

CYNGOR SIR CEREDIGION COUNTY COUNCIL

Report to: Cabinet

Date of meeting: 17/07/24

Title: Strategic Events programme / Rali Ceredigion – support from CCC

Purpose of the report: To consider the financial support being provided for the Strategic events programme 2024, and Rali Ceredigion as part of the programme.

For: Decision

Cabinet Portfolio and Cabinet Member:
Councillor Clive Davies, Cabinet Member for Economy and Regeneration

Background

Major Events programme for Ceredigion

As part of delivering the Economic Strategy for Ceredigion, CCC is committed to develop a programme of events that meet the following criteria:

- i. Is naturally built through a 'bottom-up' approach involving a range of partners in the public, private and third sectors. Events will be identified, developed and supported through engagement with a wide range of stakeholders, to ensure a broad base of support.
- ii. Events are developed, based on one or more key local strengths – i.e., events will be RELEVANT to the area. This will help build support, and enable people to be passionate about them, thus ensuring that visitors and participants get to share the passion. This approach will also ensure a buy-in to the events to support some short-term disruption (from increased visitor numbers, road closures etc.). The strengths could be linked to, but not limited by:
 - a. The natural environment
 - b. Cultural and / or heritage strengths of Ceredigion
 - c. Specific interests prevalent in the area
 - d. A strong business sector interest
- iii. Events will need to help meet one or more of Ceredigion County Council strategic aims and align with those of the region and Welsh and UK Governments.
 - a. Support ambitions around Climate change or the transition to a green economy through sustainability and waste reduction.
 - b. Support the development of higher value jobs and the principle of fair work.

- iv. Events will need to demonstrably contribute to key economic impacts, including:
 - a. Attracting visitors
 - b. Leverage private sector Investment
 - c. Support job creation
 - d. Support the growth of linked businesses (indirect business benefits)
 - e. Demonstrate County-wide benefits
 - f. Demonstrate where possible wider regional and National benefits

To accelerate the development of events in Ceredigion, CCC launched an invitation to attract applications from organisations seeking to grow new events or develop existing ones to support the strategic programme, as part of the UK Government Shared Prosperity Fund programme (UKSPF) programme to support the economy in Ceredigion.

One of the major events that is being supported through the programme is Rali Ceredigion.

Rali Ceredigion

- Rali Ceredigion (formerly Rali Bae Ceredigion) has been developed and successfully run through a partnership of Motor Clubs in Ceredigion, with support from Ceredigion County Council to date provided through UKSPF (Shared Prosperity Fund) funding.
- Through its three iterations to date (2019, 2022 and 2023), the event's success and impact has grown. It has generated new visits to Ceredigion (particularly the Aberystwyth area).
- Rali Ceredigion is committed to improve its sustainability performance, and after the 2023 event it became the first UK rally to be awarded two-star FIA Environmental Accreditation.
- For 2024, the Rali Ceredigion has secured a place as a stage in the European Rally Championship, which will bring further media exposure and wider benefits to the economy in Ceredigion.
- The rally will cover a wider area of Ceredigion in 2024, with part of mid Ceredigion also included as part of the route, widening the economic potential for the visitor economy. It also covers parts of Powys and Carmarthenshire.

Media Coverage

In 2023, extensive coverage was achieved across a range of social media and streaming channels. The following figures were recorded between 30th August & 6th September:

Total Social Media reach via Rali Ceredigion platforms:	508,000
Total video views on Rali Ceredigion event platforms:	529,000
Online engagements:	146,077
Inherited social media coverage:	500,000+
Total video views on Media Partner platforms via Special Stage, British Rally Championship, TER Series, Ralio S4C:	10 million+

Printed programmes distributed:

8000

Now, with international status and greater spectator appeal, it is widely anticipated that levels of exposure will increase by 400% in 2024.

Economic Impact

The economic benefits the rally brings to Wales, Aberystwyth and the region is the key focus of event organisers.

