

ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	24/06/2019
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Tour of Britain Funding Approval
REPORT NUMBER	PLA/19/299
CHIEF OFFICER	Richard Sweetnam
REPORT AUTHOR	Richard Sweetnam
TERMS OF REFERENCE	Introduction - 6

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update the Council on discussions with SweetSpot, the promoters of the international cycling professional race, the Tour of Britain; and seek approval for the city to host the Final Stage of the Tour of Britain in 2020 and the Grand Depart of the Tour of Britain in 2021.

2. RECOMMENDATION(S)

That Council:

- 2.1 Instructs the Head of Commercial and Procurement, following consultation with the Chief Officer - Finance and Chief Officer – City Growth, to enter into a contract to host the Final Stage of the Tour Britain Event in 2020 and the Grand Depart of the Tour of Britain in 2021, subject to similar agreement being made by Aberdeenshire Council, and funding being secured by SweetSpot from EventScotland;
- 2.2 Agrees to underwrite the cost of each event to a maximum of £100,000 per annum for two years (2020 and 2021), subject to same agreement being made by Aberdeenshire Council and funding being secured by SweetSpot from EventScotland;
- 2.3 Approves an additional £35,000 to cover the additional services that would be provided by the host location as detailed within the schedule VI of the contract which is provided as Appendix 1 to this report;

- 2.4 Instructs the Chief Officer - City Growth to work with local clubs, stakeholders and schools to deliver supplementary cycling activities that capitalize on the events for enthusiasts, local businesses and children; and
- 2.5 Instructs the Chief Officer - City Growth to report back via a service update to the Council's City Growth and Resources Committee on progress to secure the event, sponsorship and the details of the events.

3. BACKGROUND

- 3.1 Development of the tourism and events sector is a key priority in the Regional Economic Strategy (RES), the Council's policy document *Stronger Together 2017-2022*, and the City Centre Masterplan (CCMP). In response, the Council has been investing in the development of the destination and attracting new audiences, capitalising on opportunities presented by the new event complex, Broad Street, the Art Gallery, the Music Hall; and the supporting Aberdeen Harbour Board's expansion project.
- 3.2 The VisitAberdeenshire Destination Aberdeen & Aberdeenshire Tourism Strategy 2018 – 2023 aims to provide a compelling visitor experience in the city region. Through its delivery, VisitAberdeenshire and its regional partners aim to grow visitor spend to £1bn per annum by 2023 (£500m in overnight spend/£500m in day visitor receipts). Events are a key delivery strand towards these outcomes, recognised by the VisitAberdeenshire 'Culture, Heritage and Events' action plan.
- 3.3 This links to the Aberdeen Events365 Strategy and Plan, a CCMP project which aims to develop a new portfolio of events that can be attracted to the city. It introduced the typology that both aligns to EventScotland and is used by the Events365 Group – attracting headline events, feature events, and supporting those according to their contribution to the city's economic objectives.
- 3.4 Coordination and collaboration around delivery of Events365 is supported by a Strategic Advisory Group chaired by Councillor Boulton. It provides a regular forum to discuss ideas and approaches for new events and provides a calendar of all events in the city. It is supported by VisitAberdeenshire.
- 3.5 In March 2017, the Council's Finance, Policy & Resources Committee approved criteria from which to assess the potential contribution of an event in relation to the costs of delivering it. These are:

- Extent to which an event/ festival contributes to the strengths of the city and wider area - RES, Tourism Strategy, CCMP and/ or Culture Aberdeen;
- Whether the event have the potential to attract visitors from outside the area, and overnight stays/return visits;
- Whether the event generates a substantial economic benefit to businesses in the event and wider area;
- Whether the event has the potential to attract media attention, advancing Aberdeen and the region's reputation nationally and internationally;
- Whether the event celebrates the distinctiveness of Aberdeen and the North East of Scotland and the built and natural environment; and
- If the Council contributes, what added-value is there from that investment in terms of leveraging external funding (e.g. EventScotland, other partner or sponsorship) and in-kind support.

