

Subject: Investment Fund Update and Funding Approvals – Tour of Britain 2019 North of Tyne Stage

Report of: Interim Director of Inclusive Growth

Portfolio: Economic Growth

Report Summary

The purpose of this report is to seek approval of a funding award for the Tour of Britain 2019 North of Tyne Stage project following the delegation from Cabinet to the Interim Head of Paid service to consider an allocation of funding.

Recommendations

The Interim Head of Paid Service is recommended to

1. approve a funding award of £400,000 to Northumberland County Council for the Tour of Britain 2019 North of Tyne Stage project subject to the funding conditions outlined in this report
2. authorise the Interim Monitoring Officer to complete the necessary documentation;

1. Background Information, Proposals and Timetable for Implementation

- 1.1 In March 2019 the NTCA Cabinet were advised of the opportunity for the North of Tyne to host a stage of the Tour of Britain 2019 Cycling event. This event will be a high-profile event, which will likely draw significant visitor numbers and provide an economic boost to local businesses. It will also promote the area through extensive national and international media coverage, whilst also providing opportunities for community involvement and the promotion of health outcomes.
- 1.2 The Cabinet agreed a delegation to the Interim Head of Paid Service, in consultation with the Interim Mayor and relevant portfolio holders, to authorise an allocation of funding to support a North of Tyne stage of the 2019 Tour of Britain Cycling event, subject to the normal appraisal processes. Northumberland County Council have subsequently brought forward a full business case for the Tour of Britain 2019 North of Tyne Stage proposal which has been externally appraised.

- 1.3 Building on successful Tour of Britain stages in the area, there is an opportunity for the North of Tyne Combined Authority area to host Stage 3 of the race on the 9th September 2019, following a route between Berwick and Newcastle-upon-Tyne, passing through North Tyneside. A grant from the NTCA Investment Fund is requested to secure the event for the NTCA area, and to meet the costs of delivering the event.
- 1.4 Hosting the event would provide a unique and timely opportunity to showcase the new Combined Authority, capitalising on the significant national and global TV and media coverage generated by the Tour of Britain to raise the profile of the NTCA area as a great place to visit, live, work and invest.
- 1.5 The event also has a proven track record in delivering a significant boost to the regional visitor economy, with approximately 100,000 visitors attracted to the Tour of Britain stage hosted in Northumberland in 2017, generating £3.8m in visitor spending and £2m net additional GVA for the local economy. These benefits could be increased and extended across the NTCA area by hosting the 2019 event.
- 1.6 The project has two objectives, with each one supported by a SMART target:
- **Objective 1:** To deliver a world class stage of the 2019 Tour of Britain, providing a short-term boost to the local economy.
 - **Smart target:** To attract 120,000 visitors on 9th September 2019, spending £4.5m (net) and supporting 63 full-time equivalent net additional jobs in the visitor economy.
 - **Objective 2:** To deliver a stage of the 2019 Tour of Britain that raises the profile of the North of Tyne area.
 - **Smart target:** By 30th September 2019, generate positive media coverage for the NTCA area (through 400 media outlets operating in 190 countries combined), raising its profile as a great place to visit, live, work and invest.
- 1.7 The sole source of funding for the project is requested from the NTCA Investment Fund. The level funding requested from NTCA is the minimum required to deliver the project and no other sources of match funding are identified in the Business Case. The applicant is committed to reducing costs through economy of scale where possible and by exploring sponsorship opportunities. Such opportunities will be maximised, and any income generated will be used to reduce the final amount of grant funding claimed from the NTCA Investment Fund.
- 1.8 Overall, the external appraisal was positive and highlighted a strong strategic, economic and financial case. Particular points were raised around the procurement approach, confirming the costs in the budget, securing sponsorship, developing a detailed delivery plan and expanding the evaluation brief, these points are addressed through the funding conditions which the TOG and IP have considered. These are:
1. Applicant to use best endeavours to maximise sponsorship income from the event, and to offset any income generated against the final amount of grant funding claimed from the NTCA Investment Fund.
 2. Applicant to provide a detailed project delivery plan, including a timeline / critical path, key activities towards the successful planning and delivery of the event, and a risk register. This should be provided by June 2019.

3. Applicant to bear any additional costs incurred over and above the funding envelope agreed.
4. Applicant to provide further assurance on the proposed procurement route. Any risks that may arise from the proposed approach to procurement will rest with Northumberland County Council.
5. Applicant to ensure that the economic impact report of the event meets the requirement of the NTCA and consider how evaluation of the impact on raising the profile of the North of Tyne area can be undertaken and resourced within the funding envelope requested.

1.9 Following the external appraisal of the project and consideration by the NTCA Technical Officers Group and the NTCA Investment Panel, the Interim Head of Paid Service is recommended to approve the funding subject to funding conditions.

2. Potential Impact on Objectives

2.1 The project contributes to the North of Tyne CA's vision of a dynamic and more inclusive economy and will contribute to the following Pillars of Ambition:

- **Pride of Place:** Hosting the event will increase the profile of the North of Tyne area as a high-quality destination for domestic and international visitors, businesses and investors. Capitalising on the significant national and global TV and media coverage generated by the Tour of Britain, the event will raise the profile of the NTCA area as a great place to visit, live, work and invest, including promoting the area's key cultural and tourism assets.
- **Champion of Enterprise:** By attracting additional visitors and spending, the event will boost the local visitor economy, which is identified as a priority sector within 'The Home of Ambition'. The event will provide a short-term economic boost by attracting an estimated 120,000 visitors and £4.8m in additional spending. It will also support longer-term efforts to grow the visitor economy by raising the profile of the North of Tyne's cultural and tourism assets with national and global audiences.

3. Key Risks

3.1 The risks have been considered through the appraisal process and the conditions associated with funding approvals relate to the mitigation of risks.

4. Financial and Other Resources Implications

4.1 As the report to Cabinet on the 12th March identified, there are resources available to cover costs for the Tour of Britain 2019 North of Tyne Stage.

5. Legal Implications

5.1 The Interim Monitoring Officer's views have been considered through the appraisal process and comments have been included in this report.

6. Consultation/Engagement

6.1 Relevant stakeholders will be engaged in the planning of the event.

7. Appendices

7.1 Appendix A – NTCA Cabinet Report 12th March 2019, Investment Fund Update and Funding Approvals

8. Background Papers

8.1

9. Contact Officers

9.1 Tom Warburton, Interim Director of Inclusive Growth,
tom.warburton@newcastle.gov.uk

10. Glossary

11. Sign-off

11.1 Head of Paid Service: Yes
Monitoring Officer: Yes
Chief Finance Officer: Yes