

Cheltenham Borough Council

Cabinet – 13th December 2016

Tour of Britain 2017

Accountable member	Councillor Rowena Hay – Cabinet Member for Finance
Accountable officer	Tim Atkins – Managing Director for Place and Economic Development
Ward(s) affected	All
Key/Significant Decision	Yes
Executive summary	<p>This report provides further detail regarding the Tour of Britain that was included in the Financial outturn report of 2015/16 and approved at Council 18 July 2016. This report seeks continued support of Cabinet for Cheltenham to host the finish of the penultimate day of the 2017 Tour of Britain cycle race. The proposed event would be a high-profile event for the town on Saturday 9th September 2017, providing a real opportunity to maximise the family and visitor experience. It is estimated that a successful event could see a significant boost to the local economy and would be an opportunity to showcase Cheltenham as a sporting and tourism destination.</p> <p>Hosting major events come with risk, some of which is out of the direct control of the council, its partners and organisers. There remains a risk that income streams identified will not materialise, some of the estimations made regarding cost may fluctuate and the weather may be inclement; all of which could have an impact on the event's success.</p> <p>The commitment of partner organisations is also essential to achieve the maximum benefits. Additional internal staffing resources will need to be dedicated (redirected from other areas) in the weeks leading up to the event to support the delivery and community engagement.</p> <p>This is a key decision as it has a borough wide impact and, although unlikely, it presents the council with a potential financial commitment that could exceed £100k, if the identified income streams do not materialise.</p> <p>The objectives of this report are:</p> <ol style="list-style-type: none">1) To inform the Cabinet of the key points of the work to date.2) To describe the risks and benefits of the event and ongoing legacy for Cheltenham.3) To request approval to proceed from Cabinet. <p>The report sets out the options to reduce this financial exposure, bringing the council's contribution closer to circa £20 - £50k. The intention is to exhaust all sponsorship and partnership opportunities to further reduce the</p>

cost to the council.

The race organisers require commitment to a comprehensive list of obligations. Some of these are not in the direct control of the council and further work is required to assess how they will be addressed. It is therefore proposed that authority be delegated to the Managing Director Place and Economic Development in consultation with the Leader and Cabinet Member Finance to complete the contract only if these outstanding matters have been addressed satisfactorily and the project remains within agreed financial parameters.

If it is not possible to resolve these matters within a reasonable timeframe the Cabinet Member Finance would report back to Cabinet and set out the reasons why the contract has not been signed which could result in the event not being hosted next year.

Recommendations

Cabinet approve the Managing Director Place and Economic Development in consultation with the Cabinet Member Finance and Leader of the Council, subject to the satisfactory finalisation of outstanding contractual issues, to enter into a suitable contractual agreement with Tour of Britain Limited to host the Tour of Britain finish event on the 9th September 2017.

Financial implications

Total external costs of circa £140,000 to £160,000 are detailed in section 2 to this report.

Potential income streams, totalling £120,000 are detailed in table 2.10 to this report, including a contribution already received from Gloucestershire County Council. This leaves a potential shortfall of between £20k and £40K.

Council approved the transfer of £100,000 into the economic development and tourism reserve from the 2015/16 net underspends, at its meeting in July 2016, earmarked for this event. This may need to be drawn upon to fund the potential shortfall or if the expected income streams are not secured.

If the council does not approve the hosting of this event, the £25,000 contribution from the County will be returned.

Contact officer: Sarah Didcote, sarah.didcote@cheltenham.gov.uk, 01242 264125

Legal implications

The Authority is entering into the Host Venue Agreement without a contractual commitment from Tewkesbury Borough Council and Cotswold District Council which means that the Authority will be solely responsible for the contractual obligations set out in the Agreement.

Similarly, without a contractual commitment with the County Council, the Authority is taking responsibility for traffic management and street and highway services.

