

The OVO Energy Tour of Britain 2018

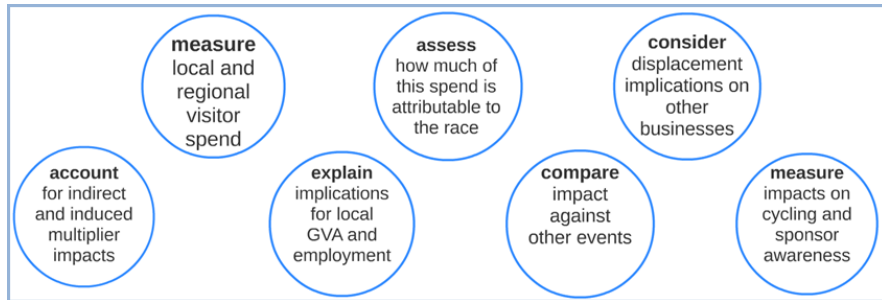
Economic Impact Report



Stage 4: Nuneaton to Royal Leamington Spa

1 Introduction

Welcome to Frontline's economic impact assessment of the OVO Energy Tour of Britain 2018. This economic impact assessment is based upon the findings from a web-based survey of 2,307 Tour spectators and follows the principles set out in HM Treasury's 'Green Book' Appraisal and Evaluation Guidance and the EventIMPACT guidance. This paper explains the impacts resulting from stage four of the race, held between Nuneaton and Royal Leamington Spa on 5th September 2018. The objectives of the research are to:



The remainder of the paper is structured as follows:

