



## Committee report

Committee	<b>CABINET</b>
Date	<b>9 JANUARY 2020</b>
Title	<b>ISLE OF WIGHT CYCLING – INTERNATIONAL TOUR EVENTS</b>
Report of	<b>CABINET MEMBER FOR REGENERATION AND BUSINESS DEVELOPMENT</b>

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### EXECUTIVE SUMMARY

1. The Isle of Wight Council has a unique opportunity to host the final stage of the Tour of Britain (TOB) in September 2021. This event will bring significant benefits to the Island's economy and to its reputation as a unique visitor destination.
2. The council has been in negotiation with SweetSpot Group PLC, the UK's premier professional cycling event organiser, to host the event and take advantage of this exciting opportunity for the Island. Successful delivery of a Tour of Britain stage will open up other opportunities for the Island, such as the opening stage of the Women's Tour, to be considered at a later date.
3. This report outlines the significant benefits to the Island of hosting the Tour of Britain, provides details of the potential risks involved and sets out the funding requirement in the context of the council's overall financial position.
4. The report outlines the options available to the Cabinet and seeks approval to host and support the event but subject to making adequate provision within the Budget for 2020/21 and approval of that Budget by full Council in February 2020.

### CONFIDENTIAL / EXEMPT ITEMS

5. The council has been provided with a contract for the Tour of Britain event which has been reviewed in order to determine the legal implications. This item has been provided by a third party, SweetSpot Group (SSG), and is confidential on the grounds of Commercial Confidentiality.

## BACKGROUND

6. The Tour of Britain (TOB) cycle race has been held across the UK for 14 years. It is an international professional race (category 2. HC) organised by The Tour of Britain Limited and SweetSpot Group Limited (SSG), in collaboration with the British Cycling Federation.
7. The Tour of Britain is the UK's leading professional multi-stage cycling road race and the biggest free-to-watch spectator event in the country. A single stage is expected to attract a roadside audience of 115,000. It is live-screened on ITV 4 and consequently the venue, in this case the Isle of Wight, will have lengthy continuous coverage on the day of the race.
8. International sporting events have been evidenced provide an opportunity to realise several significant benefits to their host venues. An international cycling event has been evidenced to support economic development and tourism, in addition to wellbeing and community cohesion.
9. Hosting high profile events is also an effective means of promoting tourism and increasing awareness of the Isle of Wight's stunning scenery and cycling network, promoting the Island as a destination for year-round sporting and leisure visitors. Research suggests that the Tour of Britain brings a high level of overnight stays to the area; Carlisle to Kendal Stage in 2016 saw 34 per cent of spectators staying overnight as reported in the publicly available Economic Assessment of the 2016 Tour of Britain produced by Frontline.
10. Research and discussion with other hosting authorities has identified the following specific benefits and opportunities for the Island linked to hosting this event:
  - A single stage of the TOB can attract up to 115,000 spectators and substantial increases in tourism and commercial business revenues have been demonstrated from staging these events around the country. The event is held in September at the back end of the main tourist season;
  - There is an estimated direct economic benefit of around £4 million to the Island through hosting a Tour of Britain stage (source: SweetSpot *Partnering World Class Cycling* events publication). Estimates from councils staging similar stages have shown up to a 40 per cent increase in visitor numbers. A post-event Economic Impact Assessment will be provided by SSG to verify the economic benefit;
  - The final stage of the Tour of Britain would be held at the weekend which would attract more coverage and interest than the corresponding stages hosted on weekdays. It will also encourage visitors and spectators to come for the whole weekend, further boosting the economic benefit;
  - There is also reputational benefit from staging an elite international sporting event of this nature on the Island, showcasing the Island and improving its status as a major events and tourist destination both domestically and internationally;

- The TOB event is broadcast to over 190 countries around the world with circa 30 million viewers. This would elevate the profile of the Island as a destination for sporting and other holidays and potentially attract inward investment;
- It is estimated that a single stage of the TOB will bring in the equivalent of £1.2 million free advertising with up to five hours of live TV coverage on ITV 4 (or other free to air channel) as well as highlights packages and online content;
- The Island could also host a sportive event on the weekend of the TOB stage. The sportive event will allow the Island a one-off opportunity to stage a branded mass participation cycling event. This is a one-day cycle ride open to the general public which follows the same route as that undertaken by the professional cyclists. This large-scale public participation event will also support health and wellbeing and increase once again the number of visitors to the Island. It could also provide a valuable source of income to offset costs, from entry fees;
- The event will increase community cohesion, local pride and wellbeing by providing an opportunity for Island communities to celebrate together. Local communities on the route will be encouraged to offer smaller scale cycle events and organise cycle-themed social events. In addition, the council will engage with the local businesses to maximize the opportunities that such an event can create;
- Schools will be encouraged to run local events and support the cyclists on route, to support cycling safety and improve activity levels among children and young people;
- The event can be used to support sustainable transport and links to the council's active travel plans and growing cycling participation on the Isle of Wight; and helps to support a step change increase in activity levels by promoting cycling as a catalyst for health improvement;
- To give some scale to the event, SweetSpot will provide over 40 motorcycle outriders (police) to ensure safe rolling road closures for the event convoy. The event riders are internationally recognised professionals and together with their individual support teams will themselves require up to 400 bed spaces. This will be a major international experience on the Island.

