



Committee

Date

Topic

Agenda Item Introduction

CORPORATE SCRUTINY COMMITTEE

10 JANUARY 2023

CANCELLATION OF THE TOUR OF BRITAIN

BACKGROUND

To consider the implications of the cancellation of the event that was due to take place on 11 September 2022 following the death of Queen Elizabeth.

FOCUS FOR SCRUTINY

1. As it was originally proposed the council would aim to meet the cost of hosting the event through sponsorship, what was the level of sponsorship received against monies committed by the council?
2. What risk assessment was undertaken with regard to the event being cancelled?
3. What insurance arrangements or mechanisms are in place to recoup monies?
4. Is the Tour of Britain going to come to the island in the future?

APPROACH

A committee report to be submitted.

DOCUMENTS ATTACHED

- Tour of Britain Scrutiny Report
- Tour of Britain Scrutiny Report - APPENDIX 1 – Agreement with Sponsors

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Committee report

Committee	CORPORATE SCRUTINY COMMITTEE
Date	10 JANUARY 2023
Title	TOUR OF BRITAIN: IMPACT OF THE CANCELLATION
Report of	CABINET MEMBER FOR LEVELLING UP, REGENERATION, BUSINESS DEVELOPMENT AND TOURISM

SUMMARY

1. To consider the implications to the council of the cancellation of the Tour of Britain event that was due to take place on 11 September 2022, following the death of Queen Elizabeth II.
2. The council agreed to enter into an agreement with Sweetspot to host the final stage of the Tour of Britain (TOB) in the Cabinet paper of 9 January 2020, originally in 2021. The event was seen as a way in which to showcase the island as a destination and to boost tourism income and the wider economy.
3. Due to the pandemic the event was rescheduled to September of 2022 and this was agreed in an officer decision of the 10 September 2020.
4. The council was provided with a contract for the Tour of Britain event which was reviewed by the council Legal and Procurement teams. This contract whilst commercially confidential contained suitable clauses in the event of cancellation. If the event was cancelled due to Force Majeure, Sweetspot would refund the host venue fees after real costs had been deducted and contribution to overheads. Sweetspot the event organisers were suitably insured to allow for this to happen.
5. The Cabinet paper of Jan 2020 agreed that the cost might be offset by sponsorship income. A suitable contractor was procured to undertake this work and a contract put in place and agreed with the Council Legal and Procurement team. This contract also contained suitable clauses in the event of cancellation.
6. The council, in carrying out its duties, drew up the relevant terms and conditions for sponsors, these are included in appendix 1, this was approved by the council's legal and Procurement team. It contains a section on cancellation and Force Majeure. This provided for a requirement for the council to, after removal of any costs, return the appropriate fee to the sponsors. As a result, no funds were received through sponsorship as the council had incurred no cost in the provision of the sponsorship arrangements at this stage.

7. The event was cancelled on Friday the 9th September at 4pm. The contract that the council had in place with SweetSpot entitled it to a refund, but only of host venue fees after real costs had been deducted. At this stage SweetSpot had incurred almost all the costs to stage the event. SweetSpot made it clear from the outset that they would not be in a position to refund any of the monies to the council, however, in recent discussions with SweetSpot they have agreed to providing a sum against a future cycling event on the Isle of Wight. Discussions are due to take place about any future event.

BACKGROUND

8. The total cost of hosting the Tour of Britain stage was expected in 2021 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 cost did not include time spent by officers in respective parts of the council in managing the event.
9. The decision to host this event was mainly determined by the level of additional economic activity that could be achieved to benefit the Island economy. 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.
10. The Cabinet paper noted the extent to which the council could attract sponsorship which would reduce the overall cost to the council. At this early stage and prior to any meaningful engagement with potential sponsor the Cabinet paper also noted that it would be speculative to estimate what the likely residual cost to the council would be.
11. The fee for hosting the event was £250,000. This document provides that SweetSpot bears the responsibility for running the event itself but clearly outlines the areas where the host venue is responsible.
12. The council identified, in the Cabinet paper, the estimated costs associated with hosting the event in line with the information supplied by other local authorities which had 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. Further costs were identified in marketing the event to ensure it delivered the Economic benefits that the Council hoped to achieve. Some of these benefits have been realised despite the cancellation and will be reported in Visit Isle of Wights report which is due on the event.
13. The council had contracted with many suppliers to undertake the infrastructure work. Some of these costs were abortive, but due to the late cancellation many costs had been incurred. The cost to the Council was 350K. However, this does not take any account of the current negotiations with SweetSpot and their offer of a reduced staging fee if the Council agrees to undertake a future cycling event with the event.

CONFIDENTIAL / EXEMPT ITEMS

14. The council has been provided with a contract for the Tour of Britain event which has been reviewed 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.

APPENDICES ATTACHED

15. Appendix 1 - Agreement with Sponsors

BACKGROUND PAPERS

16. Cabinet Paper - 9 January 2020
<https://iow.moderngov.co.uk/Data/Cabinet/20200109/Agenda/PAPER%20D%20-%20Isle%20of%20Wight%20Cycling%20-%20International%20Events%20Tour.pdf>

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