Contact officer: Steve Isaac, steve.isaac@tewkesbury.gov.uk, 01684 272064

HR implications (including learning and organisational development)	<p>There will be human resource need arising from the Tour of Britain proposal around identifying appropriate cycling infrastructure legacy projects. A current review of the Townscape team is underway which may deliver strategic transport officer resource as part of the REST transformation programme. If this is not achieved this capacity will need to be externally commissioned requiring additional funding.</p> <p>Contact officer: Julie McCarthy, julie.mccarthy@cheltenham.gov.uk, 01242 264355</p>
Key risks	The key risks of the decision are described in Appendix 1
Corporate and community plan Implications	<p>The Tour of Britain is an event that assists the delivery of the strategy being developed to meet the Corporate Strategy objective ECON 1 (<i>We will work in partnership with key stakeholders to develop a longer-term strategy for place making and growth</i>).</p> <p>The outcomes of the Tour of Britain initiative also support and contribute to COM 7, (<i>Enable a range of community building and celebration events</i>) and COM 9 (<i>Progress cycling & walking options</i>).</p>
Environmental and climate change implications	The outcomes of this initiative produce a reduction of car commuter journeys and improvement of air quality in Cheltenham.
Property/Asset Implications	<p>This proposal does not have any direct impact on the council's built fabric.</p> <p>Contact officer: David Roberts, david.roberts@cheltenham.gov.uk, 01242 264151</p>

1. Background

- 1.1** The Tour of Britain race will be in its 14th year, it is an international professional race organised by The Tour of Britain Limited and Sweetspot Group Limited in collaboration with the British Cycling Federation. The race televised on ITV4, expects approximately 200,000 viewers.
- 1.2** Cheltenham had hoped to secure a stage of the race this year (2016), however, due to contractual commitments invoked by another location, the race was not able to come to Cheltenham. The organisers remain keen to include Cheltenham as a stage finish on the penultimate day of the race in September 2017.
- 1.3** The race is a major cycling event for the UK. It also has the potential to draw a large number of visitors and spectators, bringing considerable economic boost, increased overnight stays and provides the opportunity to showcase the town. For example, in 2013 the Sidmouth to Dartmoor stage attracted 188,000 day visitors and 62,000 overnight visitors, 250,000 visitors for that event who spent a reported £13,950,674 during that stage.
- 1.4** The Tour of Britain Economic Impact Report 2015 (for a comparable stage of the event in 2015) suggested that the penultimate stage of the race attracted a total of 220,000 spectators to the county.
 - Of which 14% were from outside of the county/region.
 - 12% of visitors from out of county stayed overnight.
- 1.5** As part of the Financial Outturn report 2015/16 a budget of £100K was committed towards the hosting of the Tour of Britain for 2017. This was approved by Council in July 16. The intention has been to maximise the benefits that could arise from hosting the event, whilst minimising the overall costs to the council, through partner contributions, sponsorship and other income streams.
- 1.6** It has been acknowledged that hosting such major events does have potential risks relating to weather conditions, success of funding activities and the continued support from other stakeholders and partners. In committing to host the event those risks should be carefully considered.
- 1.7** Gloucestershire County Council has supported the Tour of Britain in Gloucestershire with funding to the order of £25,000. They will also provide logistic support relating to the road network. CBC currently holds the funds on a conditional basis of the event proceeding.
- 1.8** Sweetspot Group Limited are managing the arrangements for the event. An ongoing dialogue has been underway since March 2016. On the 30th November 2016 a formal meeting was held in Cheltenham to assess and agree the proposed final section of the race route and the finish area.
- 1.9** The project team is working with The Cheltenham Trust, Business Improvement District and Cheltenham Festivals to deliver the event. The first meeting of representatives was held on the 7th November 2016. The external partners expressed support and propose to interweave Tour of Britain related activity into existing work streams.
- 1.10** To secure the hosting of the event, the council is required to satisfy contractual logistical requirements that are set out in the 'Host Venue Agreement'. These requirements have been assessed and consideration given to their resource implications. These requirements are significant and involve some obligations that are not within the council's direct control (for example highways matters). The council is currently involved in detailed discussions with the county council to ensure that these requirements can be met by the county council or other appropriate body. It will not be possible to proceed with the contract until the detail of these matters has been resolved. It is therefore proposed that if members are minded to proceed with

the hosting of the event, that the necessary authority be delegated to the Managing Director Place and Economic Development and Cabinet Member Finance (as set out in the recommendation); to ensure that the necessary provisions have been made to ensure the council is able to adequately meet the requirements and where necessary appropriate agreements have been reached with partner organisations to minimise risk to the council.

- 1.11** Members should note that there remains a risk that appropriate terms / arrangement cannot be reached with the race organisers and our partner organisations, or the financial risk profile changes. In these circumstances the Cabinet Member Finance would report back to cabinet and set out the reasons why the contract has not been signed, which would likely result in the event not being held in Cheltenham.

