

**REPORT TO:** (1) TOUR DE FRANCE STEERING GROUP  
(2) CABINET

**DATE:** (1) 14 AUGUST 2013  
(2) 21 AUGUST 2013

**DEPARTMENT:** DEVELOPMENT SERVICES

**REPORTING OFFICER:** DIRECTOR  
(*Nigel Avison*)

**SUBJECT:** TOUR DE FRANCE

**WARD/S AFFECTED:** All

**FORWARD PLAN REF:** N/A

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**1.0 PURPOSE OF REPORT**

1.1 This report seeks approval of Cabinet and Council for the financial, contractual and organisational requirements to deliver a successful Grand Depart to the Tour de France in July 2014.

**2.0 RECOMMENDATIONS**

- 2.1 To confirm the budget provision of £400k that has already been set aside from 2012/13 underspends.
- 2.2 To make a further provision of £385k from 2013/14 year end underspends, or if these are not available, from the working balance, to provide a total budget of £785k to meet costs associated with the Tour.
- 2.3 To authorise the Chief Executive and Director of Development Services to authorise and commit expenditure within the above financial limits.
- 2.4 To enter into such contracts with TDF 2014, Welcome to Yorkshire, Leeds City Council and North Yorkshire County Council, as is necessary to deliver the Tour de France within the boundaries of Harrogate District.
- 2.5 To delegate to the Director of Development Services, in consultation with the Leader of the Council, the authority to finalise these contractual arrangements.

2.6 To assign staff to work on the Tour de France 2014 commensurate with the level of work this entails.

### **3.0 RECOMMENDED REASON FOR DECISIONS**

3.1 To ensure that obligations made to the Amaury Sport Organisation (ASO – the tour organiser) can be met, that the event can be successfully delivered and that maximum economic and community benefit can be secured from the passage of the Tour through Harrogate District.

### **4.0 ALTERNATIVE OPTIONS CONSIDERED AND RECOMMENDED FOR REJECTION**

4.1 Not to make any additional financial provision or to set aside a smaller sum than is considered necessary. This would jeopardise the successful delivery of the event and would limit the benefit Harrogate District can secure from this unique opportunity.

### **5.0 THE REPORT**

5.1 This report builds on information presented to Cabinet at its meeting on 6 February 2013.

5.2 The Tour de France is the largest annual sporting event in the world attracting a global audience. Welcome to Yorkshire and the Yorkshire local authorities successfully bid to bring the start (Grand Départ) of the Tour to Yorkshire in 2014. The objective was not just to bring a spectacular event to the region but also to showcase to the world the towns, cities and rural areas of Yorkshire and to build a lasting legacy for cycling and tourism.

5.3 Hosting the Grand Départ in 2007 generated an estimated £73 million of economic benefit to London and £15 million to Kent<sup>1</sup>. A further £35 million was generated in publicity (over 20,000 pieces of media coverage). Over 3 million spectators attended the event across London and Kent with more than half of these coming from outside London and another 10% travelling to London from overseas. Day visitors spent on average £26 in London and £19 in Kent.

5.4 With the basic requirement of up to 10,000 bed nights of accommodation for teams, logistics and media for between 7 and 10 days and the increased interest in cycling as a result of the Tour in the UK, it is anticipated that Yorkshire will surpass the benefits to London in 2007.

5.5 For 2014 there will be a full impact assessment carried out and benefits are already being evidenced with strong hotel bookings and significant interest from cycling communities across the world. Since the announcement of the bid's success in January 2013 local interest has been high and many communities are coming forward to find out how they can engage with the

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<sup>1</sup> REPORT to Transport for London by Social Research Associates

event.

## 5.6 **The Grand Départ**

5.6.1 The UK will host the Grand Départ and Stage 3 between 5<sup>th</sup> and 7<sup>th</sup> July 2014. There will be 200 riders supported by a team of about 5000 staff and press. Preceding the race each day is a 'publicity caravan' of about 180 vehicles which will travel the route handing out advertising materials. This is hugely popular in France and the caravan can take up to 45 minutes to pass a single location.

5.6.2 **Stage 1** will depart Leeds from the Headrow on 5<sup>th</sup> July in a neutral (non racing) start and progress to Harewood House for a ceremonial start with the effective racing beginning just outside Harewood. The route goes through Otley into Bradford district, then into North Yorkshire finishing in Harrogate, having passed Masham and Ripon.

