

Royal Borough of Greenwich

Executive Decision

TITLE	Agreement Between Tall Ships International Ltd and Royal Borough of Greenwich for the Provision of the 2014 Tall Ship Regatta
DECISION	<ol style="list-style-type: none">1. Agreed to enter into an agreement with Tall Ships International Ltd to organise a Tall Ships Regatta in August and September 2014. The Royal Borough of Greenwich will be one of the host ports for the event which will attract up to 50 Tall Ships including up to 20 Class A ships to the borough over a five-day period.2. Agreed to waive the call in requirement for the reasons set out in paragraph 2.3 of the report.
DECISION MAKER	Leader of the Council
DECISION TYPE	Non-Key
SUBJECT TO CALL IN?	No
DATE OF DECISION	07 May 2013
DATE OF PUBLICATION	07 May 2013
ACCOMPANYING DOCUMENTS	Report – Agreement Between Tall Ships International Ltd and Royal Borough of Greenwich for the Provision of the 2014 Tall Ship Regatta

Royal Borough of Greenwich

Report to Councillor Chris Roberts, Leader of the Council

Title: Agreement Between Tall Ships International Ltd and Royal Borough of Greenwich for the Provision of The 2014 Tall Ship Regatta

Wards affected: All

Decision Classification: Non-Key Decision

1. Decision required

The Leader of the Council is requested to:

- 1.1 agree to enter into an agreement with Tall Ships International Ltd to organise a Tall Ships Regatta in August and September 2014. The Royal Borough of Greenwich will be one of the host ports for the event which will attract up to 50 Tall Ships including up to 20 Class A ships to the borough over a five-day period.
- 1.2 agree to waive the call in requirement for the reasons set out in paragraph 2.3.

2. Background

- 2.1 Tall Ships events take place across the globe and attract huge numbers of people to enjoy and experience the historic vessels. The events generate spending in host cities, support community cohesion and provide opportunities for volunteering, sports and cultural activities and sail training for local young people.
- 2.2 The Royal Borough of Greenwich has agreed to promote Royal Greenwich, and Woolwich in particular, as the London home of Tall Ships; to bid for Sail Training International Tall Ships events, other Tall Ship sailing events, races and regattas. These activities will help to continue to revitalise the borough's riverfront, promote the River Thames as one of Royal Greenwich's main assets and encourage attractions and maritime activities in the royal borough.
- 2.3 Exemption from Call-In: The decision on this matter is urgent as the agreement with Tall Ships International Ltd to organise a Tall Ships Regatta in August and September 2014 is to be signed on Tuesday, 7 May 2013. If the contract is not signed it will jeopardise the possibility of hosting the event in 2014.

2.4 The Leader's decision and the reason for it being exempted from call in will be reported to the next ordinary meeting of the Council.

3. Report

- 3.1 Last summer, during the Olympic Games, the Thames played host to a stunning fleet of Tall Ships as part of Sail Royal Greenwich. This was the first time London had hosted a flotilla of Tall Ships for more than 20 years. The Royal Borough worked with Sail Greenwich Ltd, the organisers of Sail Amsterdam, to bring this event to London.
- 3.2 On 25 July, a flotilla of 14 Tall Ships, accompanied by up to 200 smaller vessels, sailed in convoy from Tilbury to the Royal Borough of Greenwich. From 25 July to 12 August the Tall Ships ran cruises five times daily from the Royal Arsenal Pier taking in many of the best and most interesting sites in London from Woolwich to London Bridge.
- 3.3 More than 12,000 individuals and 1,500 corporate customers took the opportunity to see the London landmarks from the wonderfully crafted Tall Ships. Thousands of local residents took to the Thames Path to witness the spectacle of the Flotilla arriving, and enjoyed watching the ships' daily sails.
- 3.4 To further develop Tall Ship and maritime activity, Royal Greenwich bid to host an STI (Sail Training International) Tall Ships' Regatta in 2014.
- 3.5 STI is a charity that focuses on the development and education of young people through sail training experience. It is a registered charity and has worldwide membership and activities.
- 3.6 At least 50% of the crew for the Tall Ships' Regatta must be aged between 15 and 25. As a host port, Royal Greenwich would commit to identifying 50 local young people who might benefit from the experience of taking part in the race, gaining skills essential for future life and employment.
- 3.7 The Tall Ships' Regatta would also present a number of opportunities to work with local voluntary organisations, as the Royal Borough did during the London 2012 Games, to provide a volunteer workforce to support the event, providing local people with skills and work experience.
- 3.8 The Tall Ships' Races and Regattas are major events for the host ports. As major tourist attractions, they generate spending in host cities, support community cohesion and provide opportunities for volunteering and sports

and cultural activities. UK cities that have previously hosted the Tall Ships' Races have reported between 350,000 and 1.5 million additional visitors. In 2008, Falmouth hosted the race and reported that £12million was generated for the local Falmouth economy, with 1 in 10 businesses seeing a 50% rise in takings. More than £6 million was spent by visitors specifically coming to the Regatta, and half of those attending would not have visited Falmouth otherwise.

