

# Cheshire East Council

## Cabinet

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**Date of Meeting:** 10 November 2015

**Report of:** Executive Director of Economic Growth & Prosperity

**SubjectTitle:** Tour of Britain Cycle Race

**Portfolio Holder:** Cllr Les Gilbert, Communities

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### 1. Report Summary

- 1.1. This report seeks approval to attract the 'Tour of Britain' to Cheshire East, facilitating an opportunity to host this prestigious event and deliver the full potential of the Tour of Britain Cycle Race in September . The ' Aviva Tour of Britain' is estimated to generate an average of £3.6m per stage for the local economy. The visitor economy is already worth £807m to Cheshire East, so this would be a significant additional contributor to the prosperity of Cheshire East and the wellbeing of its residents. This would help to realise the opportunities for strategic events to deliver direct economic benefits, cycling/healthy lifestyle promotion and related contributions, and helps to attract profile through a significant national event. This report outlines the approach to securing the event and outlines the benefits if successful.

### 2. Recommendation

- 2.1. To authorise the Executive Director Economic Growth & Prosperity (and those duly appointed by the same) in consultation with the Portfolio Holder Communities, to take all reasonable and prudent steps required to attract the Aviva Tour of Britain to Cheshire East, host a full stage of the event, facilitate its delivery and take steps to attract sponsorship to off set costs incurred in connection with or arising from the provision of the event.
- 2.2. To note that funds within the Council's Investment (Sustainability) Earmarked Reserve will be made available, in accordance with the Reserves Strategy (part of the Medium Term Financial Strategy approved at Council on 26th February 2015), to underwrite the costs of this proposal. The project will target the generation of funds through sponsorship to off-set costs where possible, and the reserve may then be replenished. It is possible that costs are not off-set, in part or in full, but this risk should be noted and the project should nevertheless proceed based on the significant economic and well being benefits that hosting the event would bring.

### **3. Other Options Considered**

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

### **4. Reasons for Recommendation**

- 4.1. Strategic events can attract economic benefit to Cheshire East. Those events that generate TV coverage and attract overnight stays are inevitably the most valuable. Such events can also provide social, health & wellbeing, profile and 'Quality of Place' outcomes. The 'Tour of Britain' is a recognised national event that if attracted to Cheshire East, could provide these benefits. To do so, a commitment is required from Cheshire East to be a host Council.

### **5. Background/Chronology**

- 5.1. The 'Tour of Britain' Cycle Race is estimated to generate between £3m-£5m for the local economy (the average per Stage in 2014 was £3.6m). It provides a number of areas of potential benefit, including business development, media profile, tourism and destination promotion. It provides opportunities to give a focus to cycling development and participation and promotion of cycle networks and sustainable cycling transport initiatives.
- 5.2. The Tour has already seen eleven years of growth since 2004: The Tour of Britain is now a cornerstone of the UK's sporting calendar making it Britain's biggest and best, professional bike race. It has been upgraded to 2.HC (horse category) status by the UCI and provides the biggest live attendance of any sporting event in the UK. It showcases 20 teams, from 10 different countries incl. 7 British teams, including national squad.
- 5.3. As the UK's biggest free to attend sporting event it has more than 1.4 million spectators across eight day event (Average of 180,000 spectators per stage). In 2014 data showed that:
- 81% of spectators were from outside the local area, 13% of visitors stayed overnight
  - 58% of spectators were inspired to cycle more often
  - The net additional economic impact from non-local spectators for the whole race was £29.4m (average of £3.6m per Stage).
- 5.4. It is broadcast on both ITV4 and British Eurosport in the UK with over 24-hours of coverage on ITV4, free-to-view, terrestrial television. Total viewers of 9.3m on all ITV1/ITV4 programmes. The event was also broadcast in 139 countries with a potential reach of over 200m.
- 5.5. In order to offer a commitment to hosting the Aviva Tour of Britain , an allocation from earmarked reserves will be required to underwrite the cost of attracting, hosting and delivering the full potential of the Cycle Tour in

Cheshire East. This would be available to underwrite a full stage of the event, including capacity to generate the sponsorship to cover those costs. The reserve is required to provide a commitment to the organisers ahead of sponsorship and fund-raising being delivered and to enable the fund-raising and event planning to be initiated.

- 5.6. If approved, it is hoped to attract the Aviva Tour of Britain in September 2016, although there may also be potential to consider 2017 if this is not feasible.

## **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 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 and 5 by developing civic pride, growing business and the visitor economy, and promoting both the environmental benefits and health benefits of cycling.

### **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.

### **7.3 Financial Implications**

- 7.3.1 To facilitate the negotiation to attract the Tour of Britain to Cheshire East and allow the necessary 'host Council' commitment to be made, an allocation will be made from, the Investment (Sustainability) Earmarked Reserve, of up to

£0.25m. Finance Procedure Rules (B.4) confirm the responsibilities for establishing a reserve strategy, and these have been adhered to. The reserve has been created and managed in line with the Reserves Strategy 2015/16

- 7.3.2 The funds will be required to underwrite the commitment to attracting and delivering the Tour of Britain Cycle Race while attracting sponsorship and other funding to cover delivery costs. The risk, that sponsorship may not recoup the full amount spent, is noted. However, the purpose of the reserve is 'To support investment that can increase longer term financial independence and stability of the Council' and the potential benefits of hosting this cycle event are within this scope.

#### **7.4 Equality Implications**

- 7.4.1 No implications

#### **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 Specialist support will be required in order to facilitate and develop sponsorship opportunities. The intention is to achieve cost-recovery and approach this on a self-funded basis.

#### **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.

#### **7.8 Other Implications (Please Specify)**

- 7.8.1 Economic benefits outlined in section 5.

### **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. There is potential to attract sponsorship to cover such costs, but a firm estimate cannot be guaranteed at this stage. An allocation from ear-marked reserves is required to provide a commitment to hosting it and to underpin proposals to

attract and develop the event . The risk of being able to generate sufficient funds to cover all costs without a need to draw on a reserve 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 Organiser's presentation attached at Appendix 1

## **10 Contact Information**

- 10.1 Contact details for this report are as follows:-

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