5.6.3 **Stage 2** starts in York on 6<sup>th</sup> July and travels through Knaresborough and Harrogate, Bradford, Kirklees and Calderdale districts, then into Derbyshire before finishing in Sheffield.

5.6.4 **Stage 3** is proposed to start in Cambridge on 7<sup>th</sup> July 2013 and progress through to the M25 and taking a route through the Olympic Park along the Thames, finishing on the Mall in front of Buckingham Palace

5.6.5 There is work underway to model the anticipated crowds. The ambition is to attract over one million visitors a day. This work, funded by UK Sport, is being carried out by Steer Davis Gleave, in partnership with Highways specialists. It follows similar work produced for the 2012 Olympics which proved significant in event management, spectator arrangements and public communications. The outcomes of this work will be shared with local authorities as soon as it is available and it will support the development of the transport plan for the event. Current indications are that a crowd in excess of 100,000 can be expected to turn out for the Stage 1 finish in Harrogate.

5.6.6 The Assistant Chief Constable of West Yorkshire Police is leading the work on behalf of the police forces on the route. Positive discussions have also been held with the three Police and Crime Commissioners for North, South and West Yorkshire, to plan for a safe and secure event.

## 5.7 **The Spectator Experience**

5.7.1 It is vital that those who wish to attend, as well as those who do not, have a great experience and a detailed communications strategy is in production to ensure this. Also in plan are a range of spectator hubs along the route where people can congregate safely, enjoy the race when it goes past and engage in a range of other family-focussed activities during the day. The location of these spectator hubs will be finalised once the crowd modelling work identifies the best way to ease congestion along the route. Following the great experiences during the 2012 Olympics and Paralympics the

Government agree that the spectator experience is vital to the event and so are allocating some of their funding to supporting Yorkshire authorities deliver a good spectator and non-spectator experience.

5.7.2 Within Harrogate District the expectation is that local organisations (Town and Parish Councils, community partnerships and landowners) will take responsibility for delivery of these hubs, supported by the Borough Council. The current planning assumption is that official spectator hubs will be established in Masham and Ripon on Stage 1 and in Knaresborough, Starbeck and Harrogate on Stage 2. It is likely that additional private sector and less formal community activities will also be held at locations such as Ripley through which the race will pass.

## 5.8 **Governance and event delivery**

5.8.1 To deliver such a significant event across so many diverse geographies requires a strong governance structure. The Government has established a new company limited by guarantee (TDF 2014 Ltd) that will act as a joint venture between Leeds City Council, on behalf of the other authorities, and UK Sport to deliver the event. This company will have a Board, chaired by ex-UK Sport Chair, Sir Rodney Walker. There will be two vice chairs: the CEO of Welcome to Yorkshire and Leader of Leeds City Council. Other places on the Board will be taken by the Leader of North Yorkshire County Council, two independent members, UK Sport, British Cycling, Transport for London and Cambridge City Council. The Police will also attend the meetings by invitation.

5.8.2 The new company will have a CEO with significant experience of project management and/or events and many staff across authorities will be part of the 'virtual delivery team'.

5.8.3 A parallel board, chaired by Welcome to Yorkshire, will focus on legacy, culture and tourism. There will be sub-boards on cycling legacy chaired by City of York Council and on the Cultural Festival chaired by the Earl of Harewood.

5.8.4 Welcome to Yorkshire will manage the vital relationship with the TDF organisers ASO and drive the tourism work which is fundamental to a successful event. They will also lead on the delivery of the opening ceremony, key events leading up to the Grand Depart as well as branding, and PR. They will work closely with local authorities to ensure maximum lasting benefit is gained from the event for businesses and local people.

## 5.10 **Legacy**

5.10.1 Fundamental to a successful Tour de France in Yorkshire will be a strong legacy. A full report outlining the current work and future plans will be presented at a later date. A brief summary of the work is contained here. There are three elements to the legacy plan: cycling, tourism and culture.

