



Great Britain: Flying High

Part 2: Economic impact study of Land Rover BAR and the Louis Vuitton America's Cup World Series Portsmouth 2016

A report for Land Rover BAR
and TEAMORIGIN Events

LAND ROVER **BAR**



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1. Executive summary

The British entry for the 35th America's Cup challenge, Sir Ben Ainslie's Land Rover BAR (Ben Ainslie Racing), was launched in June 2014. Its aim is to challenge for, and win, the America's Cup for Great Britain.

Two years on, the team has raced in nine Louis Vuitton America's Cup World Series (ACWS) events across the world. This includes two ACWS events staged in the team's home city of Portsmouth: the first in July 2015 and the second in July 2016.

By locating in Portsmouth and hosting the ACWS Portsmouth (ACWSP) events, Land Rover BAR and TEAMORIGIN Events (the organisation that successfully bid to host the ACWSP events) aimed to generate a positive economic and social impact for Portsmouth and the wider UK.

Prior to the ACWSP 2015 event, Land Rover BAR commissioned KPMG to conduct an economic impact analysis to assess the impact of the British team in its first year (1 July 2014 – 30 June 2015), and the ACWSP 2015 event.

In order to understand the impact of its activities over the year following the 2015 KPMG report, and of the ACWSP 2016, Land Rover BAR commissioned KPMG to conduct a further economic impact study.

The estimated impact of Land Rover BAR's America's Cup campaign to date, and of the ACWSP events, is presented in Figure 1 opposite.

The economic framework we have applied to assess the economic impacts captures a number of different effects including:

- gross value added (GVA), a measure of the economic value of goods and services produced by a firm, sector or activity;
- employment and skills; and
- wider spillover effects, for example from innovation and R&D activity and the business benefits from increased tourism and inward investment.

Our analysis is based on data from a range of sources including: Land Rover BAR and TEAMORIGIN Events; responses to surveys carried out by KPMG of ACWSP 2016 spectators, media personnel, visiting America's Cup teams and local businesses; and publically available sources.

¹ These figures cover a 13 month period.

² This adjusts part time or temporary staff into an annual full time equivalent based on the proportion of annual full time hours worked.

³ 4 of these apprenticeships are carried over from the 2014/15 apprenticeships.

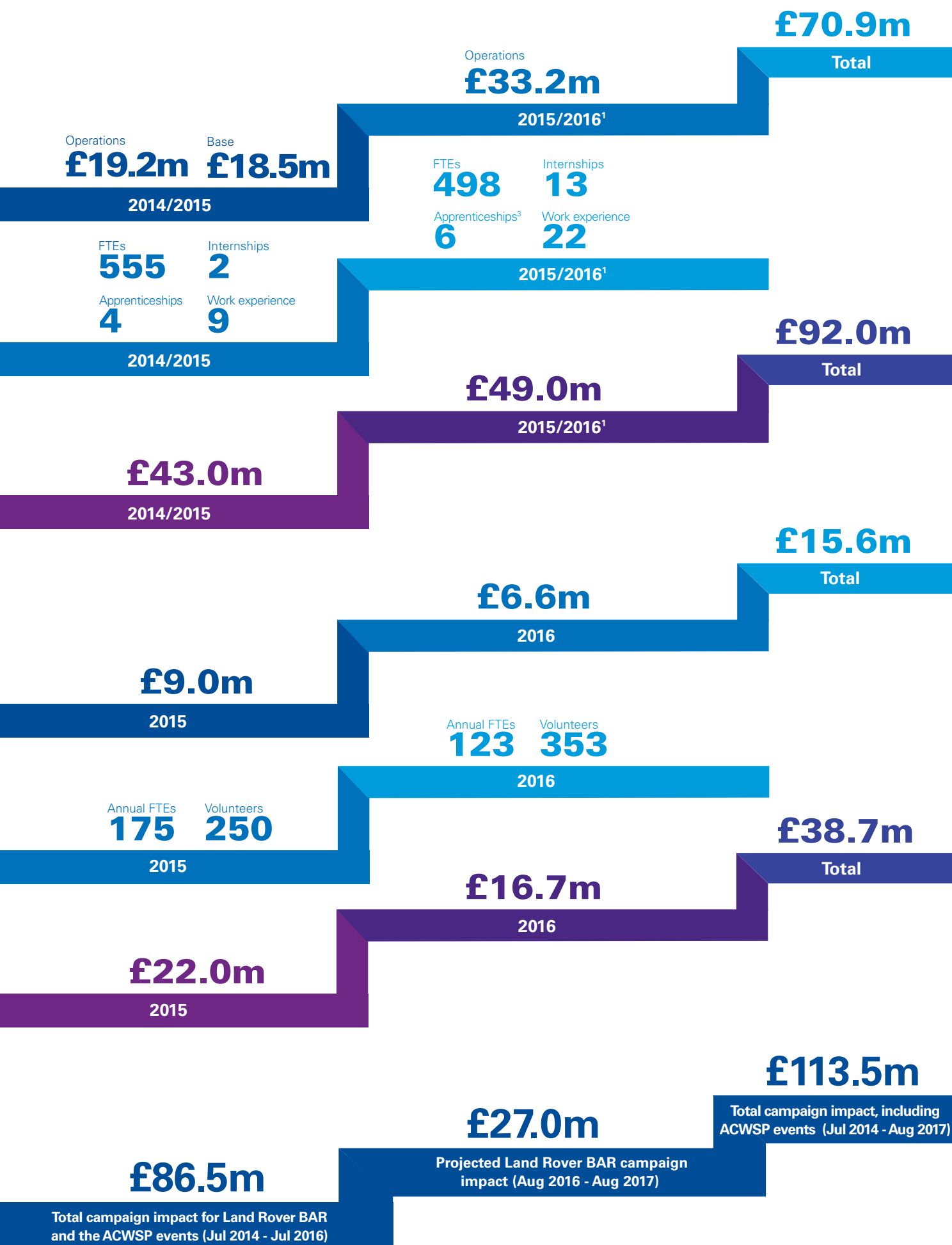
⁴ AVE is the monetised value of what the campaign additional coverage would cost if it were advertising space.

⁵ Displacement effects have been taken into account and deducted from the gross impact resulting in the net impact.

Figure 1: Economic impact of Land Rover BAR and the ACWSP events to date



Source: KPMG analysis



1.1 The economic impact of Land Rover BAR in 2015-2016

From July 2014 to June 2015, a large proportion of Land Rover BAR's economic contribution was a one off contribution driven by the development of its base in Portsmouth.

However, the economic contribution from the team's ongoing operations has grown substantially over the last year as the team has ramped up its activity and investment in its bid to win the America's Cup in Bermuda in 2017. This has included an extensive programme of boat development and testing over the last 13 months.

It is this investment, and the activity supporting it, that has driven Land Rover BAR's economic contribution, both in the local Hampshire economy and nationally in the period from July 2015 to July 2016.

We estimate that over the period from July 2015 – July 2016, Land Rover BAR generated a total of

£33.2m

of GVA in the UK economy including indirect and induced effects.

Of this £33.2m:

£13.5m

was direct GVA generated in Portsmouth.

£12.4m

was indirect GVA. Of this, £7.3 million was generated from Land Rover BAR's spending with immediate Tier 1 suppliers, including £1.5 million with suppliers based in Portsmouth and £2.0 million with suppliers based elsewhere in Hampshire. A further £5.1 million of indirect GVA was generated through the wider supply chains across the UK.

£7.3m

was induced GVA, resulting from spending of wages in the UK by individuals employed directly and indirectly as a result of Land Rover BAR's activities.

These impacts were generated by Land Rover BAR over a 13 month period. To allow for year-on-year comparison we have converted the impact to an annualised figure. Based on this, compared to the GVA contribution estimated in our 2015 report, Land Rover BAR's contribution to the UK economy from its ongoing activity has increased by 60% from £19.2 million between July 2014 and June 2015 to £30.6 million (annualised) based on the period from July 2015 and July 2016.

Based on an indicative spending profile for Land Rover BAR's full 35th America's Cup campaign, running from January 2014 to September 2017, we estimate that the GVA generated over the remainder of the campaign could be in the region of £27.0 m, which would result in a total GVA generated by Land Rover BAR over the full campaign of

£98.0m⁶

between July 2014 and June 2017.