2. Financial Implications

- 2.1** This report seeks approval to progress, subject to Cabinet member consultation, the executing of a Host Venue Agreement contract with Tour of Britain Limited. Entering into the contract will financially commit the Council to:

- A spend of a host venue fee of £100,000 to Tour of Britain Limited - to allow the town to host the event.
- In the region of £20,000 - £40,000 on the logistics of hosting the event. This figure is based on guidance from Sweetspot Group Limited and due diligence undertaken relating to the contractual agreement. It covers the cost of policing, marshals, porta loos, first aid cover, other logistical support. A range of cost is provided as the details have not yet been finalised with the organisers and other relevant parties around some of the issues, in particular relating to highways, traffic order and parking matters. The contract cannot be signed until more certainty exists regarding all of the contractual requirements. Based on the commitments and discussion held to date with the relevant bodies the lower figure of £20k should be achievable.

- 2.2** The council will also need to invest internal resource to ensure the event runs smoothly and benefits are realised. A dedicated project manager is in place, however contributions from CTC, the Festivals and the BID will be essential if the event is to be a success. The council will also need to commit the time / resource of existing staff to provide support, particularly in the weeks leading up to the event. A programme will be developed by the project manager and agreed with the council's Executive Board to ensure the appropriate support is provided.

- 2.3** The council's internal project management team is, in part made up of staff on fixed-term contracts. In order to resource this project the council will need to extend an existing contract therefore estimated costs of £20,000 are included in the project budget.

- 2.4** The County Council has provided financial commitment and the pledge of logistical support to Cheltenham in hosting the event. However, the project team has not yet finalised the detail of this in relation to the contractual requirements (as set out above). The project team have engaged with two neighbouring councils who have previously expressed an interest to participate in the event. Both councils will need to take a paper to their respective Cabinet's after we have approved and signed the Host Venue Agreement. They have both indicated a contribution of £10,000 would be made.

- 2.5** Contacts have already been made to gain the support of sports / TV personalities with an interest in Cheltenham and cycling to help promote the event. These will be further developed by the project team and stakeholders.

- 2.6** The Cheltenham Trust has offered to assist with fundraising / sponsorship to raise additional income on a commission basis. A prudent target of £50,000 has been agreed as being achievable for an event of this nature.

- 2.7** The Cheltenham Trust will support the overall delivery of the event. The parties will agree the details of the resources required.
- 2.8** Cheltenham Festivals propose to use their resource and contacts to theme cycling events in the Science Festival.
- 2.9** The Business Improvement District plan to support the event by providing build up events in the week running up to the event and liaise with businesses that are affected. They have also indicated they would provide needed financial support due to the importance of the event to the Town Centre and BID area. A paper is being considered at their December BID meeting.
- 2.10** Cheltenham Borough Council has not previously hosted a major cycling event. Therefore, the project team will adopt a cautious approach to the provision and management of the event, for the first year of this event. The sponsorship and income targets set are prudent to reflect this fact. It is therefore important the council dedicates adequate resource to maximise the potential benefits from this event.
- 2.11 High level project finances**

Estimated Costs	Amount
Host Fee	£100,000
Event Logistics	£20,000 to £40,000
Project management costs (internal cost)	£20,000
Total Project Costs	£140,000 - £160,000

Possible Income	Amount
Route through two neighbouring authorities including a sprint stage or a King of the Hill.	£20,000
Gloucestershire County Council support for the event.	£25,000
Advertising and Sponsorship (potential)	c.£50,000
Pitch fees from stalls and street food (potential)	£5000
Other potential contributions including Cheltenham BID	c.£20,000
Total possible income	£120,000

- 2.12** Taking a prudent approach this would leave the amount the council would need to fund somewhere between **£20K** (assuming income targets are achieved and the logistic costs remain in line with the organisers guidelines) and **£60K** (assuming income targets underachieve and logistical costs cannot be shared with other partners) depending on the finalisation of contributions, sponsorship and income streams. This is well within the budget parameters.

