

Cheshire East Council

Cabinet

Date of Meeting:	26 th July 2107
Report of:	Executive Director of Place
Subject/Title:	Tour of Britain 2018
Portfolio Holder:	Councillor David Brown

1. Report Summary

- 1.1. Following the success of the Tour of Britain Stage 3 in 2016, the Council expressed an interest in hosting a future stage of the cycle race. This report sets out the opportunity to attract and host a stage of the 2018 'Tour of Britain' in Cheshire East. The Tour of Britain last visited Cheshire East in 2016 and generated £3.5m for the local economy and was seen by 1.23m viewers on ITV4.
- 1.2. This report sets out a proposal to secure the Tour of Britain in 2018. Should the Council take this forward, the report outlines the potential benefits and an approach to hosting the cycle race, utilising lessons learnt in 2016.

2. Recommendation

2.1. Cabinet is recommended:

- 1) To agree that a submission should be made to secure the hosting of a stage of the Tour of Britain 2018 in the Borough.
- 2) To authorise the Executive Director, Place, in consultation with the Portfolio Holder for Highways and Infrastructure, to:
 - (a) engage with the event organisers to host a stage of the Tour of Britain in 2018;
 - (b) negotiate and enter into a contract with the organisers on terms to be agreed by the Director of Legal Services;
 - (c) to take reasonable and prudent steps to attract sponsorship, negotiate and enter into sponsorship arrangements to off-set costs incurred;
 - (d) to enter into any other legal agreements required for the delivery of the event (for example; trademark agreement);
 - (e) exercise various other ancillary powers (road closures for example).

- 3) To approve the use of the Investment (Sustainability) Earmarked Reserve for expenditure that is required in 2017/18 (£70K).
- 4) To note that the budget requirements for the costs in 2018/19 will need to be built in to the Medium Term Financial Strategy (£230K).

3. Other Options Considered

- 3.1. In order to attract the Tour of Britain, a commitment is required from the Council as a potential host. It is intended that fundraising to cover some costs of hosting the event will be delivered between now and the event through sponsorship.
- 3.2. The alternative option for the Council is not to bid to host the race.

4. Reasons for Recommendation

- 4.1. If the Council does wish to host a stage of the Tour of Britain in 2018 it is imperative that this is confirmed now. This will allow the Council sufficient time to maximise the level of investment it can secure in the Tour of Britain as well as ensuring it has sufficient lead time to organise the event effectively.
- 4.2. Strategic events can attract economic benefit to Cheshire East. Those events that generate TV coverage and attract overnight stays are inevitably the most valuable. The 'Tour of Britain' is recognised as being such an event. The Council is developing a strategic approach to events in order to realise a range of social and economic impacts for Cheshire East, including showing Cheshire East as a great place to live, work and visit. It is recognised that the growth of major events through the support of the Council, such as the Tour of Britain, can bring significant strategic benefits to Cheshire East. Events and festivals can be positive economic and social drivers encouraging financial and social investment by a wide range of organisations and communities attracting sponsorship from private and public investors.
- 4.3. In 2016, the Tour of Britain generated £3.5m for the Cheshire East economy. The Tour of Britain could once again bring significant benefits to Cheshire East residents. It could be a positive economic and social driver encouraging financial and social investment by a wide range of organisations and communities. Experience in 2016 showed the Tour of Britain can generate a number of benefits for Cheshire East including:
 - Attracting more visitors to the Borough
 - Enhancing a positive image of the Borough and its communities
 - Showcasing the cultural diversity and heritage of the Borough
 - Developing community cohesion and aspirations
 - Promotion of cycling and physical exercise
 - Providing learning and skills development opportunities
- 4.4. Benefits of progressing early with Tour of Britain discussions around hosting and sponsorship would be:
 - 4.4.1. To maximise the marketing and profile opportunities for the event.

- 4.4.2. To ensure that effective Project Management arrangements are in place.
- 4.4.3. To allow an evaluation to be carried out against relevant delivery mechanisms for sponsorship delivery.
- 4.4.4. To facilitate sponsorship and fundraising. Companies normally allocate their sponsorship budget in the autumn, almost a full year before the event. The feedback from businesses in 2016 was many could not commit to sponsorship funding due to budgets already being allocated. Therefore, while a contract for hosting the event may not need to be in place until the end of 2017, the Council needs to provide a commitment and begin active discussions with potential sponsors by autumn 2017.
- 4.4.5. To ensure the Council has the right level of resources available at the right time to maximise the benefits of hosting a stage of the Tour of Britain 2018.