Through its activities from July 2015 - July 2016, we estimate that Land Rover BAR generated

498

jobs in annual full time equivalent (FTE) terms.⁷

This is comprised of:

118

direct FTE jobs at Land Rover BAR, of which 96 are permanent employees and 22 are contracted employees. This includes specialised designers and boat builders, as well as engineers and sailors.

212

indirect FTE jobs in Land Rover BAR's supply chain, supported by its procurement of goods and services from a range of local and national suppliers.

168

induced FTE jobs as a result of spending of wages in the UK by individuals employed directly and indirectly as a result of Land Rover BAR's activities.

⁶ Land Rover BAR campaign to date and remaining campaign projection do not add up to the total campaign figure exactly due to rounding.

⁷ This adjusts part time or temporary staff into an annual full time equivalent based on the proportion of full time hours worked over one year.



In addition, a range of further positive economic, social and sustainability spillovers stem from Land Rover BAR's activity.

By their nature, the impact of these spillovers is harder to quantify in monetary terms. However, they form an important part of the contribution made to the economy and to society more generally.

- **Supporting skills development in the wider community:** Land Rover BAR and the 1851 Trust work closely with schools and community groups in the local area to engage young people in Science, Technology, Engineering and Mathematics (STEM) education. It helps them to develop skills, and to showcase the themes of sport, innovation, technology and sustainability which Land Rover BAR incorporates in its activities. Specifically, Land Rover BAR supports the development of skills in the wider community through its apprenticeship, internship and work experience programmes which have been expanded in 2016. It also supports skills development through its education centre, the 'Tech Deck', which opened in May 2016.
- **Supporting the sustainability agenda:** Land Rover BAR sees itself as a role model in influencing other sports teams and younger generations through its commitment to sustainability.⁸ In October 2016 the team won the Sport for Environment Award at the Beyond Sport Awards, and the team was also shortlisted, along with its Sustainability Partner 11th Hour Racing, for a UK Sponsorship Award 2016 for

Sustainability Sponsorship.⁹ The team also works closely with Land Rover, BT, Low Carbon, and others, to deliver on its sustainability commitment. An example of the type of initiatives implemented by Land Rover BAR is the Solent oyster revival. Through the team's partnership with marina company MDL as its official UK Marina Partner, Land Rover BAR hosted the first trial to increase the oyster population in the Solent on its pontoons, and help to rebuild the fragile eco-system. Land Rover BAR also undertakes a range of outreach and community engagement activities to engage and inspire local people, in particular young people, to act more sustainably.

- **Contributing to technological innovation and knowledge spillovers:** Land Rover BAR has contributed to technology innovation through the design and building of complex and innovative test boats in preparation for the 35th America's Cup in Bermuda in 2017. Between July 2015 and July 2016, the team estimates that it invested

£16.9m

on research and development (R&D), and drew on the expertise of its partners and Technical Innovation Group (TIG) members to enhance and develop its boats and equipment using the latest technologies.

- **Extensive media coverage has given significant exposure to Portsmouth and the UK marine sector:** By basing

itself in Portsmouth and highlighting this in its media activity, Land Rover BAR's coverage has helped to raise the profile of the city and region as a tourist destination and as a place to do business, particularly for the marine sector. Land Rover BAR believes that this could help to generate long term economic growth for the area.

Media coverage of the team from 1 August 2015 to 1 August 2016 had an advertising value equivalency (AVE)¹⁰ of

£49m¹¹

There were nearly 9,000 pieces of coverage over this period with a total audience reach of 1.5 billion people worldwide.

- **Impacts through the Land Rover BAR Academy:** Land Rover BAR recognises the importance not only of training its current America's Cup team, but also of looking forward and developing Britain's future sailing talent. It aims to achieve this through its sustainable talent programme - the Land Rover BAR Academy - launched in January 2016. The Academy aims to develop sailing skills and talent, as well as sporting excellence, which will flow through to building Britain's future America's Cup teams.

⁸ <http://land-rover-bar.americascup.com/en/sustainability.html>

⁹ <http://www.sponsorship-awards.co.uk/roll-of-honour>

¹⁰ AVE is the monetised value of what the campaign additional coverage would cost if it were advertising space.

¹¹ This figure includes an estimated £3 million of AVE generated from Land Rover BAR's coverage at the ACWSP 2016, which is also included in the event media figure.

1.2 The economic impact of the Louis Vuitton America's Cup World Series Portsmouth (ACWSP) 2016

Hosting two ACWSP events in successive years provided TEAMORIGIN Events with the opportunity to make improvements to the event operation and format for the second year, as well as to build on the existing relationships forged with suppliers, local and regional businesses and other stakeholders.

Based on feedback from the ACWSP 2015, TEAMORIGIN Events made a number of changes to the event format to improve the spectator experience. These changes reduced the scale of the event, but increased its focus on the America's Cup sailing and aimed to make the event more sustainable in the long run by attracting more sailing and sporting fans.

The ACWSP 2016 generated economic impacts in Hampshire and the UK as a whole through spending on the staging of the event, funded in part by

£1.4m

in ticket and hospitality ticket revenues and also through additional

expenditure incurred by the

141,806

attendees – including spectators, VIPs, team members, contractors, media personnel and volunteers – over the 4 days of the event.

We estimate that the ACWSP 2016 generated a net total of

£6.6m

of GVA in the UK economy, including indirect and induced effects.

This was generated through a number of channels:

£0.9m

is the estimated direct and induced GVA generated by TEAMORIGIN Events through its spending on staffing for the event.

£2.2m

is the estimated indirect and induced GVA generated through suppliers to the event. Of this £1.5 million was generated through spending by TEAMORIGIN Events with UK suppliers to stage the ACWSP 2016, 61% of which was with suppliers based in Hampshire. A further £0.7 million was generated through spending by major sponsors on sponsorship activation.¹²

£1.7m

is the estimated net GVA generated over the course of the four days of the event as a result of spending by the 127,807 spectators¹³ at the ACWSP 2016. This reflects the spending at the event over and above what these spectators would otherwise have spent in the UK had the event not been staged.



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£1.8m

of additional GVA is estimated to have been generated through other attendees' ¹⁴ spending at the ACWSP 2016. This includes: £0.5 million of GVA generated through competing teams staying in Portsmouth in the run up to and during the event; £1.2 million of GVA generated through VIP spending on hospitality packages and chartering boats; £0.02 million generated through volunteers' spending at the event; and £0.1 million of GVA from media personnel attending to report on the event.

Combined, the ACWSP 2015 and ACWSP 2016 generated an estimated

£15.6m

of net GVA for the UK economy.

¹² Sponsorship activation refers to the activity by sponsors, particularly in the form of marketing and communication, to promote the engagement, involvement, or participation of the sponsorship audience with the sponsor. See Weeks, C.S., Cornwell, T.B., Drennan, J.C. (2008). Leveraging sponsorships on the internet: Activation, congruence, and articulation. Psychology and Marketing. Available from: https://deepblue.lib.umich.edu/bitstream/handle/2027.42/60223/20229_ftn.pdf;jsessionid=92AFAFB4C20E3B9B1708CDD8B214711F?sequence=1

¹³ This includes ticketed spectators and VIPs, non-ticketed spectators watching from on land around Portsmouth and spectators watching from boats on the water.

¹⁴ Other attendees include other America's Cup teams, VIPs spending on hospitality packages, media personnel and volunteers.



And through the hosting of the event, and spending by spectators and other attendees, we estimate that the ACWSP 2016 generated a net

123

jobs, in annual FTE terms, for 2016, comprising:

8

net direct annual FTE jobs for 2016 at TEAMORIGIN Events associated with the ACWSP 2016;

105

net indirect annual FTE jobs for 2016 across immediate Tier 1 suppliers to the event, businesses supported by spending of spectators and other attendees of the ACWSP 2016 and the wider supply chains of these suppliers and businesses; and

10

net induced annual FTE jobs for 2016 as a result of indirect employees spending their incomes in the UK.

