

**SUPPORT FOR THE
2018 UCI TRACK CYCLING WORLD CUP**

Presented by the Head of Sport & Leisure

EXECUTIVE SUMMARY

This paper seeks Member approval for one-off funding in 2018/19 for the 2018 Union Cycliste International (UCI) Track Cycling World Cup.

This paper includes information on the Authority's and partners proposed support for the 2018 UCI Track Cycling World Cup at the Lee Valley VeloPark.

It is proposed that the Authority makes a financial contribution of up to £85,000 towards hosting the 2018 UCI Track Cycling World Cup in addition to support from other partners totalling £200,000:

- £115,000 from UK Sport;
- £85,000 from British Cycling (plus £600,000 underwrite); and
- Greater London Authority legacy funding to be confirmed.

The 2018 UCI Track Cycling World Cup will be the 14th major track cycling event to be held at the venue since it opened in 2014. The timing of this event is as per the agreed rotation between the three major UK Velodromes for the annual UCI Track Cycling World Cup to be staged in the UK.

The paper sets out the range of significant benefits (financial and non-financial) for the Authority and Lee Valley Leisure Trust Ltd.

RECOMMENDATION

Members Approve: (1) a direct revenue contribution from the Authority to Lee Valley Leisure Trust Ltd of up to £85,000 subject to confirmation of all partners support.

BACKGROUND

- 1 The Authority accepted handover of Lee Valley VeloPark (LVVP) in January 2014 after an extensive period of transformation works following the London 2012 Games. One of the key purposes of LVVP is as a track cycling events venue, which was a commitment set out to the UCI within the UK's bid for the

London 2012 Games. The Authority has continued to fulfil this commitment by staging 14 major track cycling events since opening including the following events financially supported by the Authority:

- 2014 UCI Track Cycling World Cup; and
 - 2016 UCI Track Cycling World Championships.
- 2 These two events were an enormous success with the 2016 UCI Track Cycling World Championships becoming the best attended track cycling event in modern history which includes Olympic and Commonwealth Games. Over 75,000 spectators attended the two events, £25,000 worth of free tickets were allocated to school and community groups from the region, with an estimated £4.5million in economic value to London and the region. These events cemented the Authority's reputation within the major events world and leaving a legacy of community activities that are still running today.
- 3 In November 2015 Members approved (paper E/427/15) a process for National Governing Bodies (NGBs) to follow when seeking support from the Authority and an associated decision making criteria which applications will be scored against. The criteria are laid out within paragraph 12 of this report. Following this approval, the process and associated criteria was communicated to:
- all relevant NGB's;
 - UK Sport;
 - Sport England (SE);
 - Greater London Authority (GLA); and
 - London & Partners.

This paper details the final NGB related major event that requires Authority support within this current four year Olympic cycle, see paragraph 14 below.

- 4 The Authority supporting the UK in securing major track cycling events is a key principle within the Three City Cycling Memorandum of Understanding (MOU) approved by the Executive Committee in January 2012 (paper E/182/12). British Cycling (BC) has negotiated with the UCI to bring a Track Cycling World Cup to the UK annually. The agreement between BC and the cities is that the hosting opportunity for this event will be shared around on a rotational basis and the 2018/2019 season is London's next opportunity.
- 5 Within the current Leisure Services Contract (LSC) with Lee Valley Leisure Trust Ltd (the Trust) the Authority is required to pay a fee to offset the loss of income and staffing for the period of the event. It is the intention within the new LSC (from April 1st 2020) that the Authority will have the right to a number of day's venue hire for major events at no cost which would bring the Authority in line with other cities / venue owners across the UK.

THE 2018 UCI TRACK CYCLING WORLD CUP

- 6 The UCI Track Cycling World Cup is a multi round series of events comprising the world's best male and female track cyclists competing for prize money, World Championships and Olympic qualification points. The three event series is held each season between September and February and is licensed by the UCI.