## STRATEGIC CONTEXT

11. The Corporate Plan has a vision for the Isle of Wight to be “an inspiring place in which to grow up, work, live and visit”. It is believed that hosting the final stage of the Tour of Britain will be an inspiring experience for all involved.
12. International sporting events give the host area an opportunity to realise several significant benefits. Growth, regeneration, and wellbeing opportunities are three key aspirations of the current Corporate Plan. The staging of these events would support the achievement of all these aspirations. The specific outcomes and how these will be measured are shown in the table below:

Theme	Corporate outcome	Measurement
Growth	A financially balanced and sustainable council	<ul style="list-style-type: none"> <li>• Overall financial benefit to the Island</li> </ul>
Regeneration	The Isle of Wight is a leading UK visitor destination	<ul style="list-style-type: none"> <li>• Number of visitors</li> <li>• Number of overnight stays</li> <li>• Hours of TV coverage</li> <li>• Media coverage</li> </ul>
Regeneration	The environment and unique Island characteristics are celebrated	<ul style="list-style-type: none"> <li>• Number of roadside spectators</li> <li>• Number of students participating</li> </ul>
Wellbeing	People take responsibility for their own health and wellbeing	<ul style="list-style-type: none"> <li>• Number of adults (25 +) taking part in sport and play and physical activity</li> <li>• Number of juniors &amp; young people (under 25) taking part in sport and play activity</li> <li>• Percentage (%) of physically active adults.</li> </ul>

13. The event supports Visit Isle of Wight's destination management plans which seek to provide niche events and sporting activities to support the short break market on the Island. Such an international event would support such an aim and allow the Isle of Wight maximum international exposure. It would establish and promote the Isle of Wight as a destination for future cycling events and would allow images of the physical environment and heritage of the Isle of Wight to be broadcast across the world.

### CONSULTATION

14. Consultation has taken place with Visit Isle of Wight in relation to the benefits that staging such events would bring to supporting the Isle of Wight as a major tourist destination. They are keen to encourage and support the event which accords with their destination management plans. In addition, conversations have been had with local businesses, large and small, many of whom have shown an appetite for sponsoring the event.

### FINANCIAL / BUDGET IMPLICATIONS

15. The total cost of hosting the Tour of Britain stage is expected to be circa £340,000 comprising the fees for hosting, project management, operational costs, infrastructure costs such as road closures, marketing and public relations, and pursuing sponsorship. This is described in the paragraphs that follow.
16. The fee for hosting the event is £250,000 over the period 2020/21 and 2021/22. The heads of agreement (HOA) for running the event is included as Appendix 1. This document provides that SweetSpot bears the responsibility for running the event itself but outlines clearly the areas where the host venue is responsible.

17. The council's estimated costs associated with hosting the event is in line with the information supplied by other local authorities which have hosted such events. They include a project manager to deliver the council responsibilities, infrastructure costs not provided by SweetSpot, such as road closures, and the specialist commercial support for fund raising. These costs are estimated at £90,000.
18. The extent to which the council can attract sponsorship will reduce this overall cost to the council. At this early stage and prior to any meaningful engagement with potential sponsors, it would be speculative to estimate what the likely residual cost to the council would be. While initial responses from potential business sponsors is encouraging, the size, scale and nature of sponsorship in other regions used as comparators may differ from those on the Island.
19. Any decision ought to be considered in the context of the council's financial position over the same period. To date the council has successfully navigated a path through the financial challenge aided by and described in, the Medium-term Financial Strategy (MTFS). That financial strategy is aimed at continuing to deliver good quality sustainable council services whilst aiming to support regeneration and the Island Economy.
20. For the first time since the MTFS was approved by the council, the budget for the current year is exhibiting signs of financial stress with both Adults' and Children's Social Care experiencing significant cost pressures resulting in forecast overspendings in the current year and consequent underlying deficits that will continue into future years. The extent to which those underlying deficits cannot be remedied within those services themselves (or through additional government funding) will require the council to increase its savings requirements for future years. At present, the forecast outturn for the current financial year is an overspend of £1 million and looking forward, forecasts for future years savings amount to a further £4.5 million per annum for each of the next three years.
21. It is vital therefore that the council considers this proposal in the context of the financial challenge facing the council in future years, the potential benefits to the Island and the impact that any additional cost burden would have on the sustainable delivery of council services.
22. While there is the potential for considerable financial risk associated with the council hosting the event, relative financial exposure for other host venues has been lower, as they have been able to secure considerable sponsorship revenues to meet the costs. Similar levels of sponsorship on the Island are, as yet, unclear and comparisons with other regions may or may not be reliable. The majority of host venues have felt that the costs to the council of holding such events has been worth the economic and social benefits as outlined in the report although their financial circumstances will differ from those at the council.
23. SweetSpot will have overall responsibility for the event management of the stage including all health and safety for the event. They will take all necessary precautions to ensure the safety of:

