

# Cheltenham Borough Council

## OFFICER DECISION

### Tour of Britain – Contract

#### Report of Managing Director Place and Economic Development

<b>Accountable member</b>	<b>Cabinet Member for Finance</b>
<b>Accountable officer</b>	<b>Managing Director Place and Economic Development</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key/Significant Decision</b>	<b>No</b>
<b>Executive summary</b>	This report gives an overview of the Tour of Britain 2017 project (Gloucestershire stage), including progress to date, the resolution of the contractual issues arising and the risk management arrangements together with a summary of the specific areas of risk including legal and financial implications.
<b>Recommendations</b>	<b>Enter into the Host Venue Agreement between Cheltenham Borough Council and Tour of Britain Limited, to provide sponsorship of the Gloucestershire stage race of the Tour of Britain event 2017.</b>

<b>Financial implications</b>	<p>The expected event income and expenditure is shown in Appendix 4. The estimated costs of £166,350 are offset by grant and contribution income of £160,000 including the £100,000 maximum contribution from this council. In addition there is a potential £59,680 to be generated from target sales and sponsorship income. These are indicative costs / income only and any net surplus from this event will be offset against the £100,000 underwritten by this council, as approved by Council on 18<sup>th</sup> July 2016 (Financial Outturn report 2015/16).</p> <p>The risks associated with the proposed financial model are included in the risks appendix 1. If expected other contributions to the event are not received or if the event is not self-financing, the net cost to this council will be increased.</p> <p><b>Contact officer: Sarah Didcote, <a href="mailto:sarah.didcote@cheltenham.gov.uk">sarah.didcote@cheltenham.gov.uk</a>, 01242 264125</b></p>
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<b>Legal implications</b>	<p>The formal Host Venue Agreement between Cheltenham Borough Council and Tour of Britain Limited will set out the obligations and liabilities of the parties. Some of the obligations placed on the Council are matters that are within the jurisdiction of the Highway Authority. These will need to be carefully managed with Gloucestershire County Council to avoid the Council being in breach of the Agreement. Host Venue Agreement, although containing minimum requirements of the Council, lacks detail for the specific Gloucestershire stage race and will need to be agreed by the parties following execution of this Agreement and outside of the Agreement.</p> <p>Engagement is taking place with partner authorities and partnership agreements will be drawn up in due course.</p> <p>Appendix 2 sets out the legal risks associated with entering into the Agreement in the form annexed to this report.</p> <p><b>Contact officer: Solicitor, <a href="mailto:steve.isaac@tewkesbury.gov.uk">steve.isaac@tewkesbury.gov.uk</a>, 01684 272064</b></p>
<b>HR implications (including learning and organisational development)</b>	<p>There will be human resource need arising from the hosting of a stage Tour of Britain. Resources have been identified to support the project as set out in paragraph 5.3 of this report; however it should be noted that this is over and above business as usual activities. The Project Sponsor is working with relevant service managers to minimise the impact and support prioritisation.</p> <p><b>Contact officer: HR Business Partner, <a href="mailto:Georgie.pugh@cheltenham.gov.uk">Georgie.pugh@cheltenham.gov.uk</a>, 01242 262626</b></p>
<b>Key risks</b>	<p>The key risks of the decision are described in Appendix 1</p>
<b>Corporate and community plan Implications</b>	<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 &amp; walking options</i>).</p>
<b>Environmental and climate change implications</b>	<p>The outcomes of this initiative produce a reduction of car commuter journeys and improvement of air quality in Cheltenham.</p>
<b>Property/Asset Implications</b>	<p>This proposal does not have any direct impact on the council's built fabric.</p> <p><b>Contact officer: Head of Property, <a href="mailto:david.roberts@cheltenham.gov.uk">david.roberts@cheltenham.gov.uk</a>, 01242 264151</b></p>