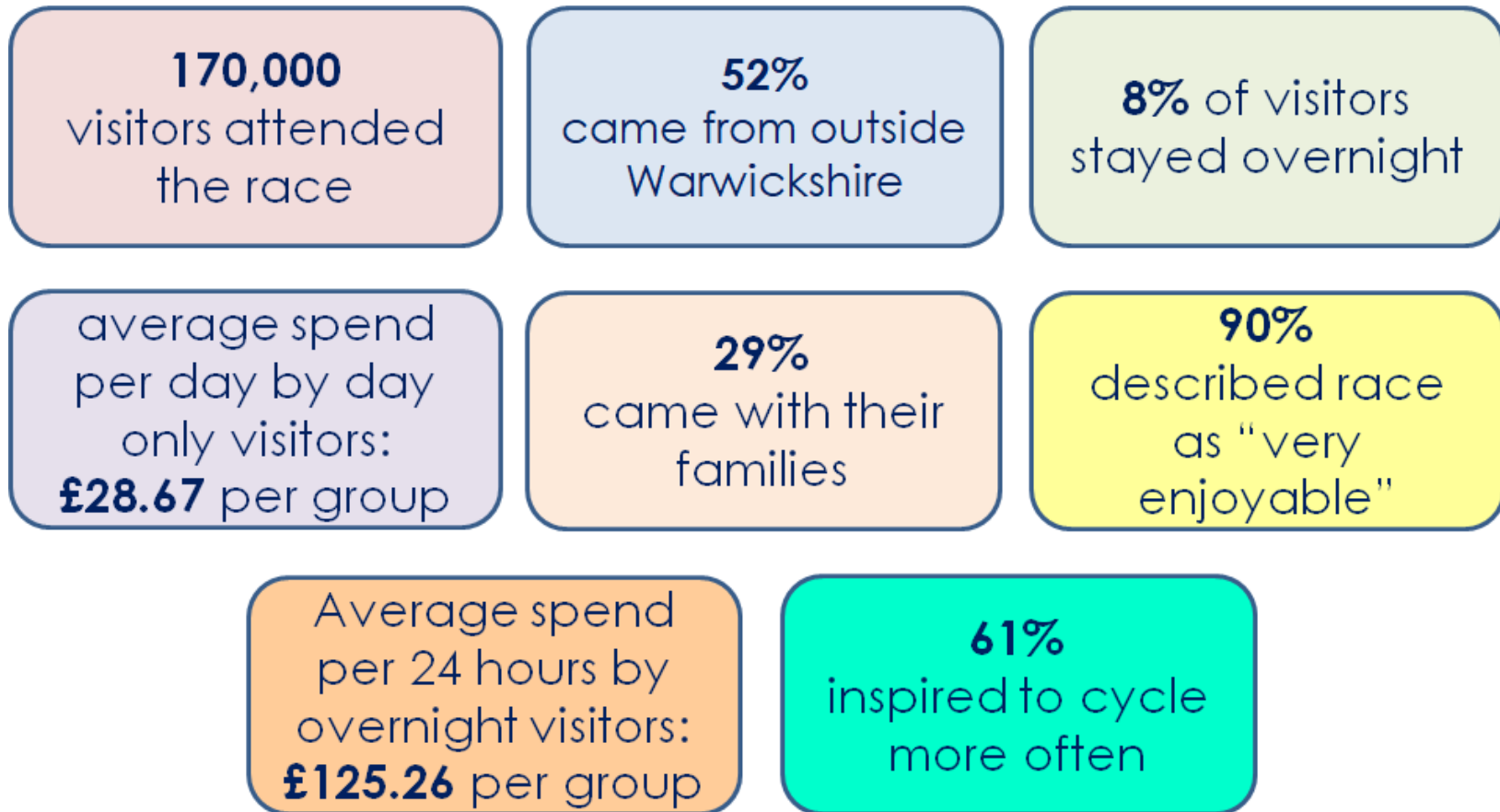
Section 2: The event and the visitors

Section 3: Economic impact assessment

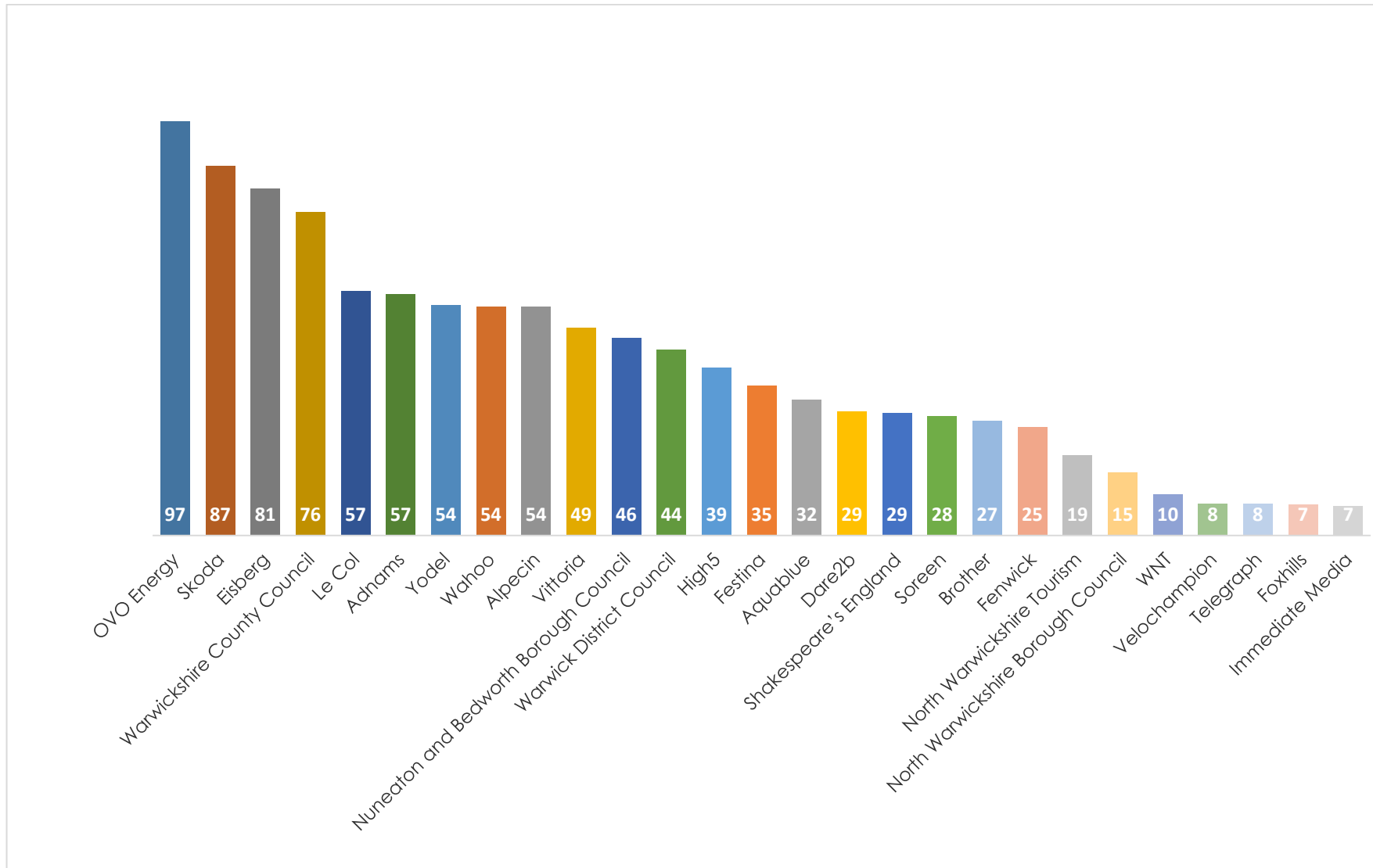


2 The Event and The Visitors

Here are some of the headline statistics for the Nuneaton to Royal Leamington Spa race:

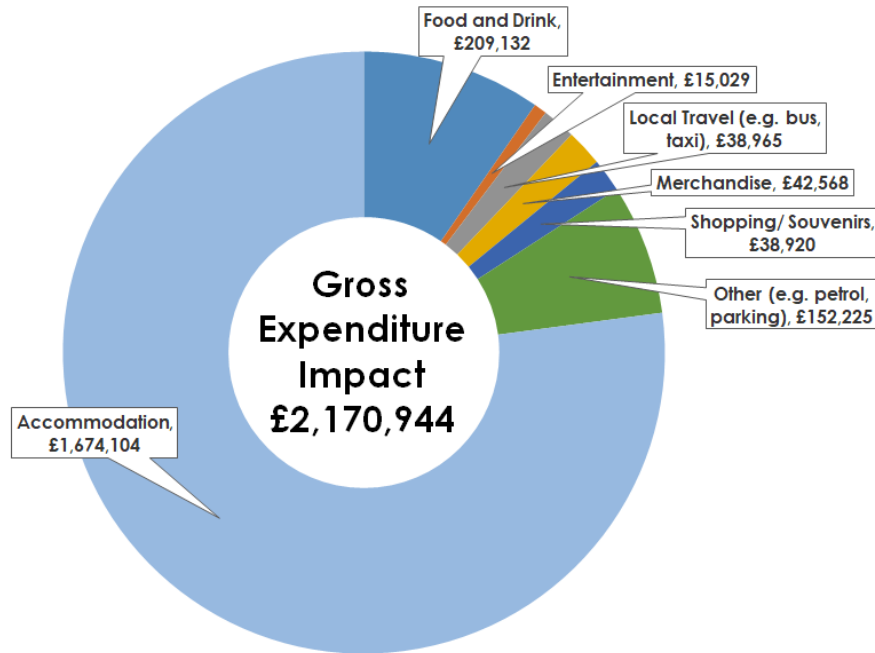


The following chart shows the percentage of visitors who associate each of the following sponsors with the race:



3 Economic Impacts

The total gross expenditure at the event was £2,170,944. This is broken down as follows:



To calculate the net visitor expenditure, GVA and employment impacts, the following adjustments were applied to this figure:

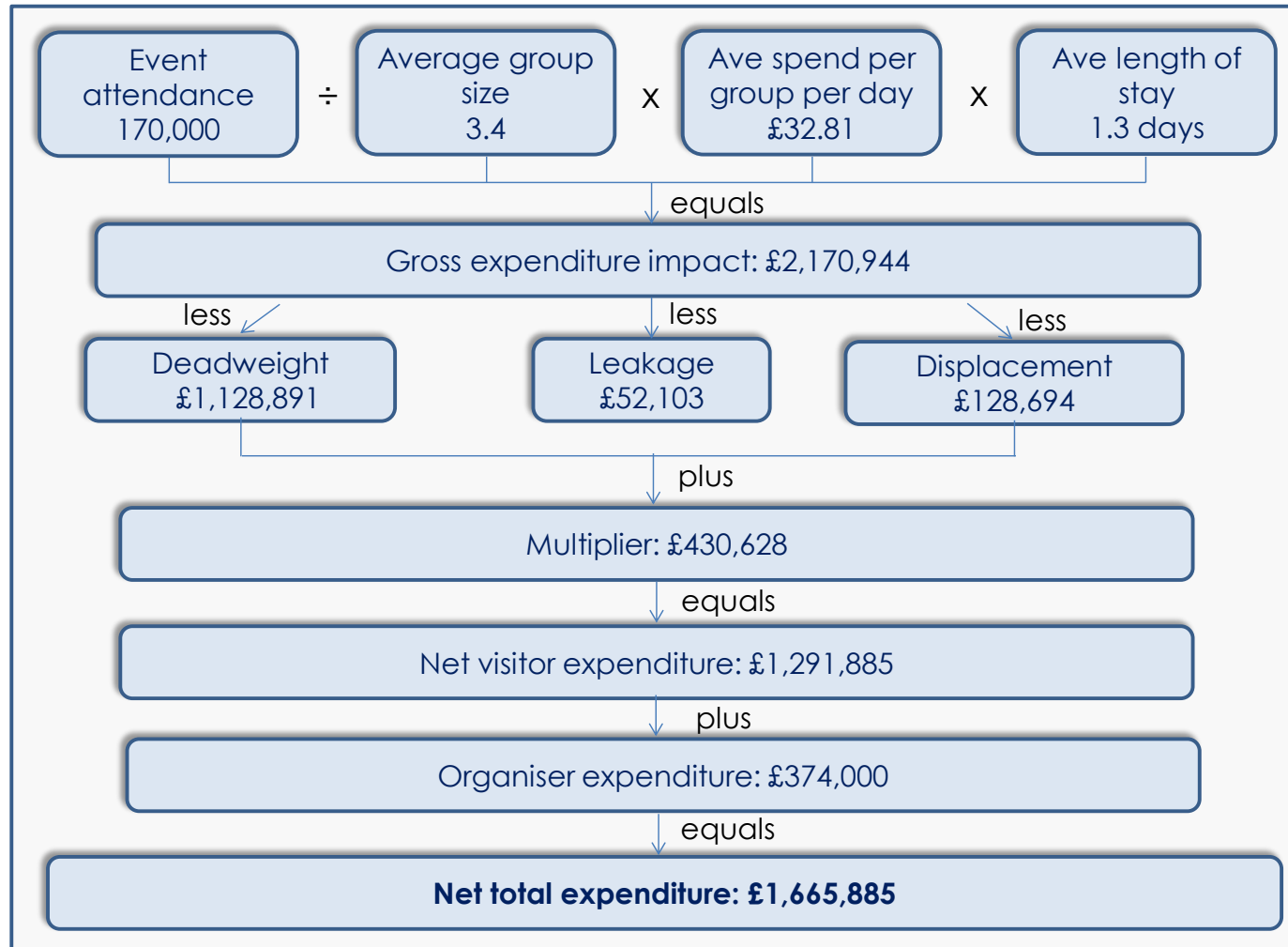
Deadweight	Money that would have been spent in the area anyway, even if the race hadn't taken place. E.g. spend by spectators for whom the event was not the sole reason for their attendance.
Displacement	Money that would otherwise have gone to another business in the local area. E.g. spend by visitors who would have otherwise visited another local attraction.
Leakage	Expenditure that took place outside of the local area. E.g. purchases of travel tickets or petrol at the start of the journey.
Multiplier Effects	Knock-on benefits resulting from further local supply chain purchases by the businesses that receive the visitor spend (indirect multipliers), or the personal expenditure of their staff (induced multipliers)

Full details of the method are presented in Appendix 1.



Summary of economic impacts – UK

The figure below shows the net visitor expenditure of the event on the **UK** economy. The findings for other areas are presented in Appendix 2.