- **Cycling legacy** - York are leading the region on a cycling strategy

which aims to improve facilities and safe cycle routes, encourage more people especially women and families to cycle and maximise the health advantages of greater physical activity

- **Tourism strategy** – The partners plan to use the Grand Départ as a catalyst for the development of a Yorkshire Tourism Strategy, which the region will commission Welcome to Yorkshire to deliver after 2014. The objective of this will be to deliver a long-term, sustainable increase in tourism within the region.
- **Culture** – Culture is vital to building vibrant and strong places so a 100 day festival is planned in the lead up to, and during, the Tour to generate interest and animate the region. A £1million bid to the Arts Council has been successful and commissions for major new works will be part of the cultural festival. A Director of the Cultural Festival, Maria Bota, has been appointed by Welcome to Yorkshire, who are managing the Festival. Ideas are being submitted to Welcome to Yorkshire for large commissions. The Borough Council’s Curator of Arts is working with Welcome to Yorkshire to manage local, smaller commissions and is receiving ideas on events and activities from a range of local organisations.

## 6.0 FINANCIAL IMPLICATIONS

6.1 Significant negotiation has taken place with Government to reach an agreed budget. Government funding will ensure spectators and non-spectators enjoy a safe and engaging event. The cost assumptions and funding sources are indicated below.

### 6.2 Overall Expenditure on Event Delivery:

| Description                              | Cost (£)          |
|--|-------------------|
| <b>Bid related and preparatory costs</b> | 3,500,000         |
| <b>Central costs</b>                     | 4,845,095         |
| <b>Spectator enhancement<sup>2</sup></b> | 1,918,000         |
| <b>Stage 1</b>                           | 3,234,000         |
| <b>Stage 2</b>                           | 3,870,134         |
| <b>Stage 3</b>                           | 1,608,750         |
| <b>Contingency</b>                       | 2,000,000         |
| <b>Total</b>                             | <b>20,975,979</b> |

<sup>2</sup> This funding is for activity in Yorkshire as the Spectator enhancement for Stage 3 is included within the Stage 3 allocation

### 6.3 Overall funding of Event Delivery:

| Description       | Amount (£)        |
|-------------------|-------------------|
| Local authorities | 11,039,776        |
| Government        | 9,936,203         |
| <b>Total</b>      | <b>20,975,979</b> |

- 6.4 The high level analysis used by UK Sport to agree the level of central government funding makes a number of assumptions about the costs to be borne by individual authorities, some of which have still to be tested. Cost apportionment is complicated in North Yorkshire by two-tier local government structures and the split of responsibilities between district and county councils.
- 6.5 The UK Sport analysis suggests that Harrogate Borough Council can expect to face costs just short of £558k, however our own more detailed estimates indicate a potential maximum cost exposure, including 12½% contingency, of £785k. These figures are net of government funding, the value of which is estimated at £183,689, being £147,753 contribution to direct costs and £35,936 of services to be provided by TdF 2014.
- 6.6 The costs falling to HBC are a mix of contractual obligations, agreed contributions to third parties (Welcome to Yorkshire and City of York Council) for hosting, staging and legacy activities, and discretionary expenditure to enhance the spectator experience and secure economic benefit for the district. The costs do not include any highway related expenditure or any of the costs associated with traffic management. These latter items will fall to NYCC, who will be taking a report similar to this through their own formal processes.
- 6.7 The Borough Council's cost estimates have been prepared on a prudent (ie likely maximum exposure) basis. They include costs associated with lost parking income (as much of the available off-street provision will be taken up by tour vehicles) and the supply of space within HIC for a media centre and race HQ. As the delivery plan takes shape and more detailed costings become available, it is expected that the overall estimate will reduce, some services will be provided 'in kind' so will not require budget provision and other costs will be offset by sponsorship income. Attempts are also being made to secure a larger and more equitable proportion of the agreed government funding to reflect the fact that TdF costs as a percentage of total annual council budget are greater in Harrogate than any of the other host authorities. Success of such negotiations cannot be guaranteed so it is sensible to provide for the net cost to be at the higher end of expectations to avoid any de-stabilising effect of unplanned expenditure on the overall council budget.
- 6.8 Funding for the Tour de France must be considered the Council's number one priority for the use of 2013/14 corporate underspends in order to minimise any drawdown from the working balance. This will inevitably lead

to the deferral or inability to support other projects.