## 1. Background

- 1.1 The Cabinet Member for Finance made recommendations to host the Tour of Britain Gloucestershire stage event in the 2015/16 outturn report to Cabinet on 12<sup>th</sup> July 2016, a budget of £100k was committed towards the hosting of this event. This was subsequently approved by Council on 18<sup>th</sup> July 2016. On 13<sup>th</sup> December 2016 Cabinet received a more detailed report seeking continued support for Cheltenham to host the finish of the penultimate day of the 2017 Tour of Britain Gloucestershire stage cycle race. The proposed event would be a high-profile event for the town providing a real opportunity to maximise the family and visitor experience.
- 1.2 The decision made by Cabinet in December 2016 was as follows;

***Cabinet authorise 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 a stage event of the Tour of Britain 2017.***

- 1.3 The Council's obligations and liabilities in the Tour of Britain Limited's Host Venue Agreement have been considered and accepted because the benefits available from holding the event outweigh the risks involved. Below are the issues arising; together with a short progress update and how identified risks are being managed.

## 2 Contract issues arising

- 2.1 In working through the Host Venue Agreement annexed to this report and to be entered into by the Council, a number of issues are outstanding, including;
- Capacity to direct the project
    - To address this Director of Planning has now been identified as the project sponsor to support delivery of the project.
  - Managing risks relating to elements of delivery over which CBC has no control, principally related works on the highway and road traffic matters, which are under the control of Gloucestershire County Council as Highway Authority
    - Through engagement with Gloucestershire County Council agreement has now been reached on specific elements of the Host Venue Agreement where their delivery commitment to certain timescales is required. A schedule of County Council works are listed in appendix 3 and commitment has been received in writing confirming ability to deliver the works. To supplement this request has been made to Gloucestershire County Council to enter into a Memorandum of Agreement with Cheltenham Borough Council on the highways element of the contract.
    - Contract amendments have been proposed by Cheltenham Borough Council to clarify that Cheltenham Borough Council is not the Highway Authority and their control over highway matters are limited. Sweetspot Limited (Tour of Britain event organiser) on behalf of Tour of Britain Limited has agreed the proposed amendments detailing this. In addition, One Legal has completed a risk assessment of the Host Venue Agreement to be entered into by Cheltenham Borough Council, see appendix 2. The identified risks are recorded in appendix 1 or have been mitigated by amending the contract and Cheltenham Borough Council seeking direct, non- legally binding, assurances from Gloucestershire County Council.

- The list of minimum standard requirements of Cheltenham Borough Council by Tour of Britain Limited's for a race finish in Schedule 6 of the Host Venue Agreement are agreed, a copy of this schedule is appended to this report.

### **3 Progress on project**

3.1 Progress is being made on the following;

- Engagement of project team. The first full project board took place on 27<sup>th</sup> March 2017,
- Work streams identified together with lead officer;
- Indicative costings of key logistics identified;
- Exploration of marketing, sponsorship and support that key partners could provide;
- Engagement of a professional sales and marketing consultant is in progress;
- Project governance methods are agreed and documented in the Project Initiation Document.

### **4 Managing risk**

4.1 There are risks that need to be actively managed, they are in four areas.

1. Traffic management, costs and local diversion plans. Risk is managed by project board.
2. Street furniture costs of removal and reinstatement of the bollards on the pedestrianised Promenade. Risk managed by project board.
3. Marketing of the event and sales of sponsorship, a specialist consultant is being engaged. Risk is managed, operationally by the work stream leader, project manager and project sponsor; the project board manages the strategic risk.
4. Public health and safety is managed by project board. To reduce risks in this area, the project will create a bespoke regional stage Tour of Britain Safety Advisory Group (see below).

4.2 The project is setting up a temporary regional Safety Advisory Group to collaborate with Cotswold and Tewkesbury councils, highways authority, public transport and emergency services. This will be a bespoke safety Advisory Group for the Tour of Britain stage event recognising the level of input required from key services and agencies and the need for effective co-ordination and controls.