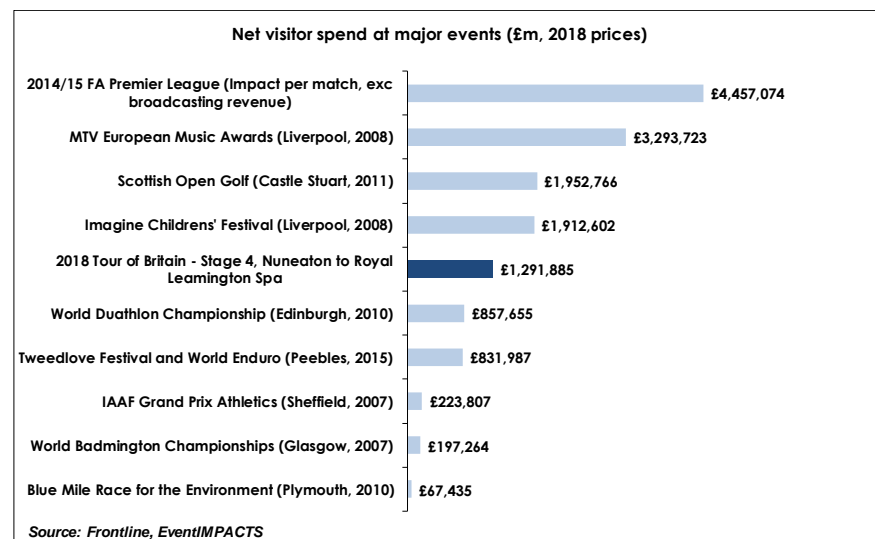
We have added the total sponsor, commercial, PR and technical expenditure associated with each stage in the figure below.

Net expenditure, employment and GVA impacts are summarised, including this organiser expenditure, in the table below, which includes both visitor and organiser expenditure aggregated together.

We have assumed that GVA impacts will equal 51.7% of business turnover, based on an analysis of turnover and GVA figures for the retail and hospitality sectors, as reported in the most recent Office for National Statistics (ONS) Input-Output tables. We also assume a UK average productivity rate of £39,000 per full time equivalent (FTE) worker (based on figures in the ONS Blue Book)

Expenditure	Nuneaton	Royal Leamington Spa	Warwickshire	UK
Net visitor spend	£167,078	£107,394	£1,133,077	£1,291,885
Net organiser spend	£27,938	£27,938	£55,875	£374,000
Total net spend	£195,016	£135,332	£1,188,952	£1,665,885
GVA	£100,823	£69,967	£614,688	£861,263
FTE Employment	2.6	1.8	15.8	22.1

These impacts compare favourably with the net total expenditure impacts of other, similarly sized events, which have taken place in the UK over the past few years:



Appendix 1: Tour Series, Tour of Britain and Women's Tour of Britain economic impact assessment methodology

The gross visitor spend figures have been calculated based on the aggregate visitor expenditure of the visitor survey respondents, scaled up to the total number of visitors. This was then converted to a net economic impact figure based on the following approach:

Deadweight

Deadweight was accounted for by asking the question "why did you come here today". Options included:

- watching the race/stage was my sole reason for visiting
- watching the race/stage was part of my reason for visiting
- watching the race/stage was not part of my reason for visiting
- I live locally
- I work locally

It was assumed that any spectator that comes to the location solely to watch the race should be classified as 0% deadweight; that any spectator for whom watching the Tour was part of their reason for attending should be classed as 50% deadweight, and that all other spectators should be classed as 100% deadweight.

Leakage

Based on experience from previous research studies, leakage of 20% at a town level, 10% at a county/local authority level and 5% at a UK level was assumed.

Displacement

Displacement was measured by asking the question "if the Tour of Britain/Tour Series had not been on, what would you have done instead of your visit?". Options included:

- visited another event or place in the host local authority areas
- visited another event or place elsewhere in the host region
- visited another event or place elsewhere in the UK
- visited another event or place outside of the UK
- stayed at home or gone to work