3. Cheltenham's Tour of Britain Event Legacy

- 3.1** Economic – This would be a significant boost to the local economy. Evidence suggests that in the region of 30,000 to 80,000 visitors may arrive in Cheltenham, a percentage of which may return contributing to Cheltenham's tourism and profile. Reports show an average spend per visitor of around £12 to £14 per person with group sizes averaging between 2 and 3 people. There is a strong family interest and the event is reported as popular with young people.
- 3.2** The town has six dedicated cycling shops, of which two are national brands four are independent businesses in Cheltenham and these shops and associated businesses could directly benefit from the increased promotion of the sport and consumer purchases.
- 3.3** Environmental – The event should inspire more people to ride their bike more often and replace car commuter journeys. Evidence from previous events show that around 60% of those who attended the event were 'inspired to use their bikes more'. One of the important outcomes would be to promote cycling in Cheltenham as a sustainable means of transport. Opportunities to work with charities such as Sustrans will be further investigated. If successful it could be used as a platform for Cheltenham to launch a wider modal shift agenda linked to the emerging Place Strategy.
- 3.4** Tourism – Hosting high profile events is an effective means of promoting tourism and increasing awareness relating to Cheltenham's rich cultural offer. Evidence suggests that the event would bring a high level of overnight stay to the area (in Carlisle to Kendal stage 34% made an overnight stay). This is an opportunity to promote Cheltenham as a gateway to the Cotswolds and the coverage should help with this message. Media coverage can be used to promote Cheltenham as an exciting and desirable destination. This message will reach an estimated 200,000 people on ITV4. The magazine Cycling Weekly commands a readership of 28,000 and features the Tour of Britain every year. It is the intention of the project team that Cheltenham be promoted as part of a focused marketing campaign.
- 3.5** Healthy living – The engagement of the Cheltenham Trust and our own outreach promotion encourages employees and residents to ride their bicycle more often. The project team intends to work with Healthy Living and Sustainable Transport initiatives, to include them in the pre-event promotion and a promotional unit in a prominent position at the event, particularly with schools.
- 3.6** Social and volunteering – Four established cycling clubs (not including Triathlon clubs) whose membership catchment draws in Cheltenham residents. The event and its athletes will inspire more people to join their local cycling clubs leading to more participation in with those clubs social, sporting and community activities.
- 3.7** Festival culture – A promotional and technical village accompany the Tour of Britain. In future years, the provision of coordinated local events, facilities and activities to support the Tour of Britain event will create an embryonic festival event for the Council to develop, promote and exploit for the benefit of the town and its resident communities.
- 3.8** The Council, The Cheltenham Trust, BID, Festivals and other partners must ensure adequate resource is dedicated to maximise the opportunities and benefits that could flow from the event. A dedicated project manager has been appointed to co-ordinate the work of the different groups.
- 3.9** If successful the intention would be to host this event in future years developing the town's reputation promoting cycling, healthy living and to use as a platform to develop a much wider cycling agenda linking into the emerging Place Strategy.
- 3.10** Sweetspot Group Limited offers an option to give precedence for hosting the 2018 event to the host venues of 2017. It is expected that fees and project costs will be similar for the 2018 event. To host again is consistent with the aspirations of the Council and would contribute to our reputation and kudos as a festival town and make progress to becoming an exemplar cycling

town. Repeating the event in future years is a positive movement to progress Cheltenham town as a highlight on the Tour of Britain calendar and provide the possibility of other opportunities. There is no contractual requirement on the Council to host the event for a following year.

4. Reasons for recommendations

- 4.1** Hosting the Tour of Britain event should provide significant benefit to Cheltenham residents and businesses and promote the town on the national / international sporting stage. Hosting major events such as this also comes with risk, some of which is out of the direct control of the council, its partners and organisers. There remains a risk that income streams identified will not materialise and some of the estimations made regarding cost may fluctuate. There are, however, a number of options available that will both promote the event and attract income that will mitigate these risks. The economic and positive lifestyle value of the project is significant, as demonstrated in 'Economic impact reports' and arguably outweigh the cost and risk associated to hosting a major sporting event.

5. Alternative options considered

- 5.1 Option 1 – Do nothing.** This option is the lowest financial risk and does not progress any of the related benefits and outcomes for our communities or local business. This option would return the granted funding to Gloucestershire County Council and prevent Cheltenham from hosting the Tour of Britain event.

- 5.2 Option 2 – Do more.** This option is advancement of the existing proposal it carries greater risks, costs and opportunities for success. This option has the potential to expedite the reputation of our town as a cycling centre of excellence and increase our sporting and festival reputation. Possible examples of activity in this option are:

- Hire of a street velodrome and provision of a whole day sporting activity at cost £25,000.
- Provision of a "Cheltenham Cycling Sportive" for athletes and families
- Community collaboration to develop and build cycling routes.
- Club and community projects to build cycling specific facilities and events.

To progress this option further feasibility studies would be necessary to provide costed options to Cabinet. If it appears greater levels of sponsorship / income are achievable that are within the budget parameters, the extension of the benefits could be further explored.