7. A UCI Track Cycling World Cup will involve in the region of 325 competing athletes and 300 team staff supporting the various nations. The event format includes:
- three days for official training in the Velodrome (Tuesday to Thursday);
 - three days of competition (Friday to Sunday), two sessions per day; and
 - set-up and set-down times which will require the road circuit and car park exclusively to house the team cabins and broadcast compound.
8. In order to host a stage of the event BC have requested exclusive use of LVVP facilities for the following number of days:
- Velodrome Track – 9 days;
 - One Mile Road Circuit – 9 days;
 - Meeting Rooms – 9 days;
 - BMX – 3 days (closed during competition only);
 - Mountain Bike Trails – 3 days (closed during competition only); and
 - Car Park (51 spaces left for Authority / Trust staff).

The dates of the event are Friday 14 – Sunday 16 December 2018.

9. The commercial event rights for this event are held by UCI / the event partners along with all the host broadcast rights which have been negotiated with the BBC. The 2014 World Cup event at LVVP received 254 hours of international coverage in 16 markets drawing nearly 25 million viewers. At the recent 2016 Track Cycling World Championships at LVVP 10.1 million television viewers worldwide watched the action over 55 hours of broadcast time.
10. The event has a range of funding partners currently totalling £200,000:
- UK Sport have agreed to make a cash funding contribution of £33,000 plus £82,000 contingency;
 - BC are contributing a value in kind (VIK) and cash contribution of £85,000 and are underwriting the event (£600,000).

If Members approve the recommendation in paragraph 14 the total partner funding (including the Authority) will be £285,000 as detailed above.

Funding for additional legacy activity is being sourced from the GLA.

ISSUES FOR THE AUTHORITY

11. BC have budgeted the costs of hosting the 2018 UCI Track Cycling World Cup at circa £924,000. This includes:
- an event rights fee;
 - venue and logistics;
 - staffing;
 - contractors;
 - TV production;
 - accommodation;
 - transport;
 - marketing;
 - IT; and

- sports presentation.

Income includes:

- ticket sales;
- sponsorship;
- advertising;
- a financial commitment from event partners either via VIK or cash.

12 As per the Authority's major events support process, the 2018 UCI Track Cycling World Cup has been assessed against the following key areas (see Appendix A to this report):

- **Financial** – The robustness and deliverability of the business plan and its process to create an economic benefit for the Authority and the Trust;
- **Community Engagement** – To fully maximise community engagement across the Region, this includes an increase in opportunities for sports, volunteering and workforce development;
- **Exposure** – The level at which the event can positively expose the Authority, regionally, nationally and internationally;
- **Strategic Value** – The level at which the event meets the strategic objectives of the Authority.

The event scored a total of 77 out of 100 on the above scoring matrix with the minimum support level set at 65.

13 The proposed £85,000 (maximum) payment to the Trust by the Authority is to cover the costs associated with the hire of the venue, direct costs and loss of other income. Authority officers have worked closely with the Trust using the pre-agreed venue hire template to approve the appropriate value for hire which is at a non-commercial rate (at cost).

14 The Authority's position as a funding event partner enables the Authority to receive a percentage (pro-rata based on partner's level of investment) from any surplus that could be made from the event. The recent 2016 UCI Track Cycling World Championships that was held at LVVP made a surplus which if repeated (in proportion to the 2018 event) would make the event cost neutral to the Authority. This is the first time the Authority has been able to negotiate a potential surplus share.

15 Below is an overview of the benefits and opportunities the Authority and the Trust will gain from the event which are in line with the proportion of support being made:

Financial

- The Authority has a specific clause relating to a percentage payment of any surplus being returned, see paragraph 14 above. For the recent Track Cycling World Championships, BC contributed £20,000 of the event budget due to increased ticket sales which was put into retaining a Go Ride Coach to support regional community programmes at LVVP.
- All catering income will be retained by the Trust which is estimated to be a net benefit of £23,300 (calculated on 85% of spectator ticket sales).
- Trust campsites will be advertised to spectators, volunteers and officials,

potentially increasing sales/hires at these sites.

- An opportunity to engage with senior officers from commercial rights sponsors to ascertain any desire to have a sponsor relationship with the venue.