4. TOUR OF BRITAIN

4.1 Using the Events365 Strategy and criteria, in 2016, the Council entered into an agreement with SweetSpot to deliver the Tour Series in the city centre for a three year period. The costs of delivering the event included a fee to SweetSpot, that in turn secured an additional financial contribution from EventScotland. In addition, the Council incurred development costs, known as Schedule VI costs, such as managing road closures, first aid, stewarding, street dressing, roadworks and cleansing. The delivery of the event was supported by officers in City Growth.

4.2 The event on Thursday 16 May 2019 marked the end of the three year contract with SweetSpot. Officers' initial analysis confirms that the event performed well in generating footfall in the city centre:

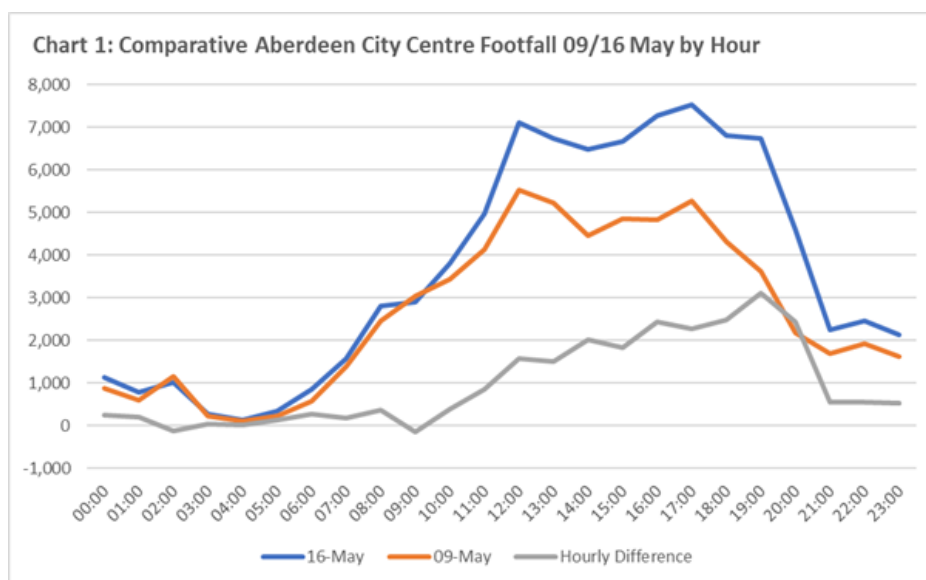
- average daily footfall for 'Thursdays' in Aberdeen in 2019 was approximately 63,200 (factored footfall¹), with inward footfall² at 29,000 and outward³ footfall at 34,200. However comparable data for 16 May 2019, the event day, was approximately 87,300, (an increase of 38%) with inward footfall at 42,000 (45% up) and outward footfall at 45,200 (32% up).
- hourly analysis of footfall data shows that there was additional sustained footfall in the early evening and night-time.
- this appears to have translated into benefits to commercial premises in Marischal Square, in the immediate vicinity of the event – anecdotal evidence was positive, with outlets reporting a 100% increase in comparable takings.

¹ Defined as people coming in and out of the city centre

² Defined as people coming into the city centre

³ Defined as people leaving the city centre

- 4.3 Officers reviewed average footfall counts for every Thursday in 2019 and the chart below demonstrates the impact on hourly footfall against the same period the previous week. It illustrates that on Thursday 16 May 2019, there was a one off occurrence that raised footfall around 40% more than the week before. For example, throughout the day, and peaking around c7pm, when the race started, there was over 3,000 additional footfall counts in the city centre.



Source: Springboard.

