish to call in any item* on this agenda, notice must be given to Democratic Services by **4:00pm on Thursday 28 November 2019.**

*With the exception of matters that have been the subject of a previous call in, require Full Council approval or are urgent which are not subject to the call-in provisions. Any items that are called in will be considered by the Customer and Corporate Services Scrutiny Management Committee.

Written representations in respect of items on this agenda should be submitted to Democratic Services by **5.00pm on Friday 22 November 2019.**

1. Declarations of Interest

At this point in the meeting, the Executive Member is asked to declare:

- any personal interests not included on the Register of Interests
 - any prejudicial interests or
 - any disclosable pecuniary interests
- which they may have in respect of business on this agenda.

2. Exclusion of Press and Public

To consider excluding the public and press from the meeting during consideration of Annex A to Agenda item 4 on the grounds that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). This information is classed as exempt under Paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to information) (Variation) Order 2006.

3. Public Participation

At this point in the meeting, members of the public who have registered to speak can do so. The deadline for registering is **5.00pm on Monday 25 November 2019**. Members of the public can speak on agenda items or matters within the Executive Member's remit.

To register to speak please contact the Democracy Officer for the meeting, on the details at the foot of the agenda.

Filming, Recording or Webcasting Meetings

Please note that, subject to available resources, this meeting will be filmed and webcast, or recorded, including any registered public speakers who have given their permission. The broadcast can be viewed at <http://www.york.gov.uk/webcasts> or, if recorded, this will be uploaded onto the Council's website following the meeting.

Residents are welcome to photograph, film or record Councillors and Officers at all meetings open to the press and public. This includes the use of social media reporting, i.e. tweeting. Anyone wishing to film, record or take photos at any public meeting should contact the Democracy Officer (contact details are at the foot of this agenda) in advance of the meeting.

The Council's protocol on Webcasting, Filming & Recording of Meetings ensures that these practices are carried out in a manner both respectful to the conduct of the meeting and all those present. It can be viewed at

https://www.york.gov.uk/downloads/file/11406/protocol_for_webcasting_film_and_recording_of_council_meetings_20160809

4. **Community Stadium Project – Stadium Naming Rights Sponsorship** (Pages 1 - 6)

This report seeks approval from the Executive Member for the Council to enter into an agreement with London North Eastern Railway (LNER) for the Naming Rights Sponsorship at the Community Stadium.

This item has been on the Forward Plan for less than 28 days. It has been included on this agenda under the informal urgency procedures. The reason for this is that approval to enter into the Stadium Naming Rights Sponsorship Agreement is required urgently to maintain wider project timescales and deliverables.

5. **Urgent Business**

Any other business which the Executive Member considers urgent under the Local Government Act 1972.

Democracy Officer:

Name: Angela Bielby

Telephone: 01904 552599

Email: a.bielby@york.gov.uk

For more information about any of the following, please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی میا کی جاسکتی ہیں۔ (Urdu)

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**Decision Session – Executive Member for
Finance and Performance**

26 November 2019

Report of the Acting Chief Executive

Community Stadium Project – Stadium Naming Rights Sponsorship

Summary

1. This report seeks Executive Member approval for the Council to enter into an agreement with London North Eastern Railway (LNER) for the Naming Rights Sponsorship at the Community Stadium.

Background

2. Within the original Stadium Business Case consideration was given to the sale of the Stadium naming rights as a contributory element to the overall operating model.
3. In 2012 property and valuation advisors Edward Symmons valued the naming rights between £40k - £60k per annum. This valuation was consistent with the estimate made in the original business case of between £50k to £70k per annum.
4. As part of the Project, the Council has retained the commercial rights to the name of the new Stadium as well as associated stand naming and sponsorship of the North, West, East Stands, and hospitality.
5. In 2014 specialist advice was provided relating to stadium and stand naming rights matters from StadiArena Consultants Ltd. The company previously had in-depth involvement in the commercial aspects of a number of new stadiums in the UK.
6. They advised that:
 - Naming rights for stadia are rarely advertised. The majority of the sponsors in the UK have had either a previous or an existing relationship with either the club or the town/city.
 - The value of the contract is rarely disclosed.
 - There are usually considerable costs associated with the contracts making a large difference between the gross and net cost of the contract.
7. Following the commercially confidential advice from StadiArena Consultants Limited a base sponsorship package was determined for

each element (stadium name & stand names) with further work carried out to determine the 'likely' value (and therefore cost) of each package item and the potential 'sale' value of the package items.