Community Engagement

- The 2018 UCI Track Cycling World Cup provides an excellent opportunity to raise awareness of not only the event, but also cycling participation generally, raising the profile of LVVP as a participation venue for people from across the region and further afield.
- BC have committed to creating a volunteering and workforce development programme, specifically targeting people who are less likely to have engaged in cycling before and recruitment from less traditional communities across the region.
- The main driver for legacy activity is to reach out to non-cycling people and people less likely to be physically active. The Authority and BC have committed to develop a programme aimed at engaging people with disabilities and providing them with adapted equipment, training and access to cycling provision across the Park.
- BC is proposing an extension to the very successful Go-Ride Coach position, originally developed through legacy funding from the UCI Track Cycling World Championships. On average the Go-Ride Coach delivers over 1000 coaching opportunities per year to schools and community groups from across the region.

Exposure

- The TV and media coverage will promote LVVP, the Authority and the Trust as a whole, reaffirming the Lee Valley's position as a world class leisure destination.
- Live coverage of all the sessions will be on BBC and BBC red button with international broadcasters being confirmed post qualification.
- Between 20,000 and 25,000 spectators will attend the event.
- Branding for Lee Valley Regional Park in key locations both on the venue, in promotional material and via the various communications channels.
- Opportunities to market the venue activity programmes during the event.
- A range of VIP, standard and community tickets for all sessions, for the Authority to distribute valued at £13,000.
- A Key Performance Indicator will be set by the event stakeholder Board (which the Authority will be part of if funding is agreed) to determine the number of separate publicity and media references to the event and venue.

Strategic Value

- Free access to event imagery and video footage for Authority and Trust marketing activities.
- Free access to all email addresses from ticket holders opting in to be used for specific targeted marketing initiatives.
- Reputationally LVVP (and the wider Lee Valley Regional Park) can be seen as a place to hold successful major events which may further assist in generating new income from events/sponsorship and the wider public

use.

The delivery of benefits to the Authority and the Trust detailed above will be safeguarded through specific clauses outlined within the venue use agreement with BC and will be signed following any Board approval. The venue use agreement between the Authority and BC has been discussed and agreed in full with the Trust and an associated side agreement is in place which is a standard template used for all major events the Authority has supported. In addition to the issue highlighted in paragraph 5 it is the intention that the new LSC will be written to ensure side agreements with the operator and the subsequent negotiations are not required.

- 16 If Members approve the recommendations of this report, financial revenue support for major events from the Authority for 2018 onwards would be as follows:

Event	Authority Funding	Notes
2018 Women's Hockey World Cup	£90,000	Members approved
2018 UCI Track Cycling World Cup	£85,000	Budget approval required
2019 ICF Canoe Slalom World Cup	£67,577	Members approved
2020 ECA Canoe Slalom European Championships	£67,577	Members approved
Total	£310,154	

This paper recommends support for the 2018 UCI Track Cycling World Cup. If Members approve this recommendation total support for NGB related major events between 2018 and 2020 would be £310,154.

- 17 Members are asked to approve the allocation of up to £85,000 (subject to all funding partner's contributions being confirmed) to be paid to the Trust to support the supply of LVVVP to BC and the UCI to deliver the 2018 UCI Track Cycling World Cup.

ENVIRONMENTAL IMPLICATIONS

- 18 There are no environmental implications arising directly from the recommendations in this report.

FINANCIAL IMPLICATIONS

- 19 The Authority will need to allocate a one-off contribution of £85,000 in the 2018/19 budget to fund the hire arrangements of the venue for the event set out in this report.

HUMAN RESOURCE IMPLICATIONS

- 20 Event liaison will be undertaken by the Authority's Head of Sport & Leisure and Events Manager. This is the standard approach to major events of this nature and is funded from existing budgets.

LEGAL IMPLICATIONS

- 21 The venue use agreement for the event will include provisions dealing with the £85,000 worth of revenue support from the Authority to the event. As per the process approved by Members (paper E/427/15) and outlined in paragraph 3, the Authority enters into side agreements with the Trust for the LSC provision for major events.