4.3 Monthly project board meetings are scheduled; risk management will be a standard agenda item at each meeting.

### **5 Financial and resources implications**

5.1 There are both financial and wider officer resource implications relating to the project. A financial summary is provided at appendix 4. This outlines the contract costs, together with current position on costs of staging the event. A number of the staging costs are currently indicative, informed by quotes and understanding of costs arising from previous hosting councils. These costs will be monitored by the project manager and any issues escalated to the project sponsor and project board.

- 5.2 The ambition for the event is for this to be self-financing, therefore the marketing and sponsorship work stream is a fundamental strand of the project. This is a priority work stream and engagement with possible sponsors will follow as a priority following signing of the contract. The project team have received commitment from Sweetspot to be guided on best practice from previous stage promoters to help maximise the opportunities derived from sponsorship.
- 5.3 The event will be using a wide range of internal officer resources across a range of specialisms, including project management, health and safety, public protection, parks, planning, community engagement; together with resources from Cheltenham Trust. This will have a knock on effect on existing workloads; service managers have been briefed and will be managing the impact accordingly.
- 5.4 Outside the contract and staging costs, there are wider benefits to the local economy. The event is estimated to bring around 30,000 – 50,000 people into the town centre to experience the event and the event build up, together with spectator numbers from the route through parts of Cotswolds and Tewkesbury. Cheltenham will be presented on a national platform alongside the other stage locations providing exposure for the town and contributing to identifying Cheltenham as a destination. Television coverage will be across a number of broadcasters and deliver worldwide coverage. The event will positively impact on the local and regional economy; data drawn from the report on Worcestershire indicated that the economy was boosted by £1million.
- 5.5 By hosting a stage of the Tour of Britain, it offers the opportunity to set Cheltenham within a sporting context and places a spotlight on the town that will create a level of excitement and a celebratory environment for local business and our residents and visitors.
- 5.6 This is the first time Cheltenham will have hosted this type of event; a detailed report will be provided together with lessons learnt at the close of the project. This will provide valuable information to inform future decisions and investigation of the type of activities Cheltenham Borough Council may wish to pursue to promote Cheltenham as a destination.

## **6 Tour of Britain legacy**

- 6.1 The ambition is that by hosting a stage of the Tour of Britain it will provide a positive context to support delivery of place including; hosting future events, widening the events calendar, feeding into preparation of a walking and cycling strategy for Cheltenham and contributing to positive attitudes to modal shift.

## **7 Reasons for recommendations**

- 7.1 To deliver the recommendation, as agreed by Cabinet on 13<sup>th</sup> December following a full assessment of risks and liabilities. Entering into the Host Venue Agreement with Tour of Britain Limited will enable Cheltenham Borough Council to become a regional partner and host a stage of the Tour of Britain 2017.

## **8 Alternative options considered**

- 8.1 Alternatives were considered in the 13<sup>th</sup> December 2016 Tour of Britain cabinet report.

## **9 Consultation and feedback**

- 9.1 One Legal has been engaged throughout contract negotiations, a completed risk assessment of the Host Venue Agreement to be entered into by Cheltenham Borough Council-. See Appendix 2.
- 9.2 Active engagement is in place with key partners, in particular Cheltenham Trust, Gloucestershire County Council, Cheltenham Festivals and Cheltenham BID. These partners will be pivotal in supporting Cheltenham Borough Council in delivery of the event.

9.3 Ongoing engagement with Cabinet Member – Finance and Leader.

## 10 Performance management – monitoring and review

10.1 This project will be formally managed using the Council’s project management methodology, which is based on PRINCE2. This will include 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.

10.2 Risks will be actively managed by the project board and operational work stream leads as guided by the Councils risk management policy.

