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<b>Report To:</b>	<b>Environment and Regeneration Committee</b>	<b>Date:</b>	<b>16<sup>th</sup> June 2015</b>
<b>Report By:</b>	<b>Corporate Director Environment, Regeneration &amp; Resources</b>	<b>Report No:</b>	<b>R017/15/AF</b>
<b>Contact Officer:</b>	<b>Aubrey Fawcett</b>	<b>Contact No:</b>	<b>712762</b>
<b>Subject:</b>	<b>Powerboat P1 Event 2016</b>		

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## 1.0 PURPOSE

- 1.1 This report sets out a proposal for Inverclyde Council and Riverside Inverclyde to jointly host the first Powerboat P1 Scottish Grand Prix of the Seas on a free-to-view basis.

## 2.0 SUMMARY

- 2.1 The Powerboat P1 Grand Prix of the Seas is an international high profile event that has never been held in Scotland. The five locations UK Championships series to date have been held in England and Wales. The Inverclyde event would be named "Scottish Grand Prix of the Seas 2016". Powerboat P1 is the world's leading marine motorsport promoter, successfully staging more than 200 events in 17 countries on 3 continents since 2003.
- 2.2 The weekend event would promote Inverclyde worldwide (including a branded boat), boosting our profile for mobile investment and showcasing Inverclyde, thereby providing a unique platform for enhanced economic growth, consistent with the Single Operating Plan.
- 2.3 The initial work on the costs of hosting the entire event (onshore and offshore) produces a very approximate estimate in the region of £160,000, excluding VAT. Work is ongoing to determine a definitive cost for the event over the next couple of months. Should this figure exceed the amount identified, a full report will be brought back for consideration. An opportunity may exist for partnership funding from Visit Scotland and commercial sponsorships that could reduce the ri and Inverclyde Council commitment.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee:
- Approves, subject to Policy & Resources Committee approval, the Council's involvement in the 50/50 partnership with Riverside Inverclyde to host the first Powerboat P1 Scottish Grand Prix of the Seas event in Inverclyde including approval of:
    - a Council contribution of up to £80,000 excluding VAT; and,
    - the remaining £45,000 budget from Inverclyde Council's Service Level Agreement with Riverside Inverclyde to support tourism-related business development to be re-directed towards this event;
  - Notes that a further report on the outcome of the 2016 event and seeking authority to participate in the 2017 and 2018 events will be submitted to Committee in Autumn of 2016;
  - Supports the concept of the mile-long Inverclyde Showcase accompanying the event;

- Delegates authority to the Corporate Director, Environment, Regeneration and Resources to conclude, agree and deliver:
  - event fee negotiations with Riverside Inverclyde, the Powerboat P1 organisation (including modification to the race route and design of the liveried boat) and, as appropriate, identify resources to support delivery of the event; and,
  - the implementation of the overall project in collaboration with Riverside Inverclyde and procure part or all services, where necessary; and
- Authorises the Corporate Director, Environment, Regeneration and Resources, subject to scrutiny of final estimates and satisfactory conclusion of the above negotiations in consultation with the Chief Financial Officer and the Head of Legal and Property Services, to commit Inverclyde Council funds to co-host this event in June 2016.

**Aubrey Fawcett**  
**Corporate Director, Environment, Regeneration and Resources**

## 4.0 BACKGROUND

- 4.1 Quoting the organisers: “Powerboat P1 is the world’s largest marine motorsport platform, with more than 150 racers participating in national powerboat and jet-ski championships in the USA and UK. The powerboat racing series, P1 SuperStock, is based on a one-design boat powered exclusively by BRP’s Evinrude engines which creates a level playing field and ensures costs are controlled and the sport remains accessible. The jet-ski classes are based on 200hp – 300hp production models, with the full support of Sea-doo, Kawasaki and Yamaha. The close-to-shore race course and fun of the race village means P1 events are designed to excite and entertain, ensuring spectator enjoyment and sponsor value with a significant economic impact for the host venue. The events are shown on Sky Sports in HD. It is also worth noting that P1 is committed to the environment and runs the P1 Marine Foundation, a UK-registered international charity that works to safeguard and restore the marine and coastal environment by raising awareness through education and effective partnerships. Its mission is to deliver effective and inspiring programmes at race events and elsewhere that will increase the understanding and value of marine life”.
- 4.2 The 2015 UK Championships take place Scarborough, Gosport, Hull, Cardiff and Bournemouth.
- 4.3 The Grand Prix of the Seas is very much a spectator sport with the action taking place as close to the shoreline as possible.