## **7.0 HUMAN RESOURCES IMPLICATIONS**

7.1 Consultation with the Human Resources section was not necessary during the preparation of this report.

## **8.0 LEGAL IMPLICATIONS**

8.1 Leeds City Council will, on behalf of local authorities, enter into a legally binding partnership agreement with UK Sport (on behalf of Government) for the delivery of the opening stages of the Tour de France 2014 via a joint venture company, TDF2014 Ltd. In turn Leeds will seek appropriate contractual commitments from each authority to support and facilitate those arrangements, in particular delivering within the agreed budget and for authorities to meet any cost overruns in relation to the items of locally funded expenditure referred to in Section 6 above. The company will provide the umbrella to bring all partners together and ensure coherence and consistency to the event. It will also allow Government to release funds for the Tour de France and provide surety that there will be accountability for their investment.

8.2 In addition, each individual local authority will need to enter into a contractual arrangement with Welcome to Yorkshire to deliver the Grand Depart 2014 for the ASO. It will essentially act as a sub-contract to ensure parties use reasonable endeavours to enable the route to pass through the authority's boundaries, plus deliver any start or finish.

8.3 Members do also need to be aware of one legal issue unique to Harrogate. The Council is in discussion with the Department of Communities and Local Government about an application pursuant to Section 5 of the Localism Act 2011 to permit the enclosure of parts of the Stray in support of and for the duration of this event.

## **9.0 ICT IMPLICATIONS**

9.1 Consultation with ICT was not necessary during preparation of this report.

## **10.0 RISK ASSESSMENT**

10.1 A full risk register has been created for the delivery of the Tour de France. The key risks are:

- security and safety of spectators
- finalising the legal arrangements with UK Sport
- the creation of the new organisation
- appointment of the CEO
- all local authorities and police confirming their budget and in kind commitment
- identifying and meeting the needs of ASO

10.2 A risk assessment relating to HBC involvement has also been prepared and this is attached at Appendix A. The main risks are financial and operational with reputational damage a consequence of failure in either area. There is also the specific issue relating to the use of the Stray which is the subject of a separate report to be considered by the Leader, acting in place of the Cabinet Member for Culture, Tourism and Sport, on 28 August.

## **11.0 EQUALITY AND DIVERSITY**

11.1 An Equality and Diversity Impact Assessment has not been undertaken as there is no impact of this proposal on race, disability and gender equality in the local community or in the Council.

## **12.0 CONCLUSIONS**

12.1 The hosting of the opening stages of the 2014 Tour de France in Yorkshire, the decision to finish Stage 1 in Harrogate and the route selected for Stage 2 together offer a once in a lifetime opportunity to promote the District to a world-wide audience. The economic benefits to be gained surpass by some margin, the costs to be borne by the Borough Council.

12.2 It is anticipated that specific allocations may change as further information becomes available but that the event can, at this stage, be delivered within the budget of £785k. In October/November the organisers ASO will finalise the arrangements which will provide greater surety on the budget required. The delivery team are working to ensure value for money on all aspects of the delivery and there is no appetite nor resource from any partner to support overspend

12.3 The establishment of a company limited by guarantee will provide a vehicle to ensure a coherent and consistent event as it travels through the UK. TDF2014 Ltd will bring together the large number of organisations that will need to work on this project in order to make it a high quality event that is safe and enjoyable for all.

## **Background Papers -**

Report to Cabinet 6 February 2013

**OFFICER CONTACT:** Please contact Nigel Avison, Director of Development Services if you require any further information on the contents of this report. The Officer can be contacted at Knapping Mount by telephone on 01423 556536 or by e-mail at [nigel.avison@harrogate.gov.uk](mailto:nigel.avison@harrogate.gov.uk).



**SUSTAINABILITY ASSESSMENT / POLICY & COMMUNICATIONS  
CONSIDERATIONS**

|      |   | Implications are |         |          |
|------|---|------------------|---------|----------|
|      |   | Positive         | Neutral | Negative |
| A    | Economy                                     | ✓                |         |          |
| B    | Environment                                 |                  | ✓       |          |
| C    | Social Equity                               |                  |         |          |
| i)   | General                                     |                  | ✓       |          |
| ii)  | Customer Care / People<br>with Disabilities |                  | ✓       |          |
| iii) | Health Implications                         |                  | ✓       |          |
| D    | Crime and Disorder<br>Implications          |                  | ✓       |          |
| E    | Business<br>Transformation                  |                  | ✓       |          |
| F    | Communications                              |                  | ✓       |          |

If all comments lie within the shaded areas, the proposal is sustainable.