

# **WIRRAL COUNCIL**

## **CABINET**

**2 JUNE 2011**

<b>SUBJECT:</b>	<b>TRANMERE ROVERS FOOTBALL CLUB – SPONSORSHIP 2011- 2012</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF LAW, HR AND ASSET MANAGEMENT</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>LEADER OF THE COUNCIL</b>
<b>KEY DECISION?</b>	<b>NO</b>

### **1.0 EXECUTIVE SUMMARY**

- 1.1 This report recommends that the sponsorship agreement between Tranmere Rovers Football Club and Wirral Metropolitan Borough Council be renewed for a further year to cover the period 1 July 2011 to 30 June 2012.

### **2.0 RECOMMENDATION/S**

- 2.1 That the Council's sponsorship arrangement with Tranmere Rovers Football Club be extended for a further year (from 1 July 2011 to 30 June 2012) on the basis set out in this report.
- 2.2 That the existing base sponsorship level be increased to take account of inflation.
- 2.3 That the principle of increased or reduced payments in the event of promotion or relegation be accepted and that revised payments be negotiated and agreed if and when this occurs as set out above.
- 2.4 That the completed Sponsorship Agreement is made public.

### **3.0 REASON/S FOR RECOMMENDATION/S**

- 3.1 Benefits of the Sponsorship agreement

The current sponsorship agreement is based upon the value to the Authority in terms of:

- a) Promotion of Wirral as a place to live, work and for inward investment
- b) Promotion of Wirral as a great place to visit and stay
- c) Promotion of Wirral locally in a positive way which enhances the corporate identity of the Authority

- d) Supporting an important local business which employs a significant number of people
- 3.2 Further benefit is derived from the opportunity to promote to Club supporters and their families a variety of Council services, campaigns and initiatives. The Club and its players are also useful advocates for other areas of our work, particularly amongst young people.
- 3.3 In July 2004 a report was considered by Cabinet which detailed costs and benefits associated with corporate sponsorship in relation to a selection of football clubs. Cabinet concluded that when community benefits are taken into account the current level of sponsorship is appropriate. The proposed level of support can be met within the existing budget provision.
- 3.4 In order to maximise the benefits of the Sponsorship Agreement it is important to fully exploit all opportunities available. The Agreement provides the Council with the opportunity to promote services and initiatives to groups and individuals who might otherwise be hard to reach. In addition the Council is entitled to a presence at a number of key matches throughout the season that can be used to help further develop the relationship between the Council and local businesses, and promote Wirral to potential investors.
- 3.5 The Council is entitled to a full page advertisement in all match programmes. This advertisement is changed for each match and is being used to promote key initiatives from departments across the Council. It is also used on a regular basis to promote key events at Wirral's theatres and other performance venues.

#### **4.0 BACKGROUND AND KEY ISSUES**

- 4.1 Wirral Council has sponsored Tranmere Rovers since the 1989/90 football season. Sponsorship was originally agreed in order to recover a loan given to the Club in 1983 that was repaid in full in 1998. The current arrangement is in the form of direct sponsorship to the Club reflecting the value to the Council in terms of marketing, promotion and other community benefits.

#### **4.2 Legal Powers**

(a) Section 144, Local Government Act 1972

*'Power to encourage persons by advertisement or otherwise to visit the area for recreation, for health purposes or hold conferences, trade fairs and exhibitions in their area'.* This might cover the tourism/conference aspects of the Agreement through encouraging visitors to the Borough.

(b) Section 2, Local Government Act 2000

*'Power to promote the economic and social well being of its area'.* This might cover the attraction of investment into the area and indeed the preservation of existing employment by the club. It would also cover the Club's work with schools.

(c) Section 19, Local Government Miscellaneous Provisions Act 1976

Power to provide recreational facilities including the provision of '*assistance of any kind*' for the provision of such facilities.

A combination of these powers, assisted if necessary by Section 111 of the Local Government Act 1972 (power to do anything to facilitate the discharge of any Council functions) would be sufficient to authorise a sponsorship deal provided it can be demonstrated that there is justification for doing so.

4.3 When Cabinet considered the matter in 2010 it was resolved that:

The Cabinet delegates to the Deputy Chief Executive authority to extend the existing sponsorship arrangements with Tranmere Rovers Football Club for a further year (from 1 July to 30 June 2011) on the basis set out in the report subject to:

- (a) The sponsorship level being increased in line with inflation; and
- (b) The Club agreeing that the Sponsorship Agreement is made public.

The Club agreed to the Sponsorship Agreement being made public and it is recommended that this condition be repeated if the Agreement is renewed.

## **5.0 OTHER OPTIONS CONSIDERED**

5.1 Not renewing the Sponsorship Agreement.

## **6.0 CONSULTATION**

6.1 None.

## **7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

7.1 None.

## **8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

8.1 The 2010-2011 current sponsorship level is based on a base figure of £119,851 which is subject to an annual (July to June) inflationary adjustment outlined in clause 3 (e) of the existing agreement in the event the duration of the Agreement is extended. The value of this adjustment will not be known until July when the June inflation figures will be published. However based upon First division status and the likely range for inflation, the total cost is likely to be between £123,000 to £126,000 per annum.

8.2 The current sponsorship arrangement also contains a provision as outlined in Clause 3 (b) and (c) as follows:

- 3 (b) If the Club is relegated to League 2 of the Football League the Annual Sponsorship Sum shall be reduced to One hundred and one thousand and three hundred pounds (£101,300) (plus any readjustment pursuant to clause 3(e) with effect from the First day of July of the year of the Agreement which includes the first Season of the Club's relegation.

- 3 (c) If the Club is promoted to The Championship of the Football League, the Annual Sponsorship Sum shall be increased to a sum to be determined between the Club and the Council which shall not be less than One hundred and thirty five thousand pounds (£135,000) If the Club and the Council cannot agree the amount of the increase in the Annual Sponsorship Sum within five working days of the Club's achievement of promotion, the Club may terminate the Agreement on the Thirtieth day of June in the year in which promotion is achieved without penalty. If the amount of the increase is agreed it shall take effect from the First day of July of the year of the Agreement which includes the first season of the Club's promotion.

- 8.3 However, we now know that as the Club will neither be relegated or promoted for the forthcoming season, this will not occur over the period of the proposed extension of the Sponsorship Agreement.

## **9.0 LEGAL IMPLICATIONS**

- 9.1 None directly arising from this report.

## **10.0 EQUALITIES IMPLICATIONS**

- 10.1 TRFC provides dedicated facilities for families and people with disabilities and pricing policies are aimed at improving access for children and young people.

- 10.2 Equality Impact Assessment (EIA)

- (a) Is an EIA required? No  
(b) If 'yes', has one been completed?

## **11.0 CARBON REDUCTION IMPLICATIONS**

- 11.1 None.

## **12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

- 12.1 There are no direct planning implications.

### **REPORT AUTHOR: Bill Norman**

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## **REFERENCE MATERIAL**

Sponsorship Agreement dated 27 August 2010

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Cabinet</b>	<b>27 May 2010</b>