- 3.9 Following the arrival of the ships to the host port, a two-day social programme for crew and captains is organised onshore. Large-scale community events are also organised including a street parade and fireworks display. During this period, the Tall Ships are open for visits and for public and corporate hospitality cruises.
- 3.10 Liverpool City Council hosted the Tall Ships' Races in 2008. The University of Liverpool's 'Impacts 08' report states the event had an attendance of 325,000. Of these, 26% were residents and 14% stayed overnight. There was an economic impact of an additional £8.2million spend for the local economy.
- 3.11 Hartlepool was the finishing port in the 2010 race. An independent report into the economic impact of the event shows:
- An estimated 970,000 visitors attended the event over the 5 days
 - 717, 800 visitors came from outside Hartlepool
 - Each visitor spent an average of £30.59 generating £26.5million for the local economy
 - The event generated £3.2million of Advertising Value Equivalent (AVE) media coverage

It was the first time Hartlepool hosted an event of this stature. The event had a positive effect on visitors' perceptions of Hartlepool as a place to visit, and created significant economic impact.

- 3.12 With the redevelopment of the former Royal Arsenal site underway and a large-scale redevelopment of the area around Love Lane, Woolwich has started to enjoy a renaissance. With the Royal Artillery Barracks at Woolwich a host venue for the Olympic and Paralympic Games and an official 2012 Live Site in General Gordon Square, Woolwich was put back on the map as a tourist destination.
- 3.13 This has been supported by the opening of a new hotel in Woolwich town centre in June 2012 and the excellent transportation links including the DLR, which connects Woolwich to City Airport in under 10 minutes. With the Crossrail development underway Woolwich will soon have a direct connection to central London and Heathrow.

- 3.14 The inaugural Sail Royal Greenwich (SRG) event demonstrated how successfully Woolwich can host a large scale cultural event. SRG has confirmed they will hold a second edition in 2013, from 28 August – 1 September. With the SRG events and the STI Regatta, Royal Greenwich will begin to establish itself as the UK home of Tall Ships, and with regular events taking place the borough will attract a growing number of visitors, both domestic and international.
- 3.15 Becoming the London home of Tall Ships and hosting annual sailing events would help to drive forward the tourism legacy of the Games.
- 3.16 These events would help the royal borough and the new Destination Management Organisation to build and strengthen partnerships with the hotel and tourism industry.
- 3.17 Sail Training International is the only organisation that runs Tall Ship Regattas which focus on the development and education of young people through sail training experience.
- 3.18 Tall Ships International Limited is a subsidiary company of Sail Training International responsible for organising the regatta events.
- 3.19 To host the Tall Ship 2014 Regatta we have to enter into a contract with Tall Ships International Limited and pay them a Port fee of £65,000.
- 3.20 In addition the Council has to meet specified requirements set out by Tall Ships, and such costs must be met by the Council. These costs will cover:
- Fleet facilities for the participating ships
 - Regatta office facilities for the organiser
 - Social sports and cultural activities for the trainee crews
 - Trainee Crews' Party
 - Crew parade and prize giving
 - Captains' Dinner
 - Organiser management accommodation and transport during the Regatta
 - Promotional space for event sponsors
 - A media centre
 - Recruiting and funding for up to 30 local young people to take part
- 3.21 Some of the elements at 3.20 can be provided by sponsorship – either in cash or in kind. For example, GLL has already offered to manage the crew sports programme. It is envisaged that some other requirements can be provided at

no additional to the Council, e.g. office facilities could be provided at the Heritage Centre and the National Maritime Museum has indicated that it may host the captain's dinner.

3.22 The remaining costs fall into a number of categories:

3.22.1 STI costs for inspection/progress meetings £7,400

3.22.2 Navigational costs – this is the cost for hiring pilots/tugboats from the PLA. The PLA is a supporter of the event and discussions are on-going regarding reducing their fees. The full cost of their involvement is likely to be £45,000, however, they have indicated that this is subject to negotiation.

3.22.3 Berthing costs – the cost of providing berths for all ships is likely to be in the region of £27,500. Again, some of these costs are subject to negotiations for the use of Greenwich Pier, additional pontoons, and the possible requirement to raise/create additional moorings.

3.22.4 Licenses/legal fees/project management/training subsidy for young people – this is likely to cost in the region of £30k.

3.23 To fully exploit the events and maximise the benefits locally, most host ports have used the races to create a festival environment for local residents to involve them in the events. The scale of the events would depend on the market response to the regatta. It is proposed that the Council's festival budget be used to cover the costs and the festivals programme be timed to coincide with the Tall Ships visit.

3.24 To offset the unavoidable costs a number of initiatives are proposed:

3.24.1 Concessions at all public spaces. The Council has experience of selling concessions at events and the profile of this should be an attractive proposition. The public spaces at both General Gordon Square and Cutty Sark Gardens would lend themselves to this sort of activity.