The event also hosted

353

volunteers across the 4 days of ACWSP 2016. These individuals generated economic value associated with the time they volunteered at the event. Based on the eventIMFACTS¹⁵ methodology, we estimated that the value of the work carried out by these volunteers for the ACWSP 2016 was over

£130,000¹⁶

¹⁵ A collaboration between UK Sport, Visit Britain, EventScotland, the London Development Agency, the North West Development Agency, Yorkshire Forward and Glasgow City marketing Bureau.

¹⁶ This is estimated based on the 353 volunteers working at the event across each of the 4 days, an average hourly wage provided by eventIMFACTS of £11.54 and the opening times of the event area from 10am-6pm each day.

¹⁷ This excludes BT Sport live and BBC highlights in the UK. The figure includes an estimated £3 million of AVE generated from Land Rover BAR's coverage at the ACWSP 2016, which is also included in Land Rover BAR's media figure.

The positive economic impacts are reflected in the experiences of many local businesses in Portsmouth:

Of those businesses that responded to the KPMG business survey,

57% experienced an overall increase in their sales as a result of the ACWSP 2016.

For many respondents, the level of permanent employment did not change as a result of the event. However, 23% of businesses reported that they had increased their level of temporary staff for the event.

A quarter of businesses surveyed reported an increase in planned or actual investment as a result of the ACWSP 2016.

There may be a series of longer term positive economic benefits stemming from the ACWSP 2016, particularly in relation to potential increases in future visitor numbers to Portsmouth:

- **Impacts on future tourism:** Events such as the ACWSP 2016 not only bring tourists to Portsmouth for the event itself, but they may also help to generate tourism in the area in the longer-term. If spectators have a positive experience in the local area during the event they may be more likely to return in the future.

92% of spectators surveyed indicated that they are likely to visit the Portsmouth area again in the future.

A third of these said that the likelihood of returning had increased as a result of attending the ACWSP 2016.

- **Media coverage at the event:** The event was attended by 723 media personnel representing 17 countries. Data on media coverage of the ACWSP 2016 suggests the event had a wide reach: in the UK the event was covered by a range of media including print coverage by national newspapers and supplements and other press; TV coverage by BT Sport and features by the BBC; as well as radio and social media coverage. It is estimated that, combined, this generated £14.0 million in AVE and reached a cumulative audience of 893 million in the UK. International television coverage added an estimated £2.7 million of AVE to the UK figure, bringing the total media value to

£16.7m¹⁷ in AVE

This coverage has the potential to have put Portsmouth on the map, encouraged increased attendance at future events, and to have raised the profile of Portsmouth from both a business and tourism perspective.

- **Social impacts of ACWSP 2016:** Hosting a major event has the potential to deliver both short and long term benefits beyond the immediate economic impacts generated over the duration of the event itself. These include social impacts on local communities and those involved in the event. For example, over the four days of the event, [the 1851 Trust provided the opportunity for](#)

350 young people

from local schools, youth organisations and local sailing clubs to learn more about the technology behind sailing and the marine environment. The volunteering experience gained by 353 individuals is also expected to have delivered social benefits; they provide people with opportunities to develop new skills and training and provide real life work experiences to individuals who may not be otherwise able to gain it.



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2. About our study

2.1 The 35th America's Cup campaign

Officially launched in June 2014, Land Rover BAR, the British Challenger for the 35th America's Cup, is now two-thirds of the way through its campaign.

The competition kicked off in Portsmouth in July 2015, with the first of nine ACWS events.

Land Rover BAR competed in a further five ACWS events held across the world including in Sweden, Bermuda, Oman and New York and Chicago in the USA before returning to Portsmouth in July 2016 to compete in the seventh preliminary event, the ACWSP 2016.

Since the ACWSP 2016, the team has competed in Toulon, France in September, and in the final ACWS event in Fukuoka, Japan in November, finishing at the top of the leaderboard at the end of the series.

In 2017, the competition will move to Bermuda for a series of Qualifiers and Challenger Playoffs, culminating in the 35th America's Cup Match between the top ranking team from the Challenger Playoffs and the defending champion, ORACLE TEAM USA, in June 2017.

2.2 Findings of the 2015 economic impact study of Land Rover BAR and ACWSP 2015

Land Rover BAR has a significant presence in Portsmouth, having built and opened its team headquarters in the historic Old Portsmouth area in June 2015.

There are both economic and social impacts that have arisen as a result of Land Rover BAR's presence in Portsmouth.

The ACWSP 2015, hosted by TEAMORIGIN Events, added to these impacts through the staging of the event itself, attracting visitors to the Portsmouth area more generally and from the media coverage of the event.

In 2015, Land Rover BAR commissioned KPMG LLP (KPMG) to undertake an assessment of the economic impact of the British Challenger team and of the ACWSP 2015 event on the local and UK economy.

KPMG's report¹⁸, published in November 2015, found that:

- Between July 2014 and June 2015, Land Rover BAR contributed an estimated total of £37.7 million of gross value added (GVA)¹⁹ to the UK economy including indirect²⁰ and induced impacts.²¹ Of this, £19.2 million was generated from the team's ongoing activities and £18.5 million was generated by the construction and equipping of the team's base in Portsmouth.
- Through its activities, Land Rover BAR generated 555 FTE jobs, including indirect and induced employment. Within this, it supported four apprenticeships and two internships. In addition Land Rover BAR hosted nine work experience placements.²²
- Land Rover BAR generated wider social and environmental impacts in the economy through its sustainability agenda and through innovation and collaboration. The team also generated an estimated £43 million²³ of advertising value equivalency (AVE)²⁴ through media coverage.
- The ACWSP 2015 event generated a further £9 million of GVA in the UK economy, including indirect and induced impacts. Of this, £4.3 million was generated via the hosting of the event, £4.3 million came from the additional spending of spectators, and £0.4 million was generated through the expenditure of teams, international media and VIPs.
- The economic activity associated with the ACWSP 2015 supported 175 net annual FTE jobs for 2015, not including the 250 volunteers who were engaged over the course of the event.
- The ACWSP 2015 focused global media attention on Portsmouth and the UK, with an estimated AVE of its media coverage of £22 million.²⁵

2.3 The economic framework for assessing the impact of Land Rover BAR and the ACWSP 2016

Since July 2015, Land Rover BAR has substantially expanded its activity and investment in preparation for the 35th America's Cup in Bermuda in 2017.

In addition, TEAMORIGIN Events hosted a second ACWS event in Portsmouth in July 2016.

To understand the additional economic impact generated by Land Rover BAR since KPMG's last report and the economic impact of the ACWSP 2016, Land Rover BAR commissioned a second study from KPMG. This second report comprises an economic analysis of the impact of Land Rover BAR from 1 July 2015 through to 31 July 2016 (the latest month of data available at the time of the analysis) and of the ACWSP 2016.

The analysis of Land Rover BAR's GVA and employment impacts included in KPMG's 2015 report covered the 12 months following the team's launch in June 2014 (i.e. the period July 2014 – June 2015). Due to the availability of data at the time that the analysis was undertaken, the analysis did not include July 2015, when the ACWSP 2015 took place.

The analysis in this report covers the 13 month period from 1 July 2015 to 31 July 2016 inclusive and includes the team's activity and expenditure at both the ACWSP 2015 and ACWSP 2016 events.

We also present the cumulative impact of Land Rover BAR's contribution to the local and UK economy to date since its launch, covering the period from July 2014 to July 2016 inclusive.

¹⁸ KPMG (2015), Great Britain: A time to fly. Economic impact study of Land Rover BAR, the British America's Cup Challenger, and the Louis Vuitton America's Cup World Series Portsmouth 2015. Available at: https://benainsliercing-images.s3.amazonaws.com/files/m1228_land-rover-bar-acws-portsmouth-economic-impact-report-1-1.pdf

¹⁹ Gross value added (GVA) is a measure of the economic value of goods and services provided by a firm, sector or activity.

²⁰ Indirect impacts refers to the additional GVA generated in the economy due to Land Rover BAR's suppliers delivering goods and services to the firm. Further impact is generated through Land Rover BAR's wider supply chain.

²¹ Induced impacts are also generated in the economy as a result of the direct and indirect economic activity. These contributions arise from direct and indirect employees spending a proportion of their wages in the UK, which generates further economic activity in the UK economy.

