

REPORT OF THE CHAIRMAN OF THE CULTURE COMMITTEE**INVESTING IN NOTTINGHAMSHIRE COUNTY CRICKET CLUB TO SECURE
ECONOMIC BENEFITS FOR NOTTINGHAMSHIRE****Purpose of the Report**

1. To seek approval to provide financial support of £900,000 to Nottinghamshire County Cricket Club in order to secure the economic benefit that the Ashes Test and other high profile events at Trent Bridge bring to Nottinghamshire, and in return for the package of community benefits and promotional opportunities outlined in this report.
2. To seek approval to defer the Cricket Club's repayment date for an existing £1.23m capital loan by 3 years until October 2015.

Information and Advice

3. Some information relating to this report is not for publication by virtue of paragraph 5 of Schedule 12A of the Local Government Act 1972. The Exempt Appendix comprises legal advice on the legal implications for the Council in relation to the proposals set out in this report to which legal professional privilege applies.
4. Trent Bridge, the home of Nottinghamshire County Cricket Club, has hosted Test Match cricket since 1899.
5. The Cricket Club has invested heavily in recent years in the redevelopment of the Ground, including the Radcliffe Road and Fox Road ends of the Ground in 1998 and 2003 respectively.
6. In 2008, the £8.2million Bridgford Road Stand was completed. This was part funded by the County Council along with Nottingham City Council and Rushcliffe Borough Council. Each council provided a loan of £1.23million in October 2007. This helped secure international cricket at Trent Bridge in the period to 2011.
7. The ability to attract international cricket is vital to the sustained financial viability of the Club. At the same time the number of Test Match venues has increased from six in 2003 to nine in 2011. This increasingly competitive environment has led to a number of local authorities providing cricket clubs with significant grants and/or loans to support this expansion.
8. In 2011, with the support of the County Council, the Cricket Club submitted a bid to the England and Wales Cricket Board (ECB) for "Gold Package A" international cricket at Trent Bridge in the period 2013-2016. In December 2011, the Club was awarded the

package - the most prestigious of the ones awarded to Clubs outside London - by the ECB.

9. As a result, Trent Bridge will host the following international programme:
 - 2013 - Test Match v Australia (Ashes); One Day International (ODI) v New Zealand
 - 2014 - Test Match v India; ODI v India
 - 2015 - Test Match v Australia (Ashes); ODI v New Zealand
 - 2016 - ODI v Sri Lanka; ODI v Pakistan
10. Trent Bridge will be the only ground other than Lords and The Oval to host two Ashes test matches during this period.
11. The award was subject to the Club building a new electronic scoreboard and replay screen in time for the 2013 Ashes Test. In previous years, the ECB has removed match awards from other UK grounds for non-compliance with its stipulated conditions. The total cost of the proposed scoreboard/replay screen is £1.8 million

Funding Sought

12. The Cricket Club is seeking funding support of £900,000 from the Council in consideration for a range of promotional and advertising opportunities and the community benefits package detailed below. The Club will fund the remainder of the costs subject to the Council agreeing to defer the repayment date for the period repayment of the capital sum from October 2012 (as set out in the 2007 loan agreement between the Council and the Club) to October 2015.

Benefits to the Economy

13. In terms of wider benefits, it is conservatively estimated that the Gold Package A programme will deliver over £30million of economic benefit to Nottinghamshire between 2013-2016, based upon increased visitor numbers to the County (research on the 2005 Trent Bridge Ashes Test showed that 51% of visitors came from outside of the region, with 27% of visitors staying overnight locally).
14. In addition, an independent study commissioned by the Cricket Club has identified a value of £8.75million on the media value of the positive mentions of Nottingham and Nottinghamshire in media coverage of the Gold Package A matches across the world.
15. At the same time, securing the status of Trent Bridge as a premier international cricket ground will help to maintain and enhance the national and international reputation of Nottinghamshire, and will enable Nottinghamshire to build upon its considerable sporting legacy in the light of the 2012 Olympic Games.

