

# Tottenham sponsorship deal unlawful and invalid - Minister

Newly appointed Minister of Tourism, Patricia de Lille has given an [update](#) on the proposed sponsorship deal between SA Tourism and Tottenham Hotspur Football Club.



Source: jcomp via [Freepik](#)

The deal, which sparked nationwide controversy, had critics question the nearly R1bn it would cost. SA Tourism says the deal was meant to promote the country to the overseas tourism market.

De Lille says SA Tourism's proposed sponsorship should be stopped completely. "Given the circumstances we find ourselves in economically, there has to be much more careful consideration of everything we do as government. Money must at all times be spent wisely and prudently as we are entrusted with the public's funds."



South African Tourism wants to sponsor football club Tottenham Hotspur - is it a good idea?

Brendon Knott 6 Feb 2023



After her appointment, De Lille sought and obtained legal advice regarding the matter. In terms of that advice, there are three reasons why the Tottenham sponsorship is unlawful and invalid, says De Lille.

### **The three reasons are as follows:**

1. That the sponsorship is in fact a procurement event which does not comply with Section 217 of the Constitution, the Treasury instructions issued in terms of the Public Finance Management Act 1 of 1999 (PFMA) and SA Tourism's own Supply Chain Management Policy.

It appears that the sponsorship is a service which was proposed to be acquired by procurement through "sole source", says De Lille. "Sole source procurement is however only allowed where there is no competition in the market and only one supplier is able to provide the goods or services, which does not appear to be the case here."

2. That the sponsorship has not been budgeted for as required by section 53 of the PFMA and that the expenditure thereon would be irregular or unauthorised within the meaning of those terms in the PFMA.

3. That the deal amounts to a "significant partnership transaction" which required the tourism minister's prior approval in terms of Section 54 (2) of the PFMA. "However, I have written to the SA Tourism Board on Wednesday, 22 March 2023, asking for their response regarding the above," De Lille says.

De Lille has asked the SA Tourism board to respond to her letter by 29 March.

The board chairperson sent De Lille an interim response this morning, 24 March. De Lille had also written to the Minister of Finance, Enoch Godongwana on 10 March to enquire whether he had approved the proposal or transaction, but has not yet received a response.

### **De Lille says that she seeks key information with regard to the deal:**

1. Has the Tottenham deal been formally cancelled? If so, De Lille has asked for proof of this.
2. Does the board regard the Tottenham deal to be a form of sole source procurement? If so, the board has been asking to explain how the requirements for such a form of procurement have been met.
3. Does the board regard the Tottenham deal to be a significant transaction which triggers the need for the tourism minister's prior approval? If so, will the board request her approval and when?
4. Has the Tottenham deal been budgeted for in the 2022/23 budget? If not, why is the expenditure on the deal not unauthorised or irregular within the meaning of those terms in the PFMA?



### **SA Tourism acting CFO resigns amid Tottenham sponsorship deal**

22 Feb 2023



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"As the minister and as the Department of Tourism, we are committed to growing tourism, getting into untapped markets and truly reaching our full potential. However, everything we do will be done in accordance with the law and due process. Now in this time of global economic crisis, we need innovation and we need to work together to grow our markets and create more jobs for our people in a cost-effective manner.

"This matter has been marred by a lot of controversies and has raised many questions and we need to resolve this matter decisively and in the best interest of the people of South Africa as soon as possible.

"As a country, when we enter into such massive partnerships, it is vital that we are able to be fully accountable, that we are transparent and can answer South Africans clearly and honestly."

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