²² Work experience placements are not included in the FTE figure as they are unpaid. Nonetheless they generate GVA for the economy.

²³ Land Rover BAR media tracking data June 2014 – July 2015. This figure includes around £6 million of value associated with the team's coverage at the ACWSP 2015 and is included in the AVE figure for the event below.

²⁴ AVE is the monetised value of what the campaign additional coverage would cost if it were advertising space.

²⁵ This figure includes around £6 million of value associated with Land Rover BAR's coverage at the ACWSP 2015 and is included the team's media valuation.

The economic framework we have applied to assess the economic impacts is consistent with the framework applied in KPMG's 2015 report.

Economic impacts can be considered in terms of gross or net impacts.

The analysis within this report considers the gross economic impact of Land Rover BAR. This is on the basis that without Land Rover BAR there is unlikely to have been an alternative British entry to the America's Cup and therefore the activity would not otherwise occur.

In our analysis of the ACWSP 2016 we have taken into account the degree to which any consumer spending at the ACWSP 2016 event may have resulted in reduced spending elsewhere in the UK economy ('displacement').

Our economic impact assessment captures the following impacts:

- gross value added;
- employment and skills; and
- wider economic spillover effects.

2.3.1 Gross value added

The first measure of Land Rover BAR's and the ACWSP 2016's economic contribution to the UK economy is GVA.

GVA measures the contribution to the economy of an individual producer, industry, sector or activity, net of intermediate consumption (for example goods and services that are used in the production process). It is a measure of the economic value of goods and services produced.

GVA is an important measure of the economic activity of any business. Gross domestic product (GDP) measures output of the economy as a whole. It is a key indicator of the state of the economy and of economic growth. If one were to sum the GVA across all sectors of the economy, and add to that tax revenues less any subsidies that the Government pays out, the result would equal the nation's GDP. The GVA of any business, together with the tax revenues it generates, measures, therefore, its contribution to the nation's gross domestic product and to economic growth.



Land Rover BAR contributes to UK economic activity in several ways.

Through its own activities, Land Rover BAR generates GVA directly through its own activities (its 'direct GVA contribution').

The direct GVA of an organisation is primarily comprised of its operating profits and employee costs²⁶. However, Land Rover BAR currently reinvests all of its revenues on its America's Cup campaign. Therefore, in the absence of any operating profit, its direct GVA contribution comes from its employee costs alone.

Land Rover BAR generates further impacts through its spending with UK based suppliers on goods and services to support, for example, the development and building of its boats, the training of the team, and its standard business operations. This spending represents Land Rover BAR's indirect economic contribution to the UK economy.

Indirect impacts are generated when Land Rover BAR purchases goods and services from suppliers to support, for example, the development and building of its boats, the training of the team, and its standard business operations. The additional economic activity involved in

producing and supplying these goods and services generates GVA and employment within these suppliers themselves, as well as through their own suppliers. This trickledown effect through the wider supply chain generates indirect impacts through the economy.

However, Land Rover BAR generates further impacts through its spending with UK based suppliers. This represents its indirect economic contribution in the UK. Indirect impacts are generated when Land Rover BAR purchases goods and services from suppliers to support, for example, the development and building of its boats, the training of the team, and its standard business operations. The additional economic activity involved in producing and supplying these goods and services generates GVA and employment within these suppliers themselves, as well as through their own suppliers. This trickledown effect through the wider supply chain generates indirect impacts through the economy.

Similarly, TEAMORIGIN Events generates direct GVA through its activity in co-ordinating and organising the ACWSP 2016 and indirect GVA from its spending with the suppliers involved in staging the event and through their wider supply chains.

²⁶ ONS, Measuring the economic impact of an intervention or investment, Paper Two: Existing sources and methods, 2010.

In addition, as with most events of its kind, the ACWSP 2016 generated further GVA through additional spending of attendees at the event and in the local area. Spending by visitors directly generates additional revenues (and hence GVA) with local businesses, which then generates additional economic activity (and indirect GVA) through these businesses' supply chains.

Impacts from the ACWSP 2016 were therefore generated through spending by:

- TEAMORIGIN Events, on hosting the event;
- event sponsors and partners on public activation;
- spectators whilst attending the event;
- spectators on hospitality packages;
- competing America's Cup teams; and
- media personnel reporting on the event.

Induced GVA is also generated in the economy as a result of the direct and indirect economic activity. These contributions arise from direct and indirect employees spending a proportion of their wages in the UK, which generates further economic activity in the economy. These impacts spread through the economy, with some leakages at each stage due to savings and imports (spending which flows abroad).

2.3.2 Employment and skills

Employment is the second measure of economic contribution considered in our analysis.

We report employment in full time equivalent (FTE) terms. This adjusts part time or temporary staff into an annual full time equivalent based on the proportion of full time hours worked over one year. For the ACWSP 2016, these are represented by employment for a single year (2016). This approach is taken as the one-off event does not generate ongoing employment in the economy, although by staging repeated events, this impact could be sustained.

As with GVA impacts, employment takes the form of direct, indirect and induced impacts.

Land Rover BAR employs staff directly, as well as engaging independent contractors as part of its operations. As independent contractors are individual



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workers and, therefore, deliver equivalent activity as that of employees, we have included these in the direct employment and GVA figures rather than as suppliers.

Direct employment was also generated within TEAMORIGIN Events to stage the ACWSP 2016. This employment comprises the time spent by permanent employees of the company on delivering the event and the full time contractors that were hired to support the event delivery, in both cases adjusted to FTEs employed in the event delivery.

In addition to the people they employ directly, the activities conducted by Land Rover BAR and TEAMORIGIN Events support the jobs of a range of employees in supplier organisations, as well as through the wider supply chains. These jobs represent the 'indirect employment'

arising from Land Rover BAR and TEAMORIGIN Events.

Furthermore, induced employment was generated by Land Rover BAR's and TEAMORIGIN Events' activities through direct and indirect employees spending a proportion of their earnings, and thus stimulating additional activity and hence employment, in the economy.

It is not only the number of jobs supported that is important when considering the economic impact of an organisation. The skill level of the jobs is also important. In general, higher skilled employment generates more value added in the economy and thus makes a greater contribution towards economic growth. Since skilled employment tends to be more productive than unskilled employment, any employer that increases the skill



level of the workforce will, by definition, be making a positive contribution to the nation's productivity. Therefore, we consider the contribution of Land Rover BAR to skills generation in our analysis.

2.3.3 Wider spillover effects

The impact of Land Rover BAR and the ACWSP 2016 goes beyond their GVA and employment impacts.

Land Rover BAR generates wider environmental, technological and social impacts through its focus on sustainable operations; its engagement with local schools and the community; and through the spillovers from its innovation and collaborations.

And, as part of staging the ACWSP 2016, TEAMORIGIN Events engages with the local community, for example, through a volunteering programme and the promotion of sailing.

Land Rover BAR and TEAMORIGIN Events also seek to achieve longer term economic impacts through the hosting of the ACWSP and their wider activities in Portsmouth. For example, by attracting new visitors and media interest, the aim is for Portsmouth to gain additional exposure to wider international and domestic markets, leading to increased tourism and business for the local area going forward.

These impacts, by their nature, are harder to quantify and monetise than the more tangible economic impacts set out above. Nonetheless, they can be an important part of the contribution that an organisation/event makes to the economy and to society more generally. Therefore, we have included a mainly qualitative assessment of these impacts

within the report, focused on illustrating the nature and breadth of the wider impacts that may be generated.

2.4 Sources of information

2.4.1 Land Rover BAR

Our analysis of the impact of Land Rover BAR is based primarily on data from its internal management accounts, including data and information on its supplier spending and employment.

We supplemented these data with information directly from Land Rover BAR, and from our own wider research, on the team's innovation activity, partnerships, sustainability agenda and educational programme.

Information and data were also collected relating to key partners and suppliers as part of the case studies included in this report. This was obtained from Land Rover BAR and from case study participants.

2.4.2 ACWSP 2016

Our core analysis of the economic impact of the ACWSP 2016 is based on four main sources of data:

- Data provided by TEAMORIGIN Events, covering: its spending with suppliers involved in staging the event; information on hotel bookings through Travel Places, the official travel agency for the event (which captures room bookings for the competing teams, event sponsors and partners attending the event); and data on the spending on hospitality packages.

