

# **BUSINESS SUPPORT OVERVIEW AND SCRUTINY COMMITTEE**

**29 NOVEMBER 2007**

## **TOUR DE FRANCE**

Report from: Robin Cooper, Director of Regeneration and Development

### **1. Purpose of item**

- 1.1. This report covers the detailed budget implications concerning the spending on the Tour de France which was requested by Business Support Overview and Scrutiny Committee on 6 September 2007.

### **2. Recommendations**

- 2.1. Members are asked to consider and comment on the report.

### **3. Background**

- 3.1. Members of Business Support Overview and Scrutiny Committee asked for a report on the following (Minute 204 refers):
- a) the finances of the Tour de France
  - b) information on who had authorisation to spend the extra monies that were spent over and above those set in the budget
  - c) where the money had been spent
  - d) which roads were repaired
  - e) the economic benefits of the race for residents
- 3.2 The Tour de France visited Medway for the first time ever on Sunday 8 July.
- 3.3 In August 2003 Transport for London (TfL) submitted a proposal on behalf of the Mayor of London to host the start of the Tour de France 2007 in London. TfL approached Kent County Council and Medway Council to reach agreement on the route passing through both Councils' areas. The initial race route was announced on 13 October 2005 at a launch event in London.
- 3.4 The prologue time trail took place on Saturday 2 July 2007 around a 7.9km course in London. The first day of distance riding took place on Sunday 8 July 2007 from London via Medway to Canterbury, a distance of 209km.
- 3.5 Highway Authorities (TfL, Kent County Council and Medway Council) were required by the race organisers to:
- Allow the use of the highways and provide a safe route.

- Provide traffic management.
- Organise traffic closures and public information.
- Ensure planned works and events did not conflict with the race.
- Provide appropriate barriers, cones and signage for technical and safety reasons for riders and spectators.

3.6 It was left for local Councils along the route to organise any facilities such as toilets or information screens and any entertainment. Kent County Council had 11 staff involved in the highways organisation whereas we had 2 in highways plus staff in the event teams.

3.7 The event was widely enjoyed and generated a positive press for Medway as well as showcasing the area and demonstrating we can organise very successful international sporting events. This is most important in raising our potential as a training centre for Olympic athletes and as an Olympic legacy destination

#### **4. Feedback and Analysis**

4.1. The most famous cycle race in the world, the Tour de France, stormed through Kent and Medway on Sunday 8 July 2007 to a huge welcome from massive crowds along the route.

4.2. TV pictures of Kent and Medway bathed in summer sunshine were beamed to people in 140 countries as two million roadside spectators cheered their support and waved the riders on.

4.3. Street parties, festivals, events, picnics and music were all part of a day of fun and festivities as the free-to-view event visited Kent and Medway.

4.4. Police said that the people of Kent and Medway responded positively to the visit of the Tour, with not a single incident reported along the whole route in spite of the large numbers attending.

4.5. Tour organisers and riders such as the winner Robbie McEwen said he had never seen crowds like those in Kent and Medway.

4.6. Tour Director Christian Prudhomme added: “The enormous crowds in Kent have taken our breath away. The Tour has been staggered by the warm reception we have been given by the British public.”

#### **5. Benefits to Kent and Medway**

5.1 Watched by millions of TV viewers worldwide as well as around two million people lining the streets, the benefits to Kent and Medway were huge. The race showcased our best countryside and heritage, raising the profile of the area and no doubt doing a great job of attracting tourists from far and wide.

5.2 TV coverage showed spectacular views of our countryside, castles and towns from Dartford via Medway to the finish in Canterbury – a huge boost to tourism and business opportunities in Kent and Medway. Purchasing

advertising space on ITV4 is £535 per 30 seconds. Eurosport do not sell space direct and we are not able to say how much advertising space would have cost on that channel.

- 5.3 SEEDA became involved in funding the event stating that “As we bid for, and stage, future internationally-significant sporting occasions, the expertise, new partnerships being forged, and the professional image we present to the world through the Tour de France will be invaluable going forward. There is a constant need to build capacity and expertise with tourism businesses and the public sector during the build-up to 2012.

“As part of SEEDA’s Regional Economic Strategy for the South East 2006-2016 agencies and key partners from across the region developed and launched in May the ‘South East Offer for 2012: Compete, Create, Collaborate’, setting out key priorities to ensure that the opportunities presented by the 2012 Games are maximised for the region as a whole.

“In 2005 Tourism South East, SEEDA, Culture South East and Sport England commissioned a Major Sports Events Strategy Framework for the region. The research showed that major sports events have a significant impact on the quality of life in the region. Key opportunities identified included tourism, regeneration, employment, volunteer development, sports development legacy and the development of infrastructure.

“The research demonstrated that these events don’t only just attract more business and leisure visitors, but also raise the profile of the regional offer, attracting inward investors and making the South East special and distinctive.

“Sports tourism, across both spectator and active/participative sports experiences, contributes an estimated £2.5billion+ annually to the South East economy. SEEDA, Tourism South East and Sport England South East are working together to bring further major sporting events into the region (delivering increased visitors and additional spend) – and to develop the huge active sports tourism market.