5. Background/Chronology

- 5.1. The visitor economy is already worth £895m to Cheshire East and the Tour of Britain would be a significant additional contributor to the prosperity of Cheshire East as well as the wellbeing of its residents.
- 5.2. Cheshire East Council successfully hosted Stage 3 of the Tour of Britain in 2016. It attracted 300,000 spectators, with 63% of those from coming from outside of the Borough. Added to this the Cheshire East stage was watched by 1.23m viewers on ITV4, making it the 2nd highest viewed stage in 2016. The event had significant community benefits and showed 59% of respondents said they were inspired to cycle more often. The evaluation study is shown in Appendix 1.
- 5.3. The tour cost Cheshire East Council £397,100 to stage which included £175k for the venue agreement as well as costs associated with media and communications; animation and engagement; staffing costs, infrastructure and traffic management. However with sponsorship totalling £129,721, the net cost to the Council was £267,379.
- 5.4. This investment in hosting the 'Tour of Britain' Cycle Race generated £3.5m for the Cheshire East economy in 2016. It provided a number of areas of benefit, including business development, media profile, and tourism and destination promotion. It provided opportunities to give a focus to cycling development and participation and promotion of cycle networks and sustainable cycling transport initiatives, as well as promoting physical activity to residents. In 2016, the race also attracted significant profile as a significant international event.
- 5.5. The Tour has seen twelve years of growth since 2004, making it Britain's biggest and best, professional bike race. It is a multi-day elite race and provides the biggest live attendance of any sporting event in the UK.

- 5.6. As the UK's biggest free to attend sporting event it has more than 1.6 million spectators across eight day event. The evaluation from the Cheshire East Stage 3 was extremely positive and the full study is shown in Appendix 1.
- 5.7. Amongst lessons learnt in planning and delivering the Tour of Britain Stage 3 in 2016 was a requirement to investigate alternative methods of attracting sponsorship. In 2016 this was done internally, however it is proposed that for the Tour of Britain 2018 an external sponsorship expert be sought. Initial research has suggested that a model based upon an incremental commission basis with a minimum income target of c£150k on an initial 10% proposed commission. Any sponsorship above £150k will incur additional commission as an incentive; possibly 15% for the next £50k and 20% there after. It should be noted the cash sponsorship achieved for 2016 was £94k with costs of £36k.
- 5.8. This new way of working would be targeted towards 'cash only' sponsorship with 'in-kind' sponsorship opportunities continued to be developed in-house.
- 5.9. Stage 3 of the Tour of Britain in 2016 proved to be an overwhelming success for Cheshire East. This was the first time that the Council had hosted this event which delivered visitors, profile, community spirit and economic benefit.

6. Wards Affected and Local Ward Members

- 6.1. If successful in attracting the event, it is not possible at this stage to identify which specific wards will be affected. Once a commitment is obtained from the organisers discussions would commence on route planning within the guidance and terms of the race.

7. Implications of Recommendation

7.1. Policy Implications

- 7.1.1. The opportunity to attract and host the Tour of Britain supports the Council's outcomes linked to outcomes 1, 2, 4, 5 & 6. It helps to develop civic pride, growing business and the visitor economy, promoting both the environmental benefits and health benefits of physical activity, as well as contributing to quality of place. Effective project management and delivery ensures that the Council is recognised as a responsible, effective and efficient organisation.
- 7.1.2. The race provides a great opportunity to showcase the towns, villages and countryside in the borough and the potential the area has for healthy pursuits, both for residents and people visiting the area. Staging the Tour would provide an excellent opportunity to link sporting excellence with a message around the importance of healthy living and regular exercise.

7.2. Legal Implications

- 7.2.1. The Council has powers in S144 of the Local Government Act 1972 and under Section 1 of the Localism Act 2011 to encourage visitors to its area for recreational and health purposes and to promote the economic and social well being of its area.

- 7.2.2. If successful in attracting the Tour of Britain the Council would have to enter a contract with the organisers on terms to be agreed by the Head of Legal Services and Monitoring Officer. There is also likely to be a need to exercise various other ancillary powers (road closures for example), enter into other legal agreements (sponsorship arrangements) and employ or second staff to support the process. That will happen through the usual authorisation processes within the identified budget provision as and when particular needs arise.
- 7.2.3. A contract will need to be in place with Sweetspot, the Tour of Britain race organisers in order to secure a stage for 2018. It should be noted that Sweetspot are the only suppliers of this service. Due to preferred sponsorship arrangements, there will be a need to consult with procurement to ensure regulations are adhered to.