- Surveys of spectators, media personnel and visiting America's Cup teams to capture information and data on spending patterns whilst attending the ACWSP 2016.
- A survey of 48 local businesses to assess the impact of the event on their employment, sales and investment.
- Information gathered as case studies of local businesses, event suppliers and partners. The case study participants were selected by TEAMORIGIN Events and Land Rover BAR to illustrate the wider impact of the ACWSP 2016.²⁷

In order to assess the economic impacts relating to the hosting of the ACWSP 2016, our analysis draws on recognised economic impact analysis methodologies set out in HM Treasury's Green Book²⁸, as well as industry standard methodologies for measuring the impact of events, based on guidance provided by eventIMPACTS.²⁹ Our approach and methodology is in line with that applied in KPMG's 2015 report.³⁰

The analysis of the ACWSP 2016 event covers activity associated with the event in 2016 only. However, the economic impact associated with the ACWSP 2015, as estimated in KPMG's 2015 report, has been referenced.

The approach to our analysis is detailed in full in the Technical Appendix³¹ to this report.

²⁷ KPMG conducted interviews and information gathering for the Showsec case study, while Land Rover BAR and TEAMORIGIN Events directly provided the case study material to KPMG for the Grapefruit Graphics, BT 100% Sport, Harrisons and TJ Waste case studies.

²⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220541/green_book_complete.pdf

²⁹ A collaboration between UK Sport, Visit Britain, EventScotland, the London Development Agency, the North West Development Agency, Yorkshire Forward and Glasgow City marketing Bureau.

³⁰ KPMG, Great Britain: A time to fly. Economic impact study of Land Rover BAR, the British America's Cup Challenger, and the Louis Vuitton America's Cup World Series Portsmouth 2015. https://benainslieracing-images.s3.amazonaws.com/files/m1228_land-rover-bar-acws-portsmouth-economic-impact-report-1-.pdf

³¹ The Economic Impact of Land Rover BAR and the Louis Vuitton America's Cup World Series Portsmouth 2016: Technical Appendix.

3. The economic impact of Land Rover BAR in 2015-2016

3.1 Land Rover BAR's contribution to the GVA of Portsmouth and the UK

As our analysis in this section of the report goes on to show, Land Rover BAR's decision to base its operations in Portsmouth has had a significant positive impact on the local and national economies.

In terms of the team's ongoing operations, the economic contribution that it makes has grown substantially over the last year as the team has ramped up its activity and investment in its bid to win the America's Cup in Bermuda next year.

Land Rover BAR has undertaken an extensive programme of boat development and testing over the last 13 months in preparation for the 35th America's Cup in 2017. Although teams competing in the America's Cup are allowed just one final race boat - America's Cup Class (ACC) foiling catamaran - they are allowed to build a series of smaller test boats in the run up to the America's Cup Qualifiers.

Land Rover BAR's preparation has included the testing and development of its T2 testing boat launched in October 2015 at the team's Portsmouth base. Focus has since turned to the third and fourth in the series of testing boats, with the T3 launched in April 2016 and the T4 in the summer of 2016. These testing boats help the team to develop the systems that will be used on the final race boat.

It is these investments, and the supporting activity, that have driven Land Rover BAR's economic contribution, both in the local economy and nationally.

As noted in Section 2.3.1, Land Rover BAR currently spends all its revenues on its America's Cup campaign, including the activity and investment highlighted above. The direct GVA generated by Land Rover BAR's activity and operations, therefore, comes through its payroll and contractor spending.

This equates to a direct GVA contribution of £13.5 million for the 13 months to the end of July 2016.

In addition to the direct GVA generated, Land Rover BAR generates a wider economic impact in Portsmouth and the UK through its supplier spending, totalling £20 million of expenditure in the 13 months to July 2016.

Based on our analysis of Land Rover BAR's supplier data, we estimate that the team spent around

£15m

with companies based in the UK,

75%

of its total supplier spend.

Of the £15 million spent with UK suppliers, £3 million was spent with suppliers based in Portsmouth. A further £4 million was spent with suppliers elsewhere in Hampshire.

In 2016, Land Rover BAR continued its strong relationship with local boat builder Green Marine Ltd. Green Marine specialises in building high performance race boats and luxury lightweight yachts. The company is based in Hythe near Southampton. In the 13 months to July 2016, Green Marine was Land Rover BAR's biggest UK supplier, with 13% of Land Rover BAR's total UK supplier spend going to Green Marine.

Land Rover BAR's UK expenditure is distributed across over 650 UK suppliers operating in 50 different sectors:

40%

of the team's UK supplier spend was with businesses in the manufacturing sector. Over a third of this was with companies falling within the 'building of ships and boats' industry classification.

17%

of the team's UK supplier spend was with businesses in the 'professional, scientific and technical activities' sector. Within this sector classification, around 69% of the spending was with suppliers in the more specific sub-sector classifications of

'architectural and engineering activities; technical testing and analysis' and 'computer programming, consultancy and related activities'.

The remaining 43% of the team's UK supplier spend was with companies across a wide range of other sectors including 'financial and insurance activities', 'construction', and 'transport and storage'.

Land Rover BAR's spending with its UK Tier 1³² suppliers generates indirect GVA within these suppliers, within the Tier 1 suppliers' own suppliers, and throughout the wider supply chains.

Induced GVA is also generated in the UK economy through wage spending on goods and services by Land Rover BAR's employees and the employees supported within its supply chain. All spending in the UK by these employees generates economic activity and thus GVA.

As Land Rover BAR's employees are concentrated in the Portsmouth and wider Hampshire areas, a large proportion of the positive economic impacts generated from employees' spending their wages is likely to have a localised impact. This will include local spending on housing, retail and leisure.

Some employee spending will leak outside of the Hampshire area to other parts of the UK, although this leakage will still generate economic benefits for the wider UK economy. A small proportion³³ of the spending will be spent on goods and services purchased directly from outside the UK, for example whilst on holiday abroad and, therefore, this will not be captured in the economic benefits generated for the UK economy.

In addition, the indirect employment generated through Land Rover BAR's supplier spending will create further induced impacts as a result of employees in Land Rover BAR's supply chain spending their income in the economy. Although some of this will be within the Portsmouth and Hampshire areas, this is more likely to be spread across the wider UK given the geographical spread of suppliers. And again a proportion of this will leak outside of the UK economy.

³² Tier 1 suppliers are those which supply directly to Land Rover BAR with no intermediary company.

³³ Data from the ONS Living Costs and Food Survey suggests that for 2015, around 3% of household expenditure was spent abroad.

See: <http://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/compendium/familyspending/2015/listoftablesappendix>

Taking into account the direct GVA, the indirect impacts through the supply chain and the induced impacts combined, we estimate that the total GVA generated through Land Rover BAR's ongoing operations over the period July 2015 – July 2016 was

£33.2m

This is comprised of:

£13.5m

of direct GVA. Of this, an estimated £6 million of direct GVA was generated through payroll spending with employees living in Portsmouth, equivalent to approximately 38% of total direct GVA. A further £2.8 million of direct GVA was generated through payroll spending with employees living in elsewhere in Hampshire.

£7.3m

of indirect GVA, generated through Land Rover BAR's spending with its immediate Tier 1 suppliers. Of this, 21% was generated through its spending with suppliers based in Portsmouth, and a further 26% through suppliers based outside of Portsmouth in the wider Hampshire region.

A further

£5.1m

of indirect GVA was generated through the wider supply chain across the UK.

£7.3m

of induced GVA was generated through Land Rover BAR's direct and indirect employees' spending a proportion of their wages in the UK economy.

Combining the impacts identified above with those estimated in KPMG's 2015 report, we estimate that for the 25 month period following Land Rover BAR's launch in 2014 to the end of July 2016, Land Rover BAR has contributed a total of

£70.9m

of GVA to the UK economy.



© Land Rover BAR

3.2 Generating employment and supporting skills

As well as contributing to the economy through its GVA impact, Land Rover BAR impacts the local and national economy through its employment and investment in the skills and development of its current workforce and the future local workforce.