Choosing the Naming Rights Sponsor for the Stadium

8. The sale of the naming rights for a stadium does not require an OJEU tender process as the Council is not procuring goods, works or services but rather it is selling an asset.
9. The process to find a sponsor has been structured based on external advice (referred to at paragraph 5 above) which was sought to ensure that best value is achieved for the naming rights package in line with market practice.
10. On the basis of the advice received from StadiArena Consultants Ltd, a focused marketing exercise was undertaken by the Council identifying potential organisations with an appropriate profile. A short list of targets was prepared and approaches were made to five major businesses with an interest in York.
11. Discussions with one of these businesses, LNER, have continued and draft terms have been agreed subject to Council approval.
12. If the terms of the Stadium Naming Rights Sponsorship are approved through the recommendations of this report parties will proceed to enter into a formal contract immediately.

The Stadium Naming Rights Sponsorship Agreement

13. Through the Stadium Naming Rights Sponsorship Agreement, the Stadium name is to be the – LNER Community Stadium.
14. LNER through the Agreement will also have the naming rights to the main East Stand of the Stadium and it is proposed this will be named the – LNER Azuma Stand.
15. The Stadium Naming Rights Sponsorship Agreement with LNER contains commercially sensitive information that cannot be disclosed in the main body of this report. Confidential Annex A to this report sets out a summary of these confidential items for the Executive Member, including the proposed value and length of the Stadium Naming Rights Sponsorship Agreement.

Report Implications

- 16. **Financial** – Income over the term of Stadium Naming Rights Sponsorship Agreement will form part of the Project revenues. This key income stream contributing to the stadium and wider leisure business model. The level of income being received is in line with estimates included in the revenue business case updated to Executive at July 2017.
- 17. **Human Resources (HR)** – none
- 18. **Equalities, Crime and Disorder and IT** - none
- 19. **Legal** – Legal advice has been incorporated where applicable within this report. To note the Council continues to be advised on the Project by external law firm Womble Bond Dickinson LLP.
- 20. **Property** – none
- 21. **Risk Management** – There are no significant risks to this report.
- 22. **Other** – none

Recommendations

- 23. The Executive Member is asked to approve:
 - a. That the Acting Chief Executive & Director of Customer and Corporate Services, be authorised to arrange execution of the Stadium Naming Rights Sponsorship Agreement.

Reason: To ensure continued progress with the Project, securing a named Sponsor for the Stadium and income to the Project revenue.

Report Contact Details

Authors:

Mark Wilson
Stadium Programme Officer
Tel No. 01904 552691

Paul Forrest
Stadium Programme Officer
Tel No. 01904 552460

Chief Officer Responsible for the report:

Ian Floyd
Acting Chief Executive
Tel. No. 01904 552909

Report
Approved



14 November 2019

Wards Affected:

All



For further information please contact the author of the report

Annexes

Confidential Annex A – Summary of the Stadium Naming Rights Sponsorship Agreements value, term length and core offer to LNER.

Defined Glossary of Terms Used In This Report

Definition	Meaning
DBOM	Design, Build, Operate and Maintain
DBOM Contract	the Design, Build, Operate and Maintain contract
FC	York City Football Club
GLL	Greenwich Leisure Ltd
LNER	London North Eastern Railway
Project	The Community Stadium & Leisure Facilities Project
Sponsor	London North Eastern Railway (LNER)
Stadium	an 8,500 all seat community sports stadium to host professional football and rugby league games
Stadium Name	LNER Community Stadium
Stadium Naming Rights Sponsorship Agreement	The contract to be entered into with LNER for the naming rights sponsorship at the new York Community Stadium
YCK	York City Knights RLFC

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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