3.24.2 Sponsorship of various elements of the event. Experience of generating sponsorship from previous host ports is variable. Given that this is the first time this event will take place in London it is considered that there should be a favourable response to sponsorship opportunities. The Evening Standard has already indicated that it wished to be involved as a media partner. Intelligence has been gained from previous host ports regarding the elements of the events most likely to attract sponsorship.

These include volunteer uniforms from local supermarkets, telecommunications support and training programmes for young people.

3.24.3 Merchandising – there is scope for creating and selling a limited range of commemorative memorabilia.

- 3.25 The immediate cost of signing the Host Port contract is £65,000 for the port fee. As outlined above there is a further £110k which is required to be met but for which sponsorship, concessions and other sources of revenue will be sought. The £110k however, represents the anticipated sum for which the Council would be liable if such funding could not be secured. Work would begin immediately the contract is signed to seek sponsorship and support. Work would also start as soon as possible to develop the Olympic engagement programme which sought to ensure that all local businesses can exploit the business opportunities which the additional Games visitors provided and so maximise the economic impact of the event.
- 3.26 The Port fee is required by Tall Ships International to cover its role and responsibilities. TSI will be responsible for taking technical control of the Regatta which will include all aspects of the organisation and control of the race, all documentation for the vessels and crew, for vessel inspections, for the captains' briefing and for the race start.
- 3.27 To deliver the event a port committee structure will need to be established with a project manager appointed with the responsibility for the overall planning and organisation. The project manager should be able to devote their whole time to the event acting as the link between the committees. The committee will need to represent the key areas of:
- Harbour (pilots/tugs/berthing/quay facilities)
 - Liaison and social (volunteers & public events/social programme)
 - Transport and communication (security/command and control)
 - Vessel recruitment (ships/hospitality sales)
 - Finance (fund-raising and sponsorship)
 - Commercial (branding/marketing/merchandising/publicity)
- 3.28 RBG will work with the PLA and SGL to develop the committee structure, including a sponsorship specialist, and work with the project manager and key stakeholders in the borough to help organise the event and where possible to secure in-kind support.
- 3.29 The next step is to sign the contract and appoint the management and necessary project team to set up and deliver this event. A decision is

therefore required to agree to enter into the contract with Tall Ships International Ltd.

4. Financial Implications and Comments of the Director of Finance

- 4.1 This report seeks to enter into a contract in the sum of £65,000 with Tall Ships International Ltd, to organise a Tall Ships Regatta in August and September 2014. The report outlines the wider economic benefits that can be generated by hosting an event of this nature.
- 4.2 Additional funding of £110k is required, for which sponsorship, concessions and other sources of revenue will be sought.
- 4.3 The anticipated sum for which the Council would be liable if such funding could not be secured is £175,000. This is the total of the Tall Ships contract fee and the additional costs outlined at 3.22.
- 4.4 It is proposed that any cost to RBG that cannot be met from sponsorship income, merchandising or concessions, be funded by the Olympic Legacy Reserve.

5 Legal Implications and comments of the Head of Law and Governance

- 5.1 The Leader is asked to agree to enter into an agreement with Tall Ships Limited, which shall enable a Host Port within the Royal Borough of Greenwich.
- 5.2 Section 1 Localism Act 2011 gives the Council the same power to act that an individual generally has, and provides that the power may be used to do things that are unlike anything that a local authority - or any other public body - has done before, or may currently do. The power does not need to be exercised for the benefit of any particular place or group, and can be exercised anywhere and in any way.
- 5.3 The Leader must be satisfied that the Council can meet the terms of the Tall Ships Limited Agreement. Terms that should be noted are:
 - 5.3.1 As part of the Council's commitment, the Council is required to pay £65,000 to Tall Ships covering the cost of the Council becoming a Host Port and Sponsorship Fees.
 - 5.3.2 The Council in addition is required to provide a number of facilities for the event, in accordance with Tall Ships requirements as set out in the Contract and should it be noted that the cost associated with this must be met by the Council. The Council must ensure it is able to meet

those requirements and an appropriate budget is available for this expenditure.

5.3.3 The Council is required to maintain insurance of £10m and provision for such insurance must be made in accordance with the Contract.

5.3.4 Either party can terminate the agreement on a minimum of 3 months' notice. In the event Tall Ships terminates the Agreement, the Council may need to recover costs occasioned on the event and it may rely on provisions within the Contract enabling the Council to recover its costs.

5.4 The Scheme of Delegation provides that the Leader may authorise this agreement.

BACKGROUND PAPERS:

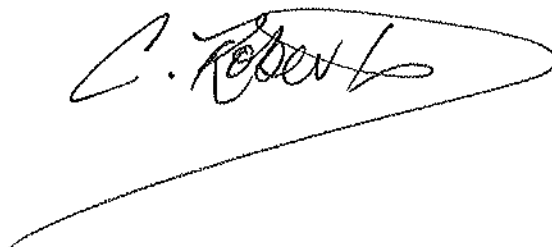
None

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Signed

Cllr Chris Roberts
Leader of the Council

A handwritten signature in black ink, appearing to read 'C. Roberts', enclosed within a large, hand-drawn oval shape.

Dated 7 May 2013

Not before

Call-in deadline date n/a