Data gathered from previous years clearly shows the event has made a significant contribution to the region's economy:

Direct Regional Impact:	£3.02 million
Spending to GVA Ratio:	45%
Spectator Attendance:	20,000
Competitors from outside Wales:	64%

Sectors that benefit include:

- Hotels and guest houses
- Pubs, restaurants and hospitality venues
- Shops and retail outlets
- Garages and suppliers of automotive products
- Suppliers of supporting services

Figures are calculated using the eventIMPACTS calculator, the approved method of establishing economic impact generated for an event, recognised by the Department for Culture, Media and Sport. Gross value added (GVA) is the measure of the value of goods and services produced in an area, industry or sector of an economy.

The introduction of the FIA European Rally Championship in 2024 will significantly increase the attendance of spectators, competitors, marshals and officials and in doing so, organisers predict at least 100% increase in economic benefit.

Funding applications

UKSPF events programme

Based on the criteria set out above, applications were received from 9 organisations, with a total project spend of £1.44m.

The UKSPF partnership for Ceredigion approved a spend of £300,000 towards the programme, and an internal officer panel assessed the applications against the criteria set out. On this basis, UKSPF offers have been made to 6 events in Ceredigion this year.

Rali Ceredigion

To secure the status as a stage in the European Rally Championship, a financial commitment of up to £500,000 is required from public sources. The organisers of Rali Ceredigion are forecasting that they will generate a further £500,000 from private sources this year to support the event infrastructure.

The public funding is required to support marketing and promotion of the event through WRC Promoter GmbH. It will pay for the infrastructure that will bring global media exposure to the event and to the area,

Each event in the ERC calendar is required to pay a hosting fee to WRC Promoter GmbH, the company responsible for all commercial aspects of the FIA World and FIA European Rally Championships. It has responsibility to increase competitor numbers, develop commercial opportunities and propose the venues that form the WRC and ERC calendars.

Rali Ceredigion has entered into a 3-year contract with WRC Promoter to host the UK's round of the European Rally Championship. This exclusive association brings with it an 80-strong TV production team that is capable of broadcasting the events live and syndicating them all over the world.

The association with the promoter also provides extensive global media exposure and a range of publicity campaigns that are designed to showcase the regions in which the rallies take place and generate an increase in commercial activity.

The full cost of the 2024 Rali Ceredigion event is estimated to be £984.5k. A detailed breakdown of the costs is included in Appendix 1 (Exempt).

Economic impact figures from previous years show Rali Ceredigion have already proved it can deliver considerable return on investment to the local economy. As such, organisers are confident that as a round of the European Rally Championship, the event will continue to surpass expectations for the stakeholders, businesses and organisations involved.

Wider opportunities

- The global promotion of Ceredigion to a wider audience via European coverage (potential audience of nine million) – showcasing our outstanding natural landscape. The Darganfod / Discover Ceredigion brand will receive significant exposure through the events promotion work.
- The Council will be analysing traffic to key websites (e.g. Darganfod Ceredigion) to monitor impact.
- Significant local business impact – across accommodation, hospitality and retail sectors.
- The promotion of Ceredigion as a potential key player in the production and use of renewable fuels (including Hydrogen)
- The promotion of career opportunities in the automotive/engineering sectors in Ceredigion. Significant engagement with local schools is underway by the organisers.

Payment Terms/Risks

- Podium Promotions Ltd is the company that has been established to organise the 2024 Rali Ceredigion.
- It is a newly established company under the control of Charlie Jukes.
- Podium Promotions has signed a contract with WRC Promoter for the rights to include Rali Ceredigion as a stage of the European Rally Championship

- The payments may need to be made in advance of the event as the costs for hosting the event become due.

Rali Engage

New for 2024, organisers have launched an initiative that is designed to ramp up and build on the work and achievements Rali Ceredigion has already accomplished at local level. Rali Engage will extend the event's reach and its association with communities and schools, whilst at the same time develop its industry-leading sustainability credentials.

Many of the event's organisers are local people who have a passion to ensure the rally has a truly positive impact on communities in Aberystwyth, across Ceredigion and surrounding areas. With it becoming a round of the ERC and a major international sporting occasion this year, the focus on local matters is even great this year.

Having established close working relationships with businesses, organisations and residents, the Rali Engage campaign will help develop these associations and in doing so, see more people involved and provide greater commercial opportunities. The event's work with schools will involve important subjects such as road safety, health and wellbeing, involvement with sport, working in the automotive industry and the development of sustainable transport.