In July 2016, Land Rover BAR employed

152

people³⁴, of whom 116 were employees and 36 were contractors.

Approximately 37% of these 152 employees lived in the Portsmouth area, with a further 23% living in the wider Hampshire region.

Of the 152 people employed, 120 are employed on a full time basis, and the remaining 32 are employed on a part time basis. Converting this to full time equivalent (FTE) employees, Land Rover BAR employment is equivalent to

118

FTEs, of whom 22 are FTE contractors and 96 FTE employees.

Land Rover BAR also supports employment within its supply chain. Through its supplier spending, we estimate that Land Rover BAR indirectly supported a further

212

FTEs in the UK between July 2015 and July 2016.

A further

168

induced FTEs were employed in the UK economy as a result of Land Rover BAR's direct and indirect employees spending the wages associated with their direct or indirect work for Land Rover BAR in the wider economy.

This means that over the period July 2015 – July 2016, Land Rover BAR supported a total of

498

FTE jobs in the UK economy. In addition, Land Rover BAR supports employment of 2 FTEs through its Official Charity, the 1851 Trust.

As noted above, in general, higher skilled jobs generate more value added in the economy and thus make a greater contribution towards economic growth. Moreover, any employer contribution to promoting and generating skills in its workforce will positively contribute to raising the nation's productivity.

Land Rover BAR's team of 38 designers and 22 boat builders apply advanced technologies and techniques to develop and build Land Rover BAR's boats. These highly skilled employees account for 39% of Land Rover BAR's workforce. Through collaboration with other organisations such as Land Rover, BT and BAE Systems and through its own research and development, Land Rover BAR is advancing the skills of its workforce.

The knowledge capital that is developed through these activities generates direct benefits for the team, but can also generate benefits for the wider marine sector in Portsmouth, Hampshire and the UK. This can occur through knowledge spillovers as a result of collaboration and

the movement of skilled labour, meaning that other companies can benefit from the new skills and technologies developed.

In addition to its own skilled workforce, the suppliers that Land Rover BAR purchase goods and services from include those operating in high-skilled sectors such as specialised manufacturing and engineering. Again, this generates additional benefits to the economy as an indirect effect of Land Rover BAR's activities.

As well as investing in its current workforce, Land Rover BAR invests in its own, and the wider community's, future workforce through its apprenticeship, internship and work experience programmes. More detail on these is included in the Section 3.3.1 below.

3.3 Generating wider economic and social impacts

Additional to its economic contribution to Portsmouth and the UK, Land Rover BAR also generates wider social and environmental impacts through its operations and specific initiatives.

3.3.1 Supporting skills development in the wider community

Land Rover BAR and the 1851 Trust engage closely with schools and community groups in the local area to engage young people in Science, Technology, Engineering and Mathematics (STEM) education, develop skills, and to showcase the themes of sport, innovation, technology and sustainability which Land Rover BAR incorporates in its activities.

Specifically, Land Rover BAR supports the development of skills in the wider community through its apprenticeship, internship and work experience programmes, which have been expanded in 2016, as well as through its Education Centre, known as the 'Tech Deck'.

Through its work experience programmes, Land Rover BAR offers young people an opportunity to gain insight into the day-to-day operations of a working professional sports team as well as a business operating in the marine industry. Since June 2015,



³⁴ In headcount terms.

³⁵ <http://land-rover-bar.americascup.com/en/tech-deck.html>

³⁶ <http://www.1851trust.org.uk/education/stemcrew/>

³⁷ UKCES, The Supply of and Demand for High-Level STEM Skills, 2013. Available from: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/302973/evidence-report-77-high-level-stem-skills_1_.pdf

Land Rover BAR has expanded its work experience and training programmes, offering these opportunities to more individuals.

As at the end of July 2016, Land Rover BAR employed:

6 apprentices;
13 interns; and
22 work experience students.

There were an additional four work experience students involved in building the boats for Land Rover BAR, one of which was taken on at Green Marine, a supplier to Land Rover BAR.

The number of people employed through Land Rover BAR's work experience and training programmes has increased substantially since 2015, with 2 additional apprentices and 11 more interns taken on and a more than doubling of the number of work experience students.

Land Rover BAR and the 1851 Trust also engage with the local community in providing access to teaching resources for local schools. It has invested in developing a 'Tech Deck' which is open to visitors and local schools.

The Tech Deck is housed in Land Rover BAR's headquarters in Portsmouth and offers visitors the opportunity to get up close to the boats, technology and resources that Land Rover BAR uses when designing, building and racing its boats. The experience includes sixteen hands-on interactive exhibits which cover a range of aspects of the America's Cup boats. The aim is also to educate young people in STEM subjects and the roles that these play in the everyday work of Land Rover BAR. For example, one exhibit is a virtual reality experience where the visitors can steer the boats and adjust the foils, combining a sailing experience with application of



the principles of physics, with the aim of getting the fastest time around two courses.³⁵

To reach a wider audience, Land Rover BAR, in collaboration with its official charity the 1851 Trust, and BT, has launched BT STEM Crew, a free online STEM learning programme.³⁶ The programme aims to engage both girls and boys aged 11-16 in biology, physics, maths and design & technology; develop young people's STEM skills; and to showcase the vital role STEM skills play in the real world and highlighting the career opportunities available. This has the potential to deliver both social and economic impacts through enhancing the career prospects of individual students, as well as being critical for the growth of the economy as a whole.³⁷

The Tech Deck was opened in May 2016 by the Duchess of Cambridge.³⁸ It aims to educate children and young people about sport, sailing and the America's Cup through interactive and educational visits. Since opening,

302 young people from Portsmouth have had the opportunity to experience the wide range of exhibits and learn about the technology behind the America's Cup events.³⁹

Land Rover BAR and the 1851 Trust expect to expand visitor numbers to the Tech Deck year-on-year. As part of this, it has set the ambition to have hosted 35% of the Solent region schools by the end of 2017. And to support this, by the end of 2016, Land Rover BAR intends to employ a dedicated Education Manager.

Land Rover BAR also supports the wider community through the work of the 1851 Trust, with a focus on sailing, education and sustainability. As well as supporting the BT STEM Crew programme, the 1851 Trust provides opportunities for young people from a wide demographic background to experience sailing for the first time, helping them gain responsibility and build core life skills such as team work and communication.⁴⁰

³⁸ Land Rover BAR Sustainability Report Q2 2016.

³⁹ Land Rover BAR Sustainability Report Q2 2016.

⁴⁰ <http://www.1851trust.org.uk/about/>



CASE STUDY / Grapefruit Graphics, supplier to Land Rover BAR

Grapefruit Graphics is a branding company based in Fareham, just 8 miles from Land Rover BAR's base in Portsmouth's Old Town.

Central to its business is the provision of branding services to the marine and sports industries. The majority of its work involves design, production, application and removal of vinyl branding.

Grapefruit Graphics has worked with Land Rover BAR since 2014 and provides a range of branding services to the team, including large format printing and vinyl graphic installation used in the commercial fit out of the team's base in Portsmouth. This has led to an expansion of its operations with two part time employees taken on to service the contract with Land Rover BAR.

Grapefruit Graphics also provides specialist skills in sail painting and wing branding. By working closely with Land Rover BAR, the graphics company has further developed its expertise and approaches in this field, including ensuring that the products produced for Land Rover BAR are as sustainable as possible.

Like Land Rover BAR, Grapefruit Graphics takes sustainability seriously and is working towards achieving a number of ISO certifications including: ISO 20121, relating to event sustainability management systems; ISO 45001, relating to occupational health and safety management systems; ISO 14001, relating to environmental management; and ISO 9001, relating to quality management systems.

Branding has historically been an area with few sustainability credentials. However, Land Rover BAR's Sustainability Manager has worked closely with Grapefruit Graphics to help them set,

measure and reach sustainability goals, as well as collaborate on more environmentally friendly branding materials and application methods.

Co-founder of the Grapefruit Graphics business, Andy Yeomans, commented:

"Partly due to the work we do with Land Rover BAR, we have realised as a graphics company how important sustainability is, so we do all we can to re-use materials or donate materials to other organisations and charities".