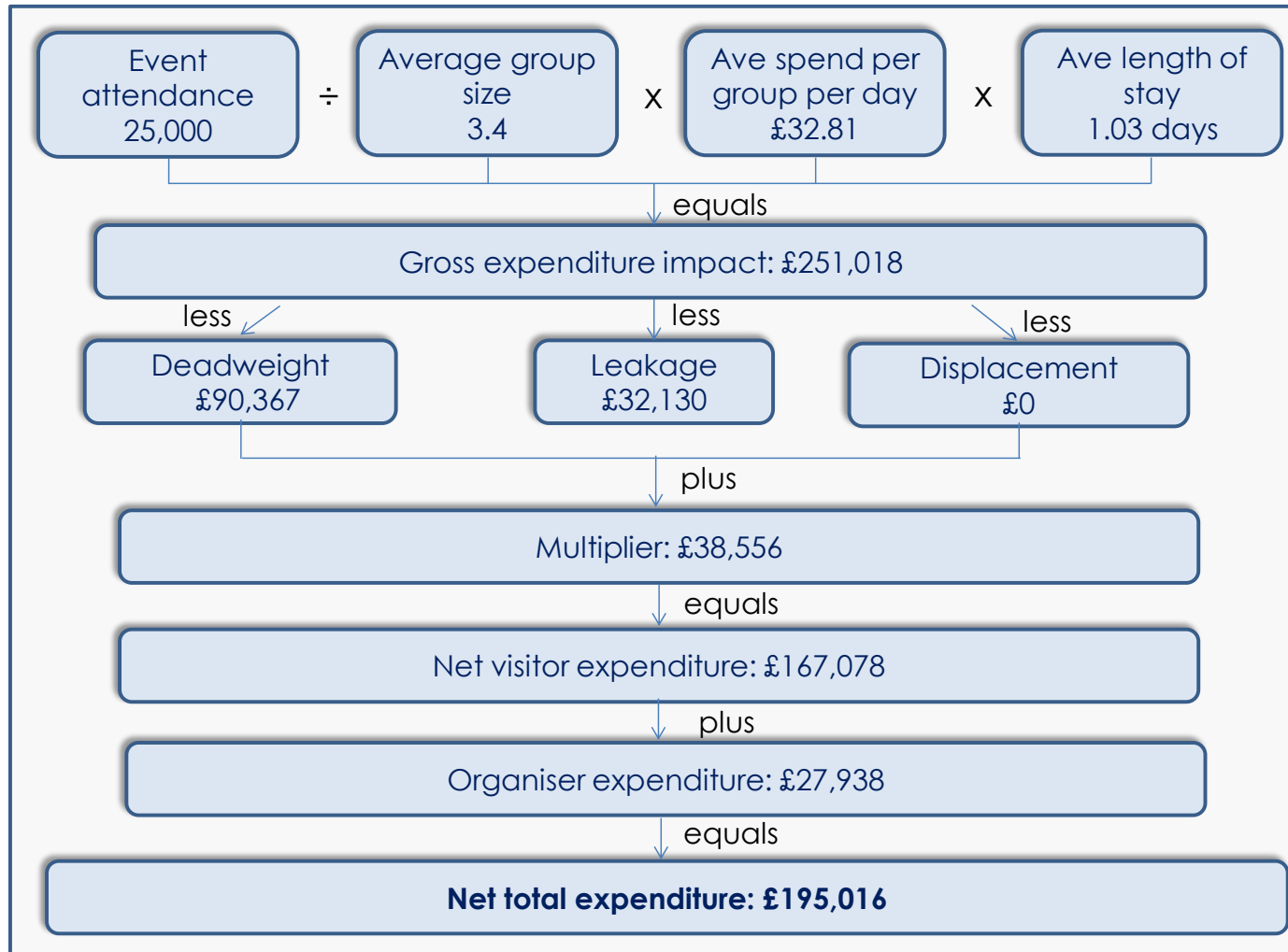
Expenditure by visitors who would otherwise have visited somewhere else in the study geography was classified as displaced expenditure.