- 4.4 Powerboat P1’s Marine Foundation charity works with Powerboat P1 at the UK race events to help promote the race event and highlight the importance of the marine and coastal environment via a number of initiatives that involves the local community, seashore sessions and school

presentations prior to the events. The charity assists P1 in ensuring that race events are staged in line with the ISO14001 environmental management system including recycling, waste surveys, emergency training, and oil spill kits.

4.5 The benefits of hosting a Scottish Grand Prix of the Seas are identified by the organisers as being:

- Global and local media exposure – with television reach into more than 100 countries, Inverclyde’s regeneration projects will be showcased to millions. This will further be supported by an extensive local media and PR campaign with coverage in both mainstream and specialist press.
- Consumer spending – the crowds attending the event will generate additional spend in the local community, including food and beverage sales, retail sales, accommodation and associated travel costs.
- Tourism boost – economic benefits to the local economy come from inbound tourism for the event itself, and additional tourism visits for a period of a year or more afterwards prompted by the national and international exposure. Every P1 event delivers a direct economic impact of £3.2m, including around £1m in global media coverage.

4.6 The Cardiff 2014 report of the impact on the local economy, which is available through Riverside Inverclyde, illustrates the potential immediate benefits for Inverclyde (n.b. the Police Scotland estimate is for up to double the Cardiff crowd):

<b>Tourism &amp; Local Stimulus</b>	
• 37,750 spectators @ £35 per head (subsistence)	£1,321,250
• 1,862 international attendees * @ £175 per head (for 3 days)	£977,812
• P1 racers, friends and family subsistence	£128,320
<b>Total</b>	<b>£2,427,382</b>

\* Based on 5% of attendees (1,862). This is in addition to the 947 P1 direct international bed nights, totalling 2,809 international bed nights

4.7 The key longer-term benefits would be stimulated by the televising of the event to over 100 countries and millions of viewers, and the focus of a mile-long Inverclyde Showcase on the Esplanade – an idea which has excited the Powerboat P1 organisers as a new example of how the Grand Prix of the Seas can be the catalyst for sustainable local business growth - demonstrating innovative best practice partnership between public sector and commercial organisations.

## 5.0 PROPOSAL

5.1 The proposal is for Greenock to host the event on a weekend during June 2016, the favoured option being 17-19 June to coincide with one of the larger cruise ships being berthed at Greenock Ocean Terminal to create the best impact for Inverclyde for the worldwide TV audiences.

5.2 The proposal would see the main events take place off the Esplanade on the afternoons of Saturday 18<sup>th</sup> and Sunday 19<sup>th</sup> June 2016. The Powerboat teams (12-14 anticipated) and the jet-ski teams (up to 40 anticipated) would arrive on the Thursday, with the Powerboat P1 set-up (including a race village area, hospitality, race control centre, race commentary public address system, technical scrutiny, media demonstration rides, etc) taking place on the Friday.

- 5.3 The main action for the public would be on the Saturday and Sunday afternoons, the showcase events being two x 30 minute powerboat championship races on each day. These races are part of a choreographed water spectacle lasting approximately 4 hours, also including a jet ski championship of up to 40 racers plus the world's jet ski freestyle world champion entertaining the crowds between races.
- 5.4 Crowd estimates range from up to 20,000 per day (organisers) to 40,000 per day (Police Scotland). As a preliminary to this report, initial work to determine the practical feasibility of this event for Inverclyde including meetings and discussions have taken place with Inverclyde Council, Scottish Police, Scottish Fire & Rescue Service, Peel Ports, HM Coastguard, Blue Sea Marinas, Greenock Ocean Terminal, and CalMac. To date there is unequivocal support, conceptually, that such an event can be successfully staged in Greenock.
- 5.5 The event fee for hosting this Powerboat P1 event in 2016 is £60,000, with the flexibility for an additional two years' option for Inverclyde (fees being £65,000 for 2017 and £70,000 for 2018).
- 5.6 The event fee covers the preparation, marketing and delivery of the event including:

Accommodation	Insurance	Crane & berthing	Toilets & facilities
Prize money	Timekeeping	Pre-event recess	Fencing / barriers
Transport	Marketing campaign	Emergency services	Volunteers
Race management team	Commentary	Security	Catering
Support vessels	TV Production	PA / sound system	Photography
Access system	TV Distribution (Sky)	Hospitality	PR Activity
Fuel	Event branding	Souvenir programme	Start boat
Radio communications	AA Signage	Environmental programme	Post-event reporting

- 5.7 As the event fee covers only those items associated with putting on the offshore event, it excludes costs associated with onshore activities such as police, stewarding, crowd control, toilet facilities, road traffic management, etc which could be estimated to be in the region of £100,000 (exclusive of VAT) as follows:
- Crowd and traffic control barriers £2,500;
  - Stewarding £15,000;
  - 4 x 114 mobile bleachers for those less able to stand £6,500;
  - Toilets £3,500;
  - Track at Battery Park for park & walk £10,000;
  - Police costs are subject to multiple variables at this early stage, but £25,000 is being used as a ballpark figure only;
  - Inchgreen Park % Ride £10,000;
  - The Inverclyde Showcase mile (see 5.9) £15,000; and
  - Contingency.
- 5.8 Event costs may be mitigated by funding support from Visit Scotland or from commercial (ideally local) sponsorship which would be actively pursued. Such sponsorship may potentially range from full event naming rights, to VIP packages, to media advertising, to the Inverclyde Showcase (see 5.9). Should approvals be given, discussions would also include an Inverclyde liveried competing boat.
- 5.9 Inverclyde Showcase opportunity. It is proposed to close off the Esplanade to traffic and transform this prime viewing area into an Inverclyde Showcase for tourism-related businesses. The vision is for a series of identical outdoor exhibition stands that would stretch along the full length of the

Esplanade, offering a free facility for Inverclyde tourism-related businesses - with priority given to those who have been actively participating in tourism business development with Discover Inverclyde or the Local Area Tourism Partnership, particularly in the subsectors of active leisure, visitor attractions, accommodation and food & drink - to showcase their offerings to the crowds, helping to lay the foundation for attracting sustainable economic growth. It is anticipated that the provision of such a facility could encourage return visits to Inverclyde. It is further envisioned that local unplugged Inverclyde entertainers be strategically placed between every third or fourth exhibit, creating a unique Inverclyde Showcase for our companies.

5.10 The race route will be focused off the Esplanade. Two possible routes have been identified and are under consideration, with dialogue underway between Riverside Inverclyde, Peel Ports and Powerboat P1. These routes are illustrated in Appendix 1.

5.11 Having identified the nature of the offshore event, the vision for the onshore focus, and the initial estimate of £160,000 to host accordingly, attention should now turn to budget profiles.

5.12 Powerboat P1 is proposing that its £60,000 event fee be broken down into two categories:

- An event funding instalment (EFI) of 50% in advance of event, subject to host's approval of Powerboat P1's business and marketing plans for the Inverclyde event; and
- An event performance instalment (EPI) in the aftermath of the event based on spectator attendance and media coverage targets being met (see detail in Appendix 2).

5.13 A budget spend profile for this event is proposed as follows, subject to the caveats throughout the preceding paragraphs of this report:

- 2015/16: EFI (see 5.12) 50% of event cost i.e. £30,000
  - \* £15,000 from Riverside Inverclyde's Marketing & Inward Investment budget
  - \* £15,000 proposed contribution from Inverclyde Council
- 2016/17: EPI (see 5.12) 50% of event cost i.e. £30,000
  - \* £15,000 from Riverside Inverclyde's Marketing & Inward Investment budget
  - \* £15,000 proposed contribution from Inverclyde Council
- 2016/17: Inverclyde Showcase
  - \* £15,000 from Riverside Inverclyde's tourism business SLA with Inverclyde Council
- 2016/17: Stewarding
  - \* £15,000 proposed contribution Inverclyde Council (using existing contracts)
- 2016/17: Crowd related (ie control barriers, bleachers, track for Battery Park parking, toilets, police, Inchgreen park & ride etc) £70,000
  - \* £30,000 from Riverside Inverclyde's tourism business SLA with Inverclyde Council, subject to Inverclyde Council agreement; £5,000 from ri Marketing & Inward Investment budget;
  - \* £35,000 proposed contribution from Inverclyde Council

5.14 The budget (re)allocations can therefore be summarised as follows :

- Inverclyde Council proposed contribution = £80,000;
- Riverside Inverclyde's Marketing and Inward Investment budget = £35,000; and
- Riverside Inverclyde's Tourism Businesses SLA with Inverclyde Council = £45,000, closing out this budget and SLA, subject to SLA modification and allocation approvals from Inverclyde Council.