The company now offers clients more sustainable materials such as a PVC free alternative for banners – Environban – and PVC free wall wrapping materials and vinyls for window graphics.

Grapefruit Graphic's work with Land Rover BAR has helped the company to win new business and to expand. Grapefruit Graphics uses imagery of its work with Land Rover BAR on the home page of its website and recently completed branding work at the ACWS 2015 and 2016 events. The company believes that this exposure has helped it to win other major branding contracts with the America's Cup Event Authority and other competing teams.

Mr Yeomans commented:

"Since working closely with Land Rover BAR, we have actively started to promote our sustainability credentials via our marketing and this has had a very positive impact on our business. Not only is it the right thing to do, it has also contributed positively to our bottom line."

Source: Case study provided by Land Rover BAR and TEAMORIGIN Events based on information provided by Grapefruit Graphics



3.3.2 Contributing to the sustainability agenda

Land Rover BAR sees itself as a role model and believes it has the opportunity to influence other sports teams and younger generations through its commitment to sustainability.⁴¹

“We are committed to becoming the most sustainable sports team we can be.” Land Rover BAR.⁴²

KPMG has not carried out a detailed assessment of Land Rover BAR's sustainability impact but has drawn on information set out in sustainability reports already prepared by Land Rover BAR, and sustainability related articles published on its website. We draw on this information to provide below some examples of the wider sustainability impact that Land Rover BAR has as it forms an element of the wider impact in both the local and wider UK economy.

The team's commitment to sustainability began with the construction of its headquarters in Portsmouth. Throughout the construction process, detailed consideration was given to the design of the building and the materials and products used in building the headquarters, as well as how these

materials would perform and the potential option of reuse and recycling of any materials. Since the opening of Land Rover BAR's headquarters, the building has been awarded the international BREEAM standard, a first for the sailing world and a first for Portsmouth.⁴³

Land Rover BAR continues to work with its Sustainability Partner 11th Hour Racing, as well as Land Rover, BT, and Low Carbon, to work towards its aim of being the most sustainable sports team in the UK.

Land Rover BAR's commitment to operating sustainably was recognised in 2015, when the team was awarded the Olympic-inspired ISO 20121. It is the first British sports team to be awarded the certification across all its activities.

Land Rover BAR's legal compliance with the certification is monitored by the team and is measured against regulations relating to waste, energy, water, pollution, land protection and other aspects of sustainability. To date, no breaches having been identified and no fines imposed,⁴⁴ signalling full compliance with the certification.

As part of its ongoing commitment to sustainable operations, Land Rover BAR entered into a new partnership with Seabin Pty Ltd. in 2016.⁴⁵ 'Seabins' will collect floating rubbish, debris, oil, detergent and fuel from the sea through a water pump which sucks water and rubbish into the 'Seabin' and catches the debris in a bag. Work will commence in 2017 to install the very first production of the 'Seabin' by the pontoons at the team's base.

One significant initiative that Land Rover BAR has already been involved in is the Solent oyster revival. Through the team's partnership with marina company MDL as its official UK Marina Partner, Land Rover BAR had the opportunity to host the first trial to increase the oyster population in the Solent on its pontoons, and help to rebuild the fragile eco-system. The initiative was delivered in collaboration with the Blue Marine Foundation, the Portsmouth Institute of Marine Science and the Southern Inshore Fisheries and Conservation Authority (IFCA).⁴⁶ The introduction of the 'Seabin' will also support this programme as well as wider initiatives aimed at protecting the fragile eco-system of the Solent.

Land Rover BAR also engages on sustainability on an ongoing basis through attendance at events and conferences including the Green Sport Alliance conference in June 2016.

“It has been great to pull all the parties together to realise the common goal to restore a local ecosystem, and whilst we are a long way off the total recovery, it's a positive start and a great collaborative effort.” Dr Susie Tomson, Land Rover BAR's Sustainability Manager.

In addition to Land Rover BAR's commitment to its own sustainable operations, it makes wider contributions through its activities and engagement with local communities. These include outreach events at local schools, colleges and businesses, and hosting events for local schools and community groups at the Land Rover BAR base in Portsmouth focused on promoting sustainability.

Similar outreach events are run by Land Rover BAR at all ACWS events⁴⁷ and represent part of the team's goal to engage and inspire the next generation.⁴⁸ For example, during the America's Cup World Series event in Oman in February 2016, Land Rover BAR hosted a sustainability outreach scheme which involved engaging with 40 children on plastics, waste and recycling. As part of the outreach, the children built boats out of recycled materials which were then raced in the harbour.

In addition to Land Rover BAR's own sustainability initiative, the America's Cup Event Authority (ACEA) and the six America's Cup teams announced a Sustainability Charter in October 2016. The Sustainability Charter is a commitment to environmental responsibility and positive action, both in sailing and the marine industry. The Charter consists of ten points which will be implemented as the ACEA and the teams in the run up to and during the 35th America's Cup in Bermuda in 2017. The ten points of the Sustainability Charter cover a range of sustainability areas including eliminating single use plastics, protecting marine habitats and supporting the local economy.

⁴¹ <http://land-rover-bar.americascup.com/en/sustainability.html>

⁴² <http://land-rover-bar.americascup.com/en/sustainability.html>

⁴³ <http://landroverbar.boxstuff.net/mailling/e293e8cb2684e56cd50320e2448d83428b32b51d8d3d97f9d8db8e037ef49999>

⁴⁴ Land Rover BAR Sustainability Report 2015.

⁴⁵ http://www.landroverbar.com/en/news/225_Seabins-sucking-the-marinas-clean.html

⁴⁶ http://land-rover-bar.americascup.com/en/news/219_Leading-the-Solent-oyster-revival.html

⁴⁷ http://land-rover-bar.americascup.com/en/news/308_Multiplying-the-Power-of-Partnerships-with-Sustainability-Charter.html

⁴⁸ http://land-rover-bar.americascup.com/en/news/156_Raising-the-BAR-delivering-on-sustainability.html

3.3.3 Contributing to technological innovation and knowledge spillovers

Land Rover BAR contributes to technology innovation through its daily operations, including its building of complex and innovative test boats in preparation for the 35th America's Cup in Bermuda in 2017.

Between July 2015 and July 2016, Land Rover BAR invested an estimated

£16.9m

on research and development (R&D).

During this period, the company has been developing and constructing the T2 and T3 prototype boats to test the technical capabilities of different designs. Boat design and technology play a key role in the performance of the team and in Land Rover BAR's quest to win the 35th America's Cup. In order to stay ahead of its competitors, the team must ensure that it takes advantage of any new innovation. This is to ensure that each element that goes into the final race boat has been fully tested and has been developed to the highest specification possible.

In addition to its R&D expenditure, the team spent a total of

£13.8m

on capital expenditure, the majority of which (£10.2 million) was on racing boat development.

Land Rover BAR does not work alone in undertaking this R&D. In order to have the best possible chance of winning back the America's Cup next year, it has established a number of innovation partnerships to help the team overcome the specific challenges faced when racing.

One of the biggest challenges faced by the Land Rover BAR team when sailing is communication. The team often sails at speeds of up to 50mph, creating wind and spray that mean hearing can be impaired. The team is working closely with BAE Systems to address this challenge, using solutions that the defence, security and aerospace company had already been developing for the military market. It has been testing the underlying technology developed by BAE Systems.

In order to remain competitive, Land Rover BAR keeps its developments confidential and does not comment in detail on specific development or progress but has reported publicly that it is happy with the progress that has been made to date.⁴⁹

The technology used on the America's Cup boats has improved substantially over recent years, and as a result the equipment worn by the sailors has also had to be developed in order to deal with the new challenges, such as increased speed, brought about by the new boats. Nick Hutton, a member of the Land Rover BAR sailing team, has been working with Henri Lloyd and Spinlock to make sure the team has the right equipment to best overcome these new challenges. Together, they have developed and tested the equipment, for example testing its aerodynamics using a wind tunnel normally used for automotive research by Jaguar Land Rover (JLR), Land Rover BAR's Title and Innovation Partner,⁵⁰ resulting in an effective new range of equipment for the team.

Since July 2015, Land Rover BAR has also expanded membership of its Technical Innovation Group (TIG), chaired by PA Consulting.