- 5.3 Option 3 – Do Something else.** There are lower risk options open to the council to promote tourism, economic development and progress the marketing of the town. The budget could be dedicated to the accelerated delivery of some of these outcomes that would have considerable wider benefits. However, the council has committed for some years to host a major sporting event of this nature. Although there is a greater risk, the impact of such an event is wider reaching particularly if successful.

6. Consultation and feedback

- 6.1** The project team approached The Cheltenham Trust initially to gain an understanding of the past work they have completed and to establish relations to work in partnership to deliver this event. The terms and responsibilities of the joint working are being considered at a strategic level. The Trust has provisionally made available the use of the Town Hall to support the event on the day. We will continue to work with the Trust to deliver the event day and the ongoing legacy benefits
- 6.2** The Cheltenham BID is supportive of the event. A paper is going to be presented to the board

seeking financial support on the 7th December. We continue to consult with the BID and collaborate to make the event a success for business and visitor.

6.3 Gloucestershire County Council is supportive of the initiative and has provided £25,000 towards the event. We will continue to work with them in respect of the highways, road closures, parking repairs and traffic orders.

6.4 Neighbouring authorities are keen to support the event and if the route is directed through their districts, will make a financial contribution.

7. Performance management –monitoring and review

7.1 This project will be formally managed using the council's project management methodology which is based on PRINCE2.

7.2 There will be gate reviews for key documents including the project initiation document and the proposal to satisfy the requirements of Schedule 6 of the Host Venue Agreement.

7.3 Risks will be actively managed as guided by the council's risk management policy.

7.4 Formal reporting will be to the Project Board and escalated per standard procedures.

Report author	Contact officer: Alex.Lawson@cheltenham.gov.uk, 01242 775144
Appendices	1. Risk Assessment
Background information	1. Council Financial Outturn 2015/16 report 18 th July 2016

Risk Assessment

Appendix 1

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If the council fails to achieve the financial contributions identified in the report then the council will have to bear the full financial exposure of £115k - £135K.	Tim Atkins	Oct 16	2	2	4	Reduce	a) There are other funding options open to the council and these will be pursued to mitigate the financial exposure to remain within the budget of £100K. b) If a) this is not achievable £15K would need to be identified from an existing budget.	Aug 17	Alex Lawson	No
2	If the contractual requirements outside the council's direct control (relating to roads, parking, traffic orders and street furniture etc.) are not successfully concluded then Cheltenham Borough Council may be responsible for to unknown costs of repair or rectification or remuneration.	Tim Atkins	Nov 16	3	3	6	Reduce	a) Work with County and One Legal to agree a suitable contract covering County owned assets referred to in the Host venue agreement.	Dec 20th 2016	Alex Lawson	No
3	If there is sufficient rain on event day to make the event poorly attended and damage the Imperial gardens lawn surface the council would be required to contribute to repair / replacement cost at £7500.	Tim Atkins	Oct 16	1	4	4	Reduce	a) Further reducing of the impact by securing the Town Hall to host attractions. b) Develop contingency plans with the Trust.	9 th September 2017	Alex Lawson	No
4	If the council remains unable to complete the contract the delay may result in the organiser to find an alternative venue to host the penultimate day finish then CBC will not be a hosting partner.	Tim Atkins	22/11/16	2	3	6	Reduce	Contact with the directors of Sweetspot to keep them advised of the progress and work closely with the county council and one legal to ensure the risks are effectively managed.	Now	Alex Lawson	No
5	If the neighbouring councils do not commit to funding for the race route going through their borough, then CBC will have a funding shortage of £20,000.	Tim Atkins	Nov-16	1	3	3	Reduce	Engagement with TBC to keep them informed of progress.	Feb 17	Alex Lawson	No
6	If the cost meeting the requirements of schedule 6 the cost of repairs to the highways and traffic orders is greater than the funding from GCC then council must absorb the additional costs.	Tim Atkins	Nov-16	1	3	3	Reduce	Early work with Sweetspot, GCC Townscape and Highways to assess the route and required remedial action.	26 Jan 17	Alex Lawson	No

7	If there is significant disruption to residents and business as a result of the success of promotion and large crowds of people attending the event then there may be complaints made leading to a detrimental effect on the councils reputation	Tim Atkins	Nov-16	1	3	3	Reduce	Clear communication and engagement with the affected communities to reduce the impact to them and provide opportunities for them to thrive because of this event.	May 17	Alex Lawson	No
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Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6

(1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close – **Or** Enhance / Exploit / Reject / Share