5.15 The budgetary figures and estimated spend identified throughout this report are all exclusive of VAT. Further investigation may require Riverside Inverclyde or Inverclyde Council to procure different elements of the budget spend profile identified in 5.13 and 5.14 above. Such flexibility of either party procuring the appropriate elements within, or the full set of, the contracts should not compromise the proposed £80,000 contributions from each of Riverside Inverclyde and Inverclyde Council towards the total cost of the event weekend.

## 6.0 CONCLUSION

6.1 With potential benefits for Inverclyde business growth, Inverclyde re-population, and Inverclyde tourism, the Scottish Grand Prix of the Seas can significantly enhance Inverclyde's profile and position the area for realising key objectives within the Single Operating Plan.

## 7.0 IMPLICATIONS

### 7.1 Financial Implications

The financial implications for this report are generally identified in paragraphs 5.13, 5.14 and 5.15 and may be translated as follows:

#### One-off costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
Earmarked reserve	Contingency	2015/16 2016/17	£15,000 £65,000		Subject to P&R approval
Earmarked Reserve	Repopulation	2016/17	£45,000		

#### Annually recurring costs/savings

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if applicable)	Other Comments

### 7.2 Legal

The Head of Legal and Property Services has been consulted on this report.

### 7.3 Human Resources

There are no human resource issues arising from this report.

### 7.4 Equalities

There no equalities issues arising from this report.

YES (see attached appendix)

NO This report does not introduce a new policy, function or strategy or change to an existing policy, function or strategy. No Equality Impact Assessment is required)

### 7.5 Repopulation

This high profile international project can contribute towards the repopulation programme.

## **8.0 CONSULTATIONS**

- 8.1 The Head of Regeneration and Planning has been consulted on this report.
- 8.2 The Head of Environmental and Commercial Services has been consulted on this report.
- 8.3 The Chief Financial Officer has been consulted on this report.

## **9.0 BACKGROUND PAPERS**

- 9.1 A copy of Powerboat P1's Economic Impact Report for the Cardiff Event can be accessed through Riverside Inverclyde.



**APPENDIX 1**

# 2016 P1 Scottish Grand Prix of the Sea



Race route alternative 1(Riverside Inverclyde preferred race route).



Race route alternative 2

## **APPENDIX 2**

### **Powerboat P1 Event Fee Categorisation Proposal**

It is proposed that funding is broken down into two components:

□ An *Event Funding Instalment (EFI)* based on a fixed contribution of 50% of the overall Hosting Fee paid towards event planning and delivery costs. This would be paid as a single instalment in advance of the event and upon approval of the following:

- A confirmed date for the event included on the P1 2016 Calendar.
- A comprehensive business plan for the event incorporating detailed financial information and budget forecasts is agreed between the parties.
- An agreed marketing plan covering print, radio, digital and boat branding for the event that is focused on meeting the goals and objectives of the funding party or parties.

□ An *Event Performance Instalment (EPI)* based on two key criteria following the event:

○ 30% of the fee based on Spectator Attendance Numbers – verified by the local council or a mutually agreeable independent agency as follows:

- 15,000+ spectators
- 17,500+ spectators
- 20,000+ spectators

Note: Further analysis will be done on spectator numbers in due course.

○ 20% of the fee based on Media Coverage – paid immediately following the broadcast of the event in the UK and internationally (typically Sky Sports and Fox Sports).

#### **General P1 Obligations**

- (a) To deliver the event set out in the hosting agreement and event race instructions.
- (b) To present a post-event report within 60 days of the staging of the event providing a full summary of activities and results in support of the EPI.
- (c) To safeguard the funding against fraud.
- (d) To comply with all applicable laws or regulations.
- (e) To put in place and maintain adequate insurances to cover against the risks which may arise in connection with any activity undertaken in delivery of the event.