10.3 Formal reporting on performance and risks will be to the Project Board and escalated per standard procedures.

<b>Report author</b>	<b>Director of Planning tracey.crews@cheltenham.gov.uk, 01242 774405</b>
<b>Appendices</b>	<ol style="list-style-type: none"> <li>1. Risk Assessment</li> <li>2. One Legal contract risk assessment</li> <li>3. Gloucestershire County Council – schedule of highway related works</li> <li>4. Financial summary</li> <li>5. Contract extract – Schedule 6</li> <li>6. Member decision report form</li> </ol>
<b>Background information</b>	<ol style="list-style-type: none"> <li>1. 12<sup>th</sup> July Cabinet / 18<sup>th</sup> July Council reports – Financial outturn 2015/16 and budget monitoring to June 2016  <a href="https://democracy.cheltenham.gov.uk/documents/s19941/2016_07_12_CAB_Financial_Outturn_2015_16_and_budget_monitoring_to_June_2016.pdf">https://democracy.cheltenham.gov.uk/documents/s19941/2016_07_12_CAB_Financial_Outturn_2015_16_and_budget_monitoring_to_June_2016.pdf</a> </li> <li>2. 13<sup>th</sup> December 2016 cabinet report Tour of Britain 2017  <a href="https://democracy.cheltenham.gov.uk/documents/s20982/2016_12_13_CAB_Tour_of_Britain.pdf">https://democracy.cheltenham.gov.uk/documents/s20982/2016_12_13_CAB_Tour_of_Britain.pdf</a> </li> </ol>

# 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 December report, then it has to bear the full financial exposure of the contract and costs of putting on the event.	Director of Planning	Oct 16 Updated March 2017	2	2	4	Reduce	<p>a) There are other funding/sponsorship options open to the council and these will be pursued to mitigate the financial exposure to remain within the budget of £100K.</p> <p>b) If a) this is not achievable funding would need to be identified from an existing budget. This risk will be regularly updated and reported to the ToB project board.</p>	Aug 17	Project Manager  Finance Lead	Retained on ToB project risk register
2	If the contractual requirements outside the council's direct control (relating to	Director of Planning	Nov 16	3	3	9	Reduce	a) Agree county council responsibilities and financial	Complete	Project Manager	Retained on ToB project risk register

	roads, parking, traffic orders and street furniture etc.) are not successfully concluded then Cheltenham Borough Council may be responsible for unknown costs of repair or rectification or remuneration.							commitments b) Ensure that responsibilities are delivered	End of project		
3	If there is significant rain on event day which damages the Imperial gardens lawn surface the council would be required to contribute to repair / replacement cost at £7500.	Director of Planning	Oct 16	1	4	4	Reduce	a) Further reducing of the impact by securing the Town Hall to host some attractions. b) Develop contingency plans with the Trust.	9 <sup>th</sup> September 2017	Head of Engagement (TCT)  Open Spaces service manager	Retained on ToB project risk register
4	If the council remains unable to complete the contract, the delay may result in the organiser finding an alternative host.	Director of Planning	Oct 2016	2	3	6	Reduce	Sign the contract as recommended in this report  <b>CLOSED – contract signed</b>	Now	Managing Director of Place and Economic Development.	CLOSED
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.	Director of Planning	Nov-16	1	2	2	Reduce	Gain commitment of neighbouring councils  <b>CLOSED – partnership agreements in preparation</b>	April 17	Project Manager	CLOSED,
6	If there is significant	Director	Nov-16	1	3	3	Reduce	Clear communication	Ongoing to	Comms	Retained on



	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	of Planning						and engagement with the affected communities intended to reduce the impact to them and provide opportunities for them to thrive because of this event.  Setup a complaints handling process.	end of project  Aug 17	Team and The Cheltenham Trust Customer and support services manager	ToB project risk register
7	If there is insufficient officer resource identified to deliver a successful event then this will impact on the reputation of the council and impact on future confidence in hosting similar events	Director of Planning	March 2017	4	2	8	Reduce	Put in place project sponsor  Commitment to release team members by Executive Board to support project delivery.  Add as a corporate project and report to SLT.	April 2017	Project Manager	Retained on ToB project risk register

**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