- 4.4 SweetSpot will be providing an independent evaluation of the 2019 event. However, using the footfall data, and estimated attendance at the event, officers indicate that around £500,000 of spend was generated in the city centre. The estimated spend is broadly consistent with that of previous events.
- 4.5 With the end of the contract, Officers have been assessing how the event could be grown and how to maximise its wider impact – in economy/ tourism terms, sporting, health and social impacts. During the discussions with partners and SweetSpot, The Tour of Britain event would provide an opportunity to develop the profile of sporting events in the city, capitalise on the Tour Series event and provide a signature event for the city in the next phase of Events365 delivery.
- 4.6 The proposal is that the 2020 Tour of Britain finishes in Aberdeen; and the 2021 Tour of Britain start, or Grand Depart, is in Aberdeen. Both stages would include a route in the Aberdeenshire Council area.

Appraisal

- 4.7 The benefits of the race will be derived from:

- Teams, staffing and race organisers;
- Spectators – across the whole eight-stage race, 1.5m spectators along the route (estimated 30-40,000 for a North East stage);
- Participation – typically 500 people in supporting any ‘mass ride’ activity;
- Hotel nights – this is particularly valuable for a ‘Grand Depart’ of the race where teams are presented to the city and spectators the day before the race start (in this sense the Grand Depart stage is effectively a two day event).

4.8 Using the criteria above, and evidence from previous stages elsewhere, both events (finish and start) have been appraised. Initial appraisal using EventScotland and VisitAberdeenshire models, that align to Event365 criteria above, indicate that for both 2020 and 2021:

- 30,000 spectators for a Tour finish and 40,000 for a Grand Depart (both Council areas combined);
- Around 8,000 bed nights generated in Aberdeen City and Aberdeenshire council areas;
- Accommodation revenue of £630,000 generated across both events;
- Tour Finish 2020: £800,000 total economic impact in the Aberdeen City economy (£1.4m total regional economic impact);
- Grand Depart 2021: £1.3m total economic impact in the Aberdeen City economy (£1.8m total regional economic impact); and.
- Equates to supporting 73 jobs in the region, two thirds of which are in the city.

4.9 Sensitivity analysis, stage-specific uplift, springboard footfall data, review of a Tour Finish (Worcester to Cardiff) and a Grand Depart (Pemprey to Newport) economic impacts and data from previous events in the region has informed the above analysis.

Qualitative Benefits:

4.10 If the events came to the city region, a number of qualitative benefits will be delivered:

- Potential for a local festival event which offers further exposure for the North East of Scotland, using the main event infrastructure to have a community led mass participation event – eg family ride, coaching sessions etc. This would build on the momentum of the Council’s investment in hosting the Tour Series for the last three years, where the wider participation events have been well received.
- Reputational - the opportunity to stage an elite international sporting event in the city region, showcasing the investments to date and improving the ‘cv’ as an international events location.

- Tourism - use this event to ensure Aberdeen and Aberdeenshire is recognised as cycling friendly to help increase domestic and international tourism, supporting the VisitAberdeenshire Destination Strategy and Extreme North initiative that highlights events to support that product's development and increased promotion as a top destination for cycle/activity tourism in VisitAberdeenshire and VisitScotland's marketing campaigns.
- Linking to the Council's active travels plans and growing cycling in the city centre; and to support a step-change increase in activity levels by promoting cycling as a major catalyst for health improvements in response to the Council's Local Transport Strategy that aims to foster a cycling culture in Aberdeen, working with Sustrans, NESTRANS and Getabout, the Sustainable Transport partnership for the North East of Scotland.
- Links to ongoing work to investigate a cycle hire scheme for Aberdeen and to refresh the Council's Active Travel Action Plan, first adopted in 2017.
- Broadcast and media benefits – estimated at £1.2m per host location from coverage; 40 hours of live TV; 390 accredited members of the media cover the race; 190 different broadcast territories; 3.2m viewers watch ITV4 coverage; 2.6m website page views during race week.
- Sport – attracting elite sporting excellence, increasing participation and progression.