“The Tour de France plus the Tour of Britain stage in Hampshire and Berkshire have given the tourism industry the chance to develop integrated spectator and active sports initiatives, providing a major focus for promoting cycling-based holidays, special routes and rides through the region.

- 5.4 It is estimated that 17 million leisure day cycling trips (with cycling as the primary or secondary reason) are taken in the South East each year by UK residents. Combined with cycling holidays that include overnight stay and overseas visitors’ cycling breaks, the value of this market is estimated at c£350 million per year – so cycling is a big business.

- 5.5 Hosting the Tour de France brings strategic benefits to the region including advanced event management skills, innovative marketing and a ‘joined up’ approach by the tourism industry to welcoming visitors.

- 5.6 To determine the benefits of the Tour de France on 8 July we have looked at the economic impact of visitors to the race in Medway.

We have estimated that approximately 100,000 people across Medway (residents and visitors) came out to watch the race. This compares to estimates of 100,000 in Maidstone and 70,000 in Canterbury. A Kent wide survey was undertaken by Synovate and funded by TfL and Kent County Council with 300 interviews taking place across Kent, of which 100 were in Medway. Only raw data is available from this study to date and the sample size for interviews in Medway alone is not statistically suitable for detailed analysis. This study has revealed that it is likely that the race goers for Medway probably comprised 70% residents and 30% visitors from outside of Medway.

- 5.7 If we use this visitor resident split for Medway as well as average day and overnight visitor spend figures, extrapolated from the Rochester Destination benchmarking study (2006), we can determine the approximate visitor spend on the day.
- 5.8 Of the estimated 30,000 visitors (non residents) to Medway on 8<sup>th</sup> July we can assume that about 90% were day visitors (27,000 people) and 10% were overnight visitors (3,000 people). Leading accommodation providers over the weekend did report that they were fully booked, including all the main hotels.
- 5.9 Average day visitor spend is currently estimated at £20.38 and average overnight spend is £41.51 (Rochester Destination Benchmarking Study) and therefore we can estimate that:

- Day visitor spend was £550,260
- Overnight visitor spend was £124,530

This therefore shows that visitor spend alone on that day/weekend would have been approximately £675,000. This can be considered to be additional spend which would not otherwise have come to Medway.

This does not take into account any potential spend by residents (70,000 people), which would have undoubtedly taken place, some of which would have been taken out of Medway on a normal Sunday (e.g. to Bluewater, London etc). Of the other 70,000 attending if we assume they spend £8.00 each it would make £560,000 or £1.235 mil in total attending the event).

## **6. The Long Term Tourism Benefit**

- 6.1 There are considerable PR and promotional benefits, which Medway will gain from the worldwide footage of Medway and Kent. This in itself is particularly difficult to estimate, but of considerable benefit and worth to Medway as an aspiring city, venue for future sporting events and as a developing visitor destination.
- 6.2 The benefits can be summarised as

- Image enhancement
- Media and PR value of TV
- Newspaper coverage
- Exposure of particular tourist sites – e.g. Rochester Castle and Cathedral, Upnor Castle
- Promotion of Kent as a wider destination and the consequential potential benefits to Medway
- Potential return of Tour de France and other cycling/spectator events
- Promotion as a place that can deliver major events.

6.3 Other benefits, which are not related to tourism include the success of the Tour de France as a community event as well as a considerable boost of pride in the local area. The event also may have fostered an increase in cycling as a means of transport and fitness.

## 7. Attendee profile

7.1 Early analysis showed those attending in Kent and Medway were:

Male	49%
Female	51%
White	95%
BME	5%
No disabilities	95%
Disabled	5%
AB	28%
C1	43%
C2	20%
DE	9%
55% attended with families	
23% attended with friends	
37% came on foot	
15% by train	
38% by car	
2% by bus	
5% by bike	
13% unspecified	

7.2 Independent press coverage reported the event as follows:

“Le Tour de Triumphe” – Medway Standard  
 “The greatest show on earth” – Medway Messenger  
 “A great triumph for Towns” – Medway Messenger  
 “The biggest sporting spectacle ever to come to Medway ...” – Medway Standard  
 “Magnifique” – Medway Messenger  
 “Trade moves into top gear” – Medway Messenger  
 “Thousands line street in welcome” – Medway Messenger  
 “The day the world’s greatest cycle race came to Medway” – Medway Messenger

“Tens of thousands of people lined the streets of Medway ...” – Medway Messenger

“Thousands descend to watch Tour” – Kent and Sussex Courier

“Rest of the world can see how beautiful it is here” – Kent and Sussex Courier

“Le Tour Fever Hits The Town” – Kent and Sussex Courier

“For nearly an hour before the cyclists arrived Le Tour publicity caravane sneaked its way through Medway. This colourful procession proved popular with the crowds not least because they showered spectators with goodies.” – Medway Messenger

“Carnival Spirit Greet Cyclists” – Kent and Sussex Courier

“Crowds bask in sunshine and big screen action” – Kent and Sussex Courier

This was, without doubt, one of the greatest events ever put on in Kent and Medway and co-ordinated by Kent and Medway Councils.