The multiplier effect

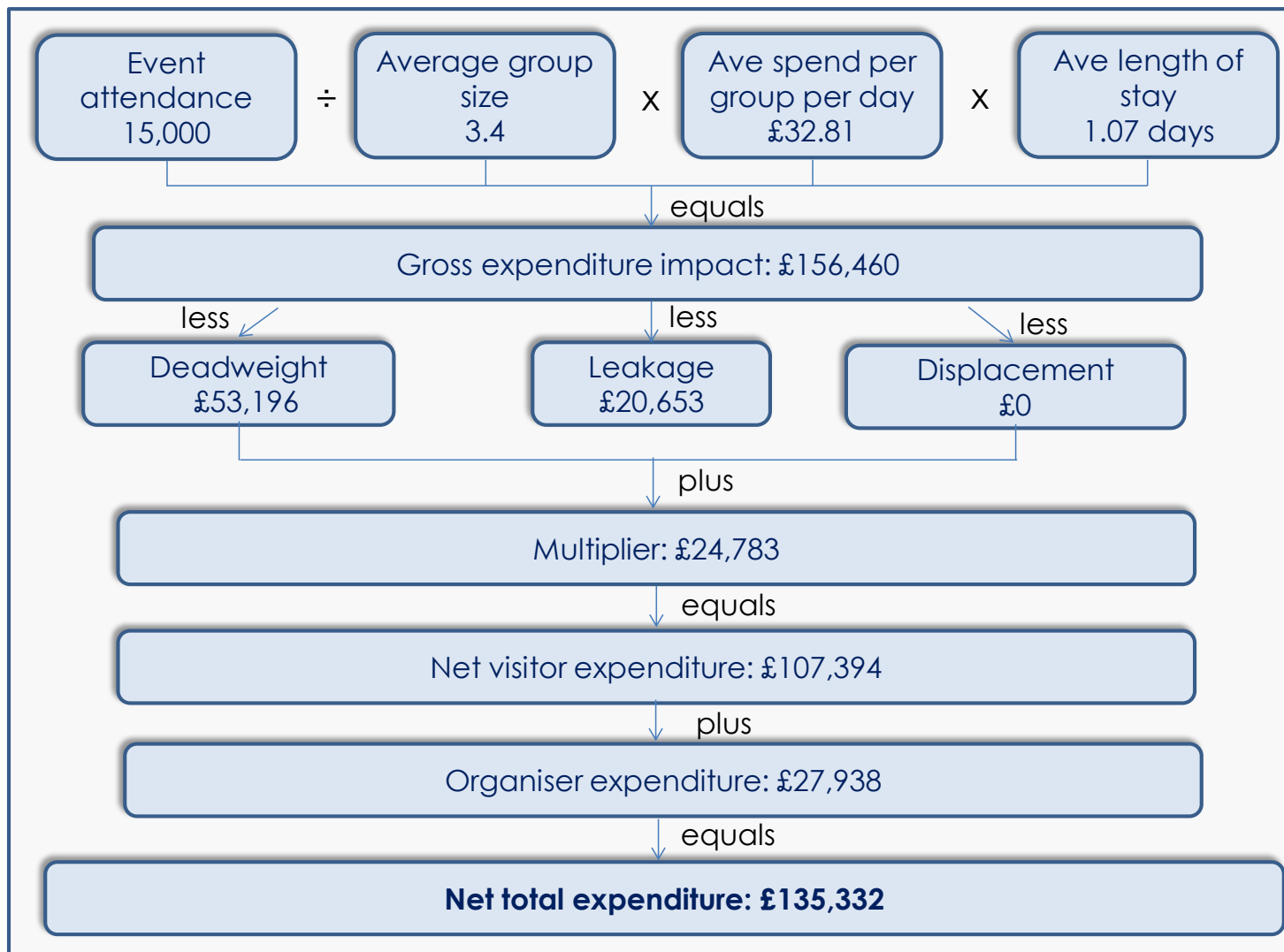
The impact of the multiplier effect was estimated based on evidence from previous published research, including reports published on the UK Sport Impact research database. In previous years an average was taken from other sporting events, including the World Half Marathon Championships and the Rugby Super League Grand Final.