5. FINANCIAL IMPLICATIONS

- 5.1 The fee cost for each event, by location, is £250,000, under a contract between the host location and SweetSpot, promoters of the Tour of Britain. It is also anticipated that EventScotland, could contribute up to £50,000 to each event for each year under a separate agreement with SweetSpot. This would mean if the North East was to secure the event in 2020 and 2021, it would cost £200,000 per annum. Following consultation with officers in Aberdeenshire Council, officers recommend that this cost is split 50:50 between Aberdeen City Council and Aberdeenshire Council, and that the Councils underwrite this amount.
- 5.2 As a result officers from the two Councils, working with SweetSpot, would collaborate to secure commercial sponsorship of the event that would reduce the Councils' financial risk. Evidence from elsewhere in the history of the race indicates that companies are interested in supporting these types of events.
- 5.3 In addition, a host location would be legally obliged to cover additional costs associated with the event. These costs are referred to as "Schedule VI - Services to be provided by the host region/venue(s)" (provided as Appendix 1 to this report).

- 5.4 Although the costs cannot be finalised until the specifics of the route and event requirements are known, officers suggest that the cost would be around £70,000 per annum. This forecast is in-line with the information supplied by SweetSpot as well as other Local Authorities who have delivered the Tour of Britain previously. It is anticipated that this budget could be indicatively allocated as follows:
- Stewarding, marshalling & policing costs: £15,000
 - Medical, welfare & first aid: £5,000;
 - Traffic management: £30,000;
 - Business engagement & good neighbor communications: £2,500;
 - Marketing and communications: £10,000;
 - Street cleansing & dressing: £2,500;
 - Misc: £5,000.
- 5.5 The items detailed in Schedule VI reflect the typical support that the Council has provided over the three-year contract for the Tour Series including required road closures, road repairs and access to local venues to ensure the safe delivery of the event. Existing event services contracts secured through the Public Contracts Scotland platform for stewarding, medical and welfare infrastructure and specialist staffing will be accessed to ensure best value.
- 5.6 The Council has a well-established Event Safety Advisory Group which includes internal services, external partner organisation's including our emergency service partners, and supporting agencies as and when required including Aberdeen Grampian Chamber of Commerce, VisitAberdeenshire and Aberdeen Inspired. This group meets regularly when coordinating the delivery of major events and provides a proactive forum for discussions on city wide resource availability and support with safe event delivery.
- 5.7 These costs would be divided on a 50: 50 basis with Aberdeenshire Council, resulting in a cost, to the Council, of £35,000 in 2020/21 and 2021/22. Should the sponsorship yield any additional revenue above the £200,000 fee costs, the surplus would be used to reduce the Schedule VI costs.
- 5.8 One of the key successes of previous events of this nature, including the Tour Series, has been the additional activity programmes that encourage wider participation and engagement with the public. It is recommended that ancillary activities are developed for the Tour of Britain, in consultation and conjunction with Aberdeenshire Council, GetAbout and Scottish Cycling, to maximise this opportunity and ensure that amateur, club, youth and corporate cyclists have a chance to cycle part of the route whilst offering non-cyclists a programme of interactive activities to allow them to get involved in the festivities. At this stage

the scope of the activity, and therefore the costs, are not known. However, based on the experience of the Tour Series in 2017-2019, any additional resource (staff time) would be provided within the existing City Growth budgets.

- 5.9 In responding to this opportunity, it is anticipated that the Council will not deliver the Tour Series which cost the Council £45,000 for the event, £21,000 for Schedule VI costs and in-kind support from officers.
- 5.10 If the Council decides to proceed with the recommendations in the report, then the Council's budget for 2020/21 and 2021/22 would need to take account of the commitment to bring the Tour of Britain to the city.

6. LEGAL IMPLICATIONS

- 6.1 Aberdeen City Council will enter into legally binding contracts in order to bring the Tour of Britain to Aberdeen. All contracts and grant agreements to be entered into shall be closely monitored to ensure that the Council's interests are fully protected at all times. This will ensure that all actions are done in accordance with procurement legislation and regulations. The Commercial Legal Team within the Commercial and Procurement Service shall provide legal advice where necessary.

7. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Financial	The proposal assumes that Aberdeen City Council will underwrite 50% the costs of the events. There is a risk that the required external funding is not raised by the local authorities.	M	Agreed with SweetSpot and Aberdeenshire Council the risk is against the overall regional costs per annum.
	Final Schedule VI costs will not be defined until the	L	Working group established to discuss, review and cost route options

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Employee	The delivery of this event requires specialist skill sets and the correct level of resourcing throughout the duration of the contract.	M	Officers in the City Events team possess specialist knowledge and skills needed to meet the contractual obligations regarding safe event delivery.
Customer	Clarity of impact of event of this scale on city/ region – wide not fully understood at present.	L	Confirmation of route will allow established good neighbor engagement process to be activated, with local residents and businesses consulted to keep any disruption to a minimum.
Environment	The impacts of this report have been considered in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties.	L	The event described in this report may encourage residents to access outdoor space more, be more physically active, and may help to promote active living.
Technology	None		
Reputational	Failure to attract and host quality local, national and international events of scale that deliver	L	Aberdeen City Council is a member of VisitAberdeenshire and Aberdeen Inspired. At a strategic level, it

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
	economic impact and exposure.		has a key role in the long-term development of tourism in the city and North East of Scotland. Aligned to this, is its corporate role in providing confidence to the events market that the Council supports the attraction of the 'right' event for the city, and the contribution to wider economic, tourism and City Centre Masterplan objectives.

8. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous Economy	The proposals in this report support the tourism sector, and the potential to contribute to the growing tourism employment. There is also potential to contribute to business start ups in the tourism sector. Effective delivery will further enhance the city's international profile and standing and make the city a more attractive tourism and leisure destination.

Local Outcome Improvement Plan Themes	
Prosperous People	Vibrant events such as the Tour of Britain support the city being a Child Friendly City. The proposals specifically seek to increase participation by children in ancillary activity around the main event. The proposals also support activity and sport that in turn supports health and well being.
Prosperous Place	Aberdeen’s competitiveness as a destination – both for visitors and investors – is supported by reducing carbon emissions. Cycling has a role in how the city is pitched to attract people, skills and talent. The proposals support the target to increase the proportion of people using cycling as a mode of travel. Aberdeen365 delivery is also a key programme area of the CCMP.

Design Principles of Target Operating Model	
	Impact of Report
Customer Service Design	Should the event proceed, the project team will engage with key employers in the city.
Organisational Design	Events365 and this event supports the clustering in City Growth working across the Council and links to wider local and Scottish promotion and marketing.
Governance	The informal Advisory Group is important for maintaining strategic relationships with Scottish and UK bodies and for building on existing local partnerships and networks.
Workforce	None

Design Principles of Target Operating Model	
	Impact of Report
Process Design	None
Technology	The proposal will deliver a digital platform to host events/festivals information and may provide open access to the impact of flagship events on the city
Partnerships and Alliances	The proposals in this report are based on significant consultation across the sector. They will also ensure that partnership activity to date forms the foundation of all future activity, and it is also a further example of the two Councils in the region investing on an equitable basis in events.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	Not required - The funded events described in this report will contribute positively to the Council's public duties under the Equality Act 2010.
Data Protection Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not applicable

10. BACKGROUND PAPERS

City Growth & Resources Committee 18 September 2018 Governance of Events 365 Advisory Group (PLA/ 18/ 147)

Finance, Policy & Resources Committee 9 March 2017 Aberdeen 365 – Operational Plan (CHI/ 17/ 042).

11. APPENDICES

Appendix 1 – Tour Of Britain Schedule VI: Services to be provided by host
Region / Venue(s)

12. REPORT AUTHOR CONTACT DETAILS

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