7.3. Financial Implications

- 7.3.1. The Tour of Britain Stage 3 in 2016 cost Cheshire East Council £267,379 to deliver. It should be noted that for 2016 an allocation was made from the Investment (Sustainability) Earmarked Reserve. A decision is required to host the event and to identify investment in this strategic event.
- 7.3.2. Use of Investment (Sustainability) Earmarked Reserve for expenditure incurred in 2017/18, and a business case for any residual costs for the event should be submitted as part of the 2018/19 budget setting process.
- 7.3.2 A successful Tour of Britain 2018 should have the potential to raise income from sponsorship and other sources to offset some costs. However, it should be noted that raising sponsorship requires resourcing and that there are up-front costs relating to attracting, developing or facilitating events. Sponsorship cannot be relied upon to generate all the resource necessary and a decision to invest in this strategic event should be based on a likely need for funding similar to 2016; however we would work to reduce or limit the financial consequences to Cheshire East Council. In 2016 the Tour of Britain successfully raised £129,721 helping to offset against the total cost of £397,100. The Tour of Britain should be considered as an investment by the Council that generates economic and place marketing benefits as well as supporting other outcomes.
- 7.3.3 It should be noted that much of the marketing material, including the dedicated website produced for the Tour of Britain in 2016 is available to update, reducing marketing costs from 2016 for the 2018 race.
- 7.3.4 Based on experience from 2016 a gross budget of £430,000 is anticipated; requiring a net investment by the Council of £300,000. Therefore the net funding required for this project is expected to be £70,000 in 2017/18 and £230,000 in 2018/19.

7.4. Equality Implications

7.4.1. If approved, as part of the project development an equality impact assessment will be prepared.

7.5. Rural Community Implications

7.5.1. By the rural nature of Cheshire East it is likely that any chosen route for the Cycle Tour would include rural areas and rural communities.

7.6. Human Resources Implications

7.6.1. Realisation of the approval to host the Tour of Britain 2018 would require new capacity for bid development, sponsorship, support and project management. Costs may be in the region of £90,000 based on the experience of delivering Tour of Britain in 2016. This would be in addition to any subvention budget and corporate support such as Marketing, Highways, Health & Safety, Legal services, or procurement.

7.6.2. The Council does not currently have the level of financial or human resource available to ensure delivery of Tour of Britain 2018. This was proved to be the case with Tour of Britain which was delivered to a high quality standard but at the expense of other projects and programmes of work which were put on hold as additional staff resource was drawn into delivery of this project. It should be noted that the Tour of Britain project in 2016 required a dedicated project manager and project officer for the 6 months leading up to the race.

7.7. Public Health Implications

7.7.1. The event will provide an opportunity to provide a focus on cycling and promote the health benefits of exercise. In 2016 the Tour successfully engaged a range of local organisations throughout the Borough, which created activity particularly those along the route of the race generating a high level of volunteering and community involvement. This provides benefits related to cohesion and mental health through engagement before, during and after the race. The evaluation report for 2016 (Appendix 1) refers to other examples from a knitting group to a person inspired to cycle as part of recovery from cancer treatment.

7.8. Implications for Children and Young People

7.8.1. The event can be used to promote opportunities for children and young people to increase the time spent on exercise and social activity. The 2016 event also led to schools participating in the event. For example, the Giant Wheel, made at Macclesfield Community ArtSpace, was powered by 155 schoolgirls from King's School in Macclesfield, together with several teachers, local artists, ArtSpacers plus Town Councillors. Another illustration, referred to in Appendix 1, was Zumba classes for children that were developed on the back of entertainment for the race goers. The Appendix also highlights other school activity, including Congleton schools which were given a day off to participate.

7.9. Other Implications (Please Specify)

7.9.1. Major events are identified within the Visitor Economy Strategy (2016-2020) as an important driver. The visitor economy in Cheshire East has an economic value of £895m (2016).

8. Risk Management

- 8.1. To deliver an event of this scale will require sufficient funding to attract and deliver the race itself and to realise the full potential of hosting a stage. While there is potential to attract sponsorship to offset such costs, a firm estimate cannot be guaranteed. There is therefore a need to invest in hosting such an event and a commitment to additional funding is required to provide secure the event and to underpin proposals to exploit the potential of this strategic event. The risk of being able to generate sufficient funds to cover costs without a need to draw on additional funding is not quantifiable at this stage.
- 8.2. The cost of delivery may in part depend on route selection. This is not known at this stage and would form an important element of negotiations with the race organisers to determine an appropriate route while managing and mitigating the Council's exposure to financial risk.

9. Access to Information/Bibliography

- 9.1. 2016 Cheshire East Stage 3 evaluation report can be seen in Appendix 1.

10. Contact Information

Contact details for this report are as follows:

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