Appendix 2: Regional economic impacts

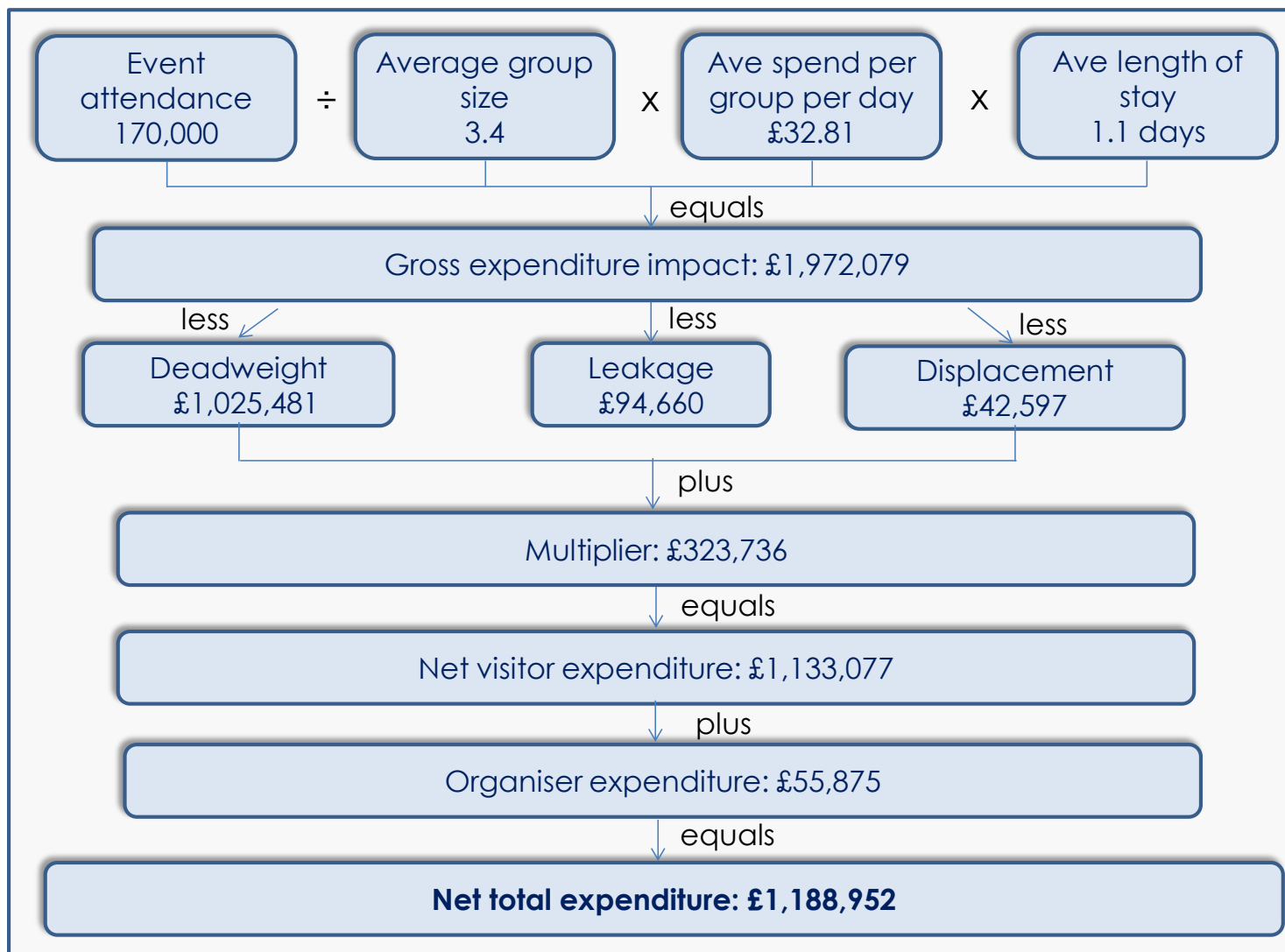
The figure below shows the net visitor expenditure of the event on the **Nuneaton** economy.



The figure below shows the net visitor expenditure of the event on the **Royal Leamington Spa** economy.



The figure below shows the net visitor expenditure of the event on the **Warwickshire** economy.



Appendix 3: Breakdown of visitors by area of origin, age and gender

Area of origin	% of survey sample	Age	% of survey sample
Nuneaton	6%	25-34	3%
Royal Leamington Spa	8%	35-44	10%
Warwickshire	34%	45-54	15%
West Midlands	16%	55-64	37%
East Midlands	16%	65 or over	23%
South East England	6%		
South West England	4%		
North West England	3%	Gender	% of survey sample
Yorkshire and Humber	2%	Male	75%
East of England	2%	Female	25%
Wales	1%		
London	1%		
Scotland	1%		
Outside the UK	1%		

Appendix 4: Breakdown of gross visitor spend by day and overnight visitors

Type	Gross visitor spend
Day	£496,839
Overnight	£1,674,104
Total	£2,170,944