By prioritising and instigating these initiatives, organisers are confident that Rali Engage will enable the event to build a lasting-legacy that will provide communities, organisations and individuals with benefits and opportunities for many years to come.

Funding

A budget has been set aside within the UKSPF programme for Ceredigion to support major events in Ceredigion. In total 6 events are being supported at a combined investment of £292,000 from UKSPF sources.

Within this events programme, £100k of UKSPF Funding has been initially allocated and agreed by the Partnership Board to support the 2024 Rali Ceredigion event, against a total request of up to £500,000. This will rise to £150k as a result of an investment of £50k in other events from Council sources as set out below:

The Council also has funds in the Boosting the Economy , Supporting Businesses & Enabling Employment Reserve, which has specifically been set aside to support the associated Corporate Wellbeing Objective, this is a one-off form of funding and once spent then it no longer exists, so needs to be spent wisely. The balance in this earmarked reserve is £7.5m as at 31/03/24. This reserve that has carefully and prudently been built up over several years, with use of the reserve to be based on prioritising and targeting resources in the most effective way, to ensure the greatest return and benefit from economic investments made. Earmarked reserves can only be used once and then they are gone, they are not a recurring resource.

Having considered the wider economic business case demonstrating significant overall economic benefits linked to events programme, the CLO Economy & Regeneration in conjunction with the Cabinet Member for Economy & Regeneration are planning to allocate up to an additional £400k to support the investment in the Ceredigion Events programme.

Of the £400k invested in the events programme:

- £50k will go to part fund five events across Ceredigion,
- £100k will be awarded to Rali Ceredigion

Any further investment beyond this level would be appropriate for Cabinet to consider and whilst there is a business case, with any private sector event or project the onus is on the organiser(s) to make it financially viable and sustainable and not be overly reliant on public funds. With that in mind, and noting the organisers request for a total £500k investment, Cabinet could (if minded) agree to underwrite a further £250k sum towards the 2024 Rali Ceredigion event funded from the Growing The Economy, Supporting Businesses & Enabling Employment Reserve.

This approach would be on the basis that the Council expects the organiser(s) to continue to explore and maximise all avenues for sponsorship income and other forms of income. However in the event that there is an overall financial shortfall for the 2024 event, then in addition to the £150k UKSPF funding + £100k economy funding, a further maximum sum of £250k could be expended by the Council if evidence shows that there is a financial shortfall. This approach would also need to ensure that there is no ability for the organisers to make undue profit and / or make Directors loans or pay dividends and / or enact intercompany transfers where related parties are involved.

Wellbeing of Future Generations:

Has an Integrated Impact Assessment been completed? If not, please state why.

No, a full integrated Impact Assessment was carried out during the development of the Economic Strategy, within which the impact of large events on the economy of Ceredigion was considered.

Summary of Integrated Impact Assessment:

Long term:	N/A
Collaboration:	N/A
Involvement:	N/A
Prevention:	N/A
Integration:	N/A

Recommendation(s):

To agree to underwrite up to a further £250k for the 2024 Rali Ceredigion event, with any drawdown against this sum to be appropriately evidenced, funded from the Boosting the Economy, Supporting Businesses & Enabling Employment Reserve.

Reasons for decision:

To support the delivery of the events programme for Ceredigion and to enable the successful running of Rali Ceredigion in 2024 as a stage of the European Rally Championship.

Overview and Scrutiny:

None

Policy Framework:

Delivery of the Economic Strategy for Ceredigion, for which the Boosting the Economy, Supporting Businesses & Enabling Employment Reserve has been allocated.

Corporate Well-being Objectives:

Boosting the economy, supporting businesses and enabling employment

Finance and Procurement implications:

As outlined in the Funding section of the report

Legal Implications:

None

Staffing implications:

None

Property / asset implications:

Some income is generated for the use of assets through the event

Risk(s):

Reputational risk for Ceredigion should the event not happen.

Statutory Powers:

Background Papers:

The value to the UK of hosting major sporting events'

Appendices:

Appendix 1 – Full breakdown of costs (*Exempt*)

Corporate Lead Officer:

Russell Hughes-Pickering, Corporate Lead Officer: Economy and Regeneration

Reporting Officer:

Arwyn Davies, Corporate Manager: Growth and Enterprise

Date:

10.07.24