## 8. Approvals Process

8.1. On an informal basis the Council first started discussing this event around 3-4 years ago. Since then approval has been obtained incrementally with references to our hosting the event in a number of key policy documents including: the economic development strategy and renaissance framework, two performance plans, and the community plan. A formal protocol was entered into between Medway Council and Transport for London on 22 August 2005 which also agreed to pay an organisation and administration fee to TfL of £25,000. It was difficult to predict the likely end costs at the early stages as the route was not finalised and no specification was therefore possible on likely works along the route or on event management. In any event a budget was not required until 07/08.

8.2. As the route became clearer normal budget approval was obtained during the 2007/08 budget setting process with reports to Cabinet, scrutiny committees (Business Support and Community Services) and ultimately Council.

8.3. Reporting on the Tour de France occurred through:

a. Performance Plan 05/06 (reference to it within the plan)

Finance and Performance Management - 2 June 2005

Cabinet – 7 June 2005

Council – 16 June 2005

b. Economic Development Statement

c. Cabinet – 14 March 2006

d. Performance Plan 06/07 (reference to it within the plan)

Finance and Corporate Services – 23 May 2006

Cabinet – 6 June 2006

Council – 15 June 2006

e. Community Plan

Finance and Community Services – 5 October 2006  
Cabinet – 17 October 2006  
Council – 2 November 2006

f. Regeneration Framework

Regeneration and Development O&S – 12 October 2006  
Cabinet – 7 November 2006

g. Revenue Budget 07/08.

a. Appendix 3 to the report (pressures) refers to £86K as a known pressure but £245K as provision for future need with the following comment: “£86,000 refers to the minimum requirement.”

Cabinet – 28 November 2006  
Business Support O&S – 29 November 2006  
Community Services O&S – 9 January 2007

b. Summary business plan in appendix 8C to the report. Tour de France listed under corporate objective: Promote pride in Medway.

Cabinet – 20 February.

h. Revenue Monitoring 07/08.

Appendix 2 – noted under the “Tour de France – a risk: ”not enough sponsorship monies will be raised to cover the costs of the event. Also additional unforeseen costs not forming part of the original budget plan (does not include costs attributable to other directorates)”.

Cabinet – 17 July 2007

8.4 Expenditure on the race was undertaken through Community Services and Regeneration and Development Directorates and relevant Members were informed.

**9. Conclusion**

9.1. The event was widely enjoyed and although the largest sporting event ever organised in Medway passed off without incident. Research on the effects of the race was commissioned by TfL and the results are expected next week. TfL and Kent County Council took the lead with some of the survey work being undertaken in Medway.

**10. Financial implications**

10.1 Overleaf is a table displaying the costs incurred by Medway.

<u>Highways</u>	Total	Tour de France cost element	Element which would have been undertaken in period 2007-2009 in any case
Small carriageway patching and repairs	£112,400	£24,831	£87,569
Large carriageway patching	£31,000	£15,000	£16,000
Resurfacing	£18,000	£0	£18,000
Emergency repairs (Star Hill)	£1,200	£0	£1,200
Drainage works	£6,200	£0	£6,200
Block work repairs	£12,200	£0	£12,200
Traffic management	£3,000	£3,000	£0
Gully cleansing	£10,000	£0	£10,000
Park and Ride services	£6,000	£6,000	£0
	<b>£200,000</b>	<b>£48,831</b>	<b>£151,169</b>

### Events

Barriers, cones, street furniture removal, street Cleansing, traffic light signals	£160,000
Marshals and road staff	£24,677
Toilets	£8,000
Platforms, screens and PA systems	£45,035
Communications Team and Customer First Generators	£22,178
Franchise fee	£4,000
	£25,000
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	£288,890
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In total the costs to Medway were **£488,890**

Of these costs:

1. £161,400 is **capital** expenditure falling on the highways budget.
2. £86,000 is from the Tour de France **special budget**.

The remaining £241,490 is funded **corporately**.

- 10.2 In comparison TfL spent around £8.5m including £3m on advertising and promotion, £1.5m to the race organisers and £4m on planning, highways and security.
- 10.3 Canterbury City Council spent £380,000 on the race finale with £140,000 from the City Council, £140,000 from the East Kent Partnership, £60,000 from Interreg and £40,000 from sponsors.
- 10.4 The Regional Development Agency SEEDA contributed a further £400,000 towards the event regionally.
- 10.5 Kent County Council spent an estimated £950,000 on the event without the additional costs of works to highways which were funded from their existing



highways budget. It is not reported what these costs were but they may well have approached £1m.

The total estimated costs were therefore:

Medway Council	£488,890
Transport for London	£8,500,000
Canterbury City Council	£380,000
SEEDA	£400,000
Kent County Council	£950,000
Estimated cost of highways work in Kent	£1,000,000
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	£11,718,890

## **11. Legal implications**

11.1 There are no legal implications directly arising from this report.

## **12. Background papers**

None

### **Contact for further details:**

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