RISK MANAGEMENT IMPLICATIONS

- 22 A major event sign-off process has been agreed between senior officers of the Authority and the Trust. This process recognises that the hire fee quoted by the Trust is an accurate assessment of the loss of income and other costs the Trust will incur in connection with the event and has been signed off by the Trust's Managing Director.

The hire fee is fixed. The process recognises that the Trust bears the potential risk of the costs it actually incurs exceeding the stated hire fee and that no provision/adjustment will be made to the Management Fee in connection with this arrangement. This reflects the commercial arrangement agreed between the parties.

EQUALITY IMPLICATIONS

- 23 There are no equality implications arising directly from the recommendations in this report.

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BACKGROUND REPORTS

None

PREVIOUS COMMITTEE REPORTS

Executive	E/427/15	National Governing Body Major Event Support 2016-2020	26 November 2015
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APPENDIX ATTACHED

Appendix A Major Events Scoring Matrix

LIST OF ABBREVIATIONS

UCI	Union Cycliste International
LVVP	Lee Valley VeloPark

NGBs	National Governing Bodies
BC	British Cycling
VIK	Value in Kind
GLA	Greater London Authority
SE	Sport England
the Trust	Lee Valley Leisure Trust Ltd (trading as Vibrant Partnerships)
LSC	Leisure Services Contract
MOU	Memorandum of Understanding

Major Event Scoring Matrix

1. FINANCIAL (40%)

ITT Ref:		WEIGHT	BRITISH CYCLING 2018 UCI
1	Can the event bid demonstrate the ability to limit the overall Financial Risk to the Authority / Venue be demonstrated?	49%	8
2	Can the bid demonstrate the ability to maximise the commerciality of the event - tickets, sponsorship, merchandise, concessions?	15%	8
3	Has the bid demonstrated the opportunities to increased revenue through the venue (i.e. increased food and beverage sales and return paid visits to the venue)?	20%	8
4	What is the profitability level?	8%	7
5	Can the bid demonstrate the ability to increase stays at Authority accommodation portfolio including its third party partners (i.e. the Youth Hostel)?	8%	6
SCORE:			77.6

2. COMMUNITY ENGAGEMENT (30%)

ITT Ref:		WEIGHT	BRITISH CYCLING 2018 UCI
1	Can the bid demonstrate a focus on sports participation, particularly in hard to reach communities and people new to the sport?	25%	8
2	Does the event deliver sports programmes that can demonstrate longevity and a real commitment to ensuring lasting participation?	25%	8
3.0	Does the event demonstrate the ability to support the Authority in delivery of its Lottery Funding Agreement Targets (LFA's)?	25%	8
4	Can the event provide opportunities for event volunteering, particularly in hard to reach communities and people not currently involved in the sport?	15%	8
5	Can the event demonstrate a commitment to workforce development, mentoring and training, providing people new to the sport with opportunities to engage at a major event?	10%	8
SCORE:			80.0

3. EXPOSURE (20%)

ITT Ref:		WEIGHT	BRITISH CYCLING 2018 UCI
1	What is the ability for the event status to create a greater awareness of the Authority's venues and its facilities?	40%	7
2	Has the broadcast plan and potential reach been identified?	25%	7
3	Has a media plan been produced and the potential reach demonstrated?	25%	7
4	What is the credibility of the event, is this an event with a history or creates an opportunity?	10%	8
SCORE:			71.0

4. STRATEGIC VALUE (10%)

BRITISH CYCLING
2018 UCI TRACK
CYCLING WORLD CUP

ITT Ref:		WEIGHT	
1	Can the event demonstrate that it is delivering a regional audience with a non riparian focus?	35%	7
2	Can the event support the Authority in becoming a must visit destination, delivering a message that 'you can use these facilities'?	35%	8
3	The event should demonstrate stakeholder engagement - opportunities to engage with current, new and potential stakeholders?	30%	7
SCORE:			73.5