- all active participants;
- spectators and officials;
- all non-participants including residents, pedestrians, shoppers and motorists.

This means that they accept the safety responsibility and that public safety is the first and main priority before, during and immediately following the events.

24. SweetSpot will provide logistical, commercial and marketing support for these legacy events. In addition to this the council would be legally obliged to cover additional costs associated with the events which is estimated to be in the region of £90,000.
25. Verbal commitments have already been received from several potential sponsors and there has been specific interest in supporting the element of event skills' development with schools.

### LEGAL IMPLICATIONS

26. Heads of agreement have been produced by the event organisers and reviewed by council officers. The heads of agreement with the event organisers secure the right to the programmed event and cover the general expectations from each party in respect of hosting arrangements. In addition to the heads of agreement, a contract will be entered into with the event organisers setting out the arrangements between the parties in respect of the event.
27. A draft contract has been reviewed by council officers. Although the final terms of the contract are to be agreed, officers will ensure that all actions in concluding the contract are done with consideration to procurement legislation and regulations. Officers will, in finalising the contract with the event organisers, seek to protect the interests of the council.
28. The draft contract includes a commitment to pay the fee for the event of £250,000 (referenced in paragraph 16 of the report). This fee is to be paid in two instalments, with an initial payment of £50,000 on 1 April 2020 and the balance paid on 1st April 2021. Upon agreement and signature of the contract the council will be contractually bound to paying the sponsorship where the event organiser satisfactorily performs its obligations under the contract to the satisfaction of the council. The current draft contract references that in the event any of the milestones referenced in the contract are not achieved to the council's satisfaction then the council may withhold the fee or require repayment of the fee. The draft contract also places obligations on both the council and the event organisers to deliver various services in order to aid the provision of the event and both parties are to provide various warranties and indemnities in respect of their obligations under the agreement. Officers shall monitor the delivery of the contract to ensure that the council's interests are protected.
29. In the event that the council were to withdraw support from the event, this could come with significant reputational damage. It is for this reason the council has been careful in its negotiations with SweetSpot and in its research with other past hosts.

## EQUALITY AND DIVERSITY

30. There are no direct equality and diversity implications arising from this report. A stage 1 equality impact assessment has been completed (see appendix 2). The events described in this report will contribute positively to the council's duties under the Equality Act 2010.

## CARBON EMISSIONS

31. Emissions resulting from staff travel associated with the events will contribute to the council's carbon footprint. There is likely to be some travel in advance of each event, increasing in the lead up to the event and on the day of the event itself as staff need to move around the race course. Staff will be encouraged to use sustainable transport options – walking, cycling, bus, car sharing – whenever possible.

## OPTIONS

32. The following options are available for Cabinet to consider:
1. To approve entering into a contract, based on the Heads of Agreement in Appendix 1 for the Isle of Wight to be the host venue for the final stage of the Tour of Britain in 2021, subject to the allocation of sufficient funding for all external and internal costs associated with the event when the council formulates its overall Budget and budget savings for 2020/21 and future years, in February 2020.
  2. To procure a third-party company to secure the sponsorship funds necessary to cover the costs associated with hosting the event.
  3. Not to contract the Isle of Wight to be the host venue for the final stage of the Tour of Britain in 2021.