© Shaun Roster/TEAMORIGIN

In November 2015, it was announced that Renishaw has joined the TIG, contributing its expertise in metal 3D printing and position feedback encoding.⁵¹ This will help to optimise the design and construction of critical 3D printed metals parts of the team's race boat.⁵²

Renishaw is the latest company to join Land Rover BAR's TIG, which currently also includes Land Rover, BMT Nigel Gee, BAE Systems, and BT, and which aims to bring together the best of British talent and industry.

⁴⁹ http://land-rover-bar.americascup.com/en/news/258_The-challenge-of-onboard-communication.html

⁵⁰ <http://landroverbar.boxstuff.net/mailling/b243e86b6604f51c15b3c012443d33c29bb2853d1ded8769e85bde38ee429f9>

⁵¹ Position feedback encoding is built into most numerical control machines to verify that the instructions coded into the machine are being performed correctly.

⁵² http://land-rover-bar.americascup.com/en/news/212_Renishaw-brings-3D-printing-expertise-to-Land-Rover-BAR-Technical-Innovation-Group.html



CASE STUDY / BT 100% Sport , Official Partner to Land Rover BAR and ACWSP 2016

As an extension of its partnership with Land Rover BAR, BT became an Official Partner of the ACWSP 2016.

The main objective of BT's onsite activation at the event was to bring to life its BT 100% Sport campaign. This is a global initiative launched by BT and Sir Ben Ainslie to inspire sports fans to take action to tackle climate change and reduce carbon emissions by using renewable energy. It draws on the experience of Land Rover BAR in:

- developing fuel-efficient boats made from recyclable composites, working with its Sustainability Partner 11th Hour Racing; and
- the development of a sustainable team base, powered solely through solar and renewable energy sources.

Working closely with the event organisers, TEAMORIGIN Events, BT hosted an interactive fan experience at the Portsmouth event, called the BT 100% Sport Tech Zone.

This was designed to be a family-friendly area accessible to everyone attending the America's Cup Race Village. It told the story of the BT 100% Sport initiative. All spectators in the Race Village, as well as

those that watched the racing online, were encouraged to share stories of the steps they are already taking, and make pledges of actions they would take, to live, work and play more sustainably.

In addition, the BT 100% Sport zone engaged the public on sustainability through interactive exhibits including the 'Power Challenge' which sought to highlight the importance of renewable energy. It gave fans the chance to see how they might perform in the America's Cup, in which 100% of the power on board the boats is generated by the crew using grinding pedestals. Those who took part were able to compare their power output scores to the professionals, including Land Rover BAR team members.

The BT 100% Sport zone illustrated how technology is helping Land Rover BAR's team to train and race. It featured an entire AC45 boat, on loan from Land Rover BAR, and the top section of one of Land Rover BAR AC45 catamaran's wing sails. Visitors were able to speak to team members who explained the technology that enables the sailors to power up the boats to reach top speeds in excess of 40 mph. And sailing fans also had the opportunity to see the full size hydro foiling tips, allowing them to get an insight into how these enable the catamaran to fly out of the water.

Source: Case study provided by Land Rover BAR and TEAMORIGIN Events based on information provided by BT

3.3.4 Raising the profile of Portsmouth

By locating in Portsmouth, Land Rover BAR aims to have a long term positive impact on the local area.

While other America's Cup teams move their operations to the location of the America's Cup Match over a year in advance⁵³ in order to familiarise themselves with the local conditions and train the actual race waters, Land Rover BAR will move part of its team to Bermuda just 6 months prior to the event. It will also maintain some of its operations in Portsmouth over the period leading up to and during the 35th America's Cup in Bermuda. Around 35% of staff will move to Bermuda in mid-November 2016 building to around 50% by mid-May 2017. However, all salaries remain UK based and the team's supplier profile will remain broadly unchanged over this period.

By doing this, Land Rover BAR has made a long term commitment to Portsmouth and the UK. The team intends to continue to operate from its base there for the foreseeable future.

However, it is not just through its direct operations and activity that Land Rover BAR has a positive impact on the local and national economy. It also has an impact through the publicity and press coverage that the team achieves.

Media coverage of the team from 1 August 2015 to 1 August 2016, including at the ACWSP and other ACWS events, had an AVE⁵⁴ of £49 million⁵⁵, with nearly 9,000 pieces of coverage over this period and a total audience reach of 1.5 billion people worldwide.

By basing itself in Portsmouth and highlighting this in its media activity, Land Rover BAR's coverage has helped to raise the profile of the city and region as a tourist destination and as a place to do business, particularly for the marine sector. This could help to generate long term economic growth for the area.

3.3.5 Impacts through the Land Rover BAR Academy

Land Rover BAR recognises the importance not only of training its current America's Cup team, but also of looking forward and developing Britain's future sailing talent.

It aims to achieve this through a sustainable talent programme – the Land Rover BAR Academy launched in January 2016. The Academy aims to promote sailing skills and talent, as well as sporting excellence, which will create a pathway to future America's Cup events.

The Land Rover BAR Academy is supported by an experienced team including:

- Rob Andrews, a former RYA Olympic Coach and London 2012 Olympic Sailing/Venue Manager;
- Andrew Walsh, a former Extreme Sailing Series and Olympic multihull sailor and coach; and
- three times America's Cup winner Jonathan Macbeth.



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⁵³ ORACLE TEAM USA moved to Bermuda in April 2015, whilst two others, Artemis and Softbank Team Japan moved in spring 2016.

⁵⁴ AVE is the monetised value of what the campaign additional coverage would cost if it were advertising space,

⁵⁵ This figure includes an estimated £3 million of AVE generated from Land Rover BAR's coverage at the ACWSP 2016, which is also included in the event media figure.

The Academy selects and supports talented young British sailors and from these a team is selected to compete in the Red Bull Youth America's Cup (RBYAC), the finals of which are held during the main America's Cup competition in Bermuda in June 2017. The RBYAC is seen as an important pathway for young sailors into the America's Cup.⁵⁶ The Academy aims to provide the support needed to enable the squad members to realise their sporting potential through mentoring, coaching and access to sport science facilities at the Land Rover BAR headquarters.

As part of its training and development, the Academy programme for 2016 has seen a squad of 12 sailors competing in the Extreme Sailing Series, which is currently in its 10th season. For the first two events, the team were led by Leigh McMillan the Land Rover BAR sailor and three-time winner of the series.

The Academy sailing team has had a successful start to the Extreme Sailing Series, coming third in their debut Act of the Series in Muscat. After the first five events of the Extreme Sailing Series, Land Rover BAR Academy are currently

fifth overall with one remaining event in the series. By the end of 2016, the Land Rover BAR Academy team will have competed in events at eight venues across three different continents.



⁵⁶ http://land-rover-bar.americascup.com/en/news/221_Land-Rover-BAR-launch-Academy.html

4. The economic impact of the ACWSP 2016

As a result of a successful bid by TEAMORIGIN Events, supported by Land Rover BAR, it was announced in November 2014 that Portsmouth would host two ACWS events. The first was held in July 2015 and the second in July 2016.

The bid was strongly supported by Portsmouth City Council, in anticipation that it would provide a **"boost to [the area's] marine and maritime industry and bring economic benefit to Portsmouth"** Councillor Donna Jones.⁵⁷

We estimate that the ACWSP 2016 generated a net total of

£6.6m

of GVA



This was generated through a number of channels:

£0.9m

is the estimated direct and induced GVA generated by TEAMORIGIN Events through its spending on staffing for the event.

£1.7m

is the estimated net GVA generated over the course of the four days of the event as a result of spending by the 127,807 spectators⁵⁸ at the ACWSP 2016.

£2.2m

is the estimated indirect and induced GVA generated through suppliers to the event.

£1.8m

of additional GVA is estimated to have been generated through other attendees⁵⁹ spending at the ACWSP 2016.

And through the staging of the event, and spending by spectators and other attendees, we estimate that the ACWSP 2016 generated a net

123

annual jobs for 2016, in full time equivalent (FTE) terms.

⁵⁷ <http://www.bbc.co.uk/news/uk-england-hampshire-30186858>

⁵⁸ This includes ticketed spectators and VIPs, non