Benefits to the Community

16. To secure the funding, the Cricket Club has offered the following package of benefits to the Council:-
 - a 3-year, fully funded, 'Positive Futures' social inclusion programme to be established

- a 15-year branding agreement covering the new scoreboard, with the Council having the naming rights to the scoreboard. It is a prime branding position and constitutes a large 17m x 0.8m sign above the scoreboard which will display the Council's name and logo. This is valued at £25,000 per annum (£375,000 in total)
- a 5-year comprehensive advertising package to promote the Council and its services to residents and visitors. It includes: adverts in domestic and international match day programmes and Members magazine; messages on the scoreboard; adverts and weblinks on the Cricket Club's website; messages in the Cricket Club's social media channels; and inclusion of Council literature at promotion points at the ground. This is valued at £2,000 per annum (£10,000 in total)
- a One Day International 30m² "advertising mat", to be placed adjacent to the cricket square for five high profile matches in the period from 2013-2016. It will include the Council's name, logo and a key message. This is valued at £25,000 per match (£125,000 in total)
- a range of ticketing/PR opportunities (to be valued). This will include promotion of the 'Positive Futures' community scheme and access to players (e.g. quotes for media releases and possible attendance at Council events to be negotiated) to support Council services, initiatives and events.

Proposed Agreement

17. Set out below are the proposed key elements of the heads of terms for the Council's financial support to the Cricket Club:
 - the Facility Letter between the Council and the Cricket Club dated 18 February 2008 will be amended as part of a new agreement ('Agreement') so that the existing loan of £1.23 million (as defined in that Letter) will be repayable in 30 equal six monthly instalments commencing on 31 October 2015. The other provisions of the Facility Letter will not be varied. Due to the prevailing interest rates and the rate of interest charged to the Cricket Club, the proposed amendment to the existing loan agreement results in additional income to the Council of £35,000 over the life of the loan
 - the Council will grant the Cricket Club £900,000, to be drawn down against sums incurred in building a new scoreboard and replay screen at Trent Bridge before the start of the 2013 English cricket season. Specific milestones focusing on works progress will be agreed as part of the arrangements
 - the Agreement will specify that the Cricket Club delivers in full the package of benefits set out in Paragraph 13 of this report
 - events of default (to be listed in the Agreement) may result in the Council requiring the Cricket Club to repay the sum paid to it under the Agreement in full on demand

- other provisions will include warranties to be given by the Cricket Club; a state aid undertaking; reporting and monitoring requirements; confidentiality, exclusivity, governing law and jurisdiction requirements, and requirements to give appropriate publicity to the support from the Council.
18. Legal advice on the state aid implications for the Council entering into the legal agreements to give effect to the proposals set out in this report is included in the Exempt Appendix.

Other Options Considered

19. Two other options were considered:
- (i) *Awarding a combination of loan and grant to the Cricket Club:* This option was not selected, as significantly increasing current loan levels could impact negatively upon the long term financial viability of the Cricket Club.
 - (ii) *Not awarding financial support to the Cricket Club:* This option was not selected as the probable consequence would be the removal of Gold Package A from the Cricket Club and the consequent significant profile, reputational and economic loss to the Club and Nottinghamshire.

Reason/s for Recommendation/s

20. Awarding the recommended package of funding support to the Cricket Club will:
- secure a programme of international cricket for Trent Bridge in the period 2013-2016, thereby helping to safeguard the financial future of Nottinghamshire County Cricket Club and preserve the status of Nottingham and Trent Bridge as a world renowned cricket location
 - deliver measurable and significant economic benefits to Nottinghamshire
 - generate long term marketing, branding and promotional benefits to the County Council and help improve information provision to residents and visitors
 - enable the extension of the successful Positive Futures youth engagement programme into the Hawtonville area of Newark, bringing benefits to the local community including a positive impact on youth crime and social exclusion.

Statutory and Policy Implications

21. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

That Policy Committee approves:-

- 1) the Council providing financial support of £900,000 to Nottinghamshire County Cricket Club in consideration of the community package and advertising and promotional opportunities set out in the heads of terms summarised in this report
- 2) the extension, to October 2015, of the period in which Nottinghamshire County Cricket Club is not required to begin to repay a capital loan of £1.23million awarded by the Council in October 2007
- 3) the Council entering into the necessary legal agreements to give effect to the revised capital loan arrangement and the heads of terms within the financial parameters set out in the report.

Councillor John Cottee
Chairman of the Culture Committee

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Constitutional Comments (SSR 01/10/12)

22. The decisions set out in the report fall within the decisions that may be approved by the Policy Committee.

Financial Comments (PS 08/10/12)

23. The financial implications are as stated in the report in paragraphs 12 & 17. The Council will be able to capitalise the proposed grant funding to the Cricket Club and consequently the £900,000 grant will be a variation to the approved capital programme. In return for the capital grant the Cricket Club will provide a range of community benefits, advertising and branding opportunities with an estimated combined value of £780,000.

Background Papers

Loan to Nottinghamshire County Cricket Club - Cabinet Report, 19 September 2007

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Electoral Division(s) and Member(s) Affected

West Bridgford Central and South

C0091