## RISK MANAGEMENT

33. The table below outlines the main risks and possible mitigations to running this event.

<b>Risk</b>	<b>Mitigation</b>
<b>Financial</b>	
Failure to secure full cost recovery	<ul style="list-style-type: none"><li>• Prepare detailed budget with all costs.</li><li>• Early discussions with funders and sponsors.</li><li>• Procure fund raising expertise.</li><li>• Establish a comprehensive fundraising strategy with suitable resources.</li><li>• Maximise Access Fund contribution.</li><li>• Make budget allocation for full cost.</li></ul>

<b>Risk</b>	<b>Mitigation</b>
Failure to maximise Island benefits	<ul style="list-style-type: none"> <li>• Early decision to participate.</li> <li>• Detailed communications plan to engage all relevant stakeholders.</li> <li>• Liaison with partners on key messaging.</li> <li>• Distribution of TOB activation pack.</li> <li>• Liaison with Access Fund project leads.</li> <li>• Poor take up of sportive and other related events.</li> </ul>
<b>Logistics</b>	
Transportation of event infrastructure and competitors to and from the Island	<ul style="list-style-type: none"> <li>• Race organisers to liaise with ferry companies and make early bookings.</li> <li>• Discuss dis/embarkation procedure with ferry companies.</li> </ul>
Sufficient accommodation for teams and event staff	<ul style="list-style-type: none"> <li>• Race organisers to book accommodation as early as possible.</li> <li>• Liaise with Visit Isle of Wight.</li> </ul>
Sufficient accommodation for sportive participants and other spectators	<ul style="list-style-type: none"> <li>• Liaise with Visit Isle of Wight to ensure accommodation providers have good notice and can create accommodation packages for participants and visitors.</li> </ul>
Organisation of event management including road closures, health and safety etc.	<ul style="list-style-type: none"> <li>• A dedicated council team.</li> <li>• A detailed project plan outlining the council's role and SweetSpot.</li> <li>• Stakeholder buy in and awareness of roles.</li> </ul>
<b>Reputation</b>	
Inconvenience to Island residents with reduced access and potential traffic delays	<ul style="list-style-type: none"> <li>• Develop comms plan.</li> <li>• Notify affected residents and businesses.</li> <li>• Frequent reminders to residents.</li> <li>• Provide benefits to those most affected.</li> <li>• Liaise with ferry companies and Southern Vectis.</li> <li>• Traffic delays minimised on a weekend event.</li> <li>• Race route to avoid major ferry ports.</li> </ul>
<b>Weather</b>	
Poor weather conditions reducing visitor numbers	<ul style="list-style-type: none"> <li>• Sponsorship for the events will be secured in advance.</li> <li>• Ensure booking fees for the sportive and other events are taken in advance.</li> </ul>
<b>Road conditions</b>	
Poor road conditions causing safety concerns for riders	<ul style="list-style-type: none"> <li>• Island Roads schedule of road surfacing of race route will be complete in 2020.</li> <li>• Plan to fill potholes and make safe ironworks set as an Island Roads priority.</li> <li>• Arrangements for road closures, amend road safety measures.</li> </ul>



Risk	Mitigation
<b>Event management</b>	
Insufficient resource for project management	<ul style="list-style-type: none"> <li>• Agree enough Project Management resource and recruit to a project team.</li> <li>• Establish project board and co-ordination group.</li> <li>• Procure additional project management (if required).</li> <li>• Liaise with Island Roads and other key stakeholders.</li> <li>• Identify synergies between these events and hosting similar events on the Island.</li> </ul>
Effects on access for blue light services	<ul style="list-style-type: none"> <li>• Agree traffic management plan.</li> <li>• Liaison with Safety Advisory Group and Emergency Planning Team.</li> </ul>

## EVALUATION

34. The authority has the opportunity to support this event realising the benefits outlined above. If option 3 is agreed, then the authority will not realise such benefits and this would be a loss of opportunity for the area.
35. The benefits of staging the event in terms of boosting the Island economy and supporting local communities are clear. However, hosting the event comes at the cost of underwriting any revenues not secured through sponsorship.
36. However other host venues have demonstrated that significant sponsorship revenues can be gained. If option 1 and 2 are supported, the authority can reduce its financial risk, but may suffer from reputational issues as a result of any cancellation. However, this option allows us to realise all the benefits that such events would bring.
37. Securing sufficient funding to cover the cost of hosting the event will be the key to a successful event which does not add additional financial burdens to the council. However, aligning the event to the council's medium term financial planning will assist the overall management of the process

## RECOMMENDATION

38. Option 1 - To approve entering into a contract, based on the Heads of Agreement in Appendix 1 for the Isle of Wight to be the host venue for the final stage of the Tour of Britain in 2021, subject to the allocation of sufficient funding for all external and internal costs associated with the event when the council formulates its overall Budget and budget savings for 2020/21 and future years, in February 2020

Option 2 - To procure a third-party company to secure the sponsorship funds necessary to cover the costs associated with hosting the event.

## APPENDICES

39. [Appendix 1](#) - Heads of Agreement
40. [Appendix 2](#) - Equality impact assessment.
41. Appendix 3 - Confidential Appendix

## BACKGROUND PAPERS

42. Economic Assessment of the 2016 Tour of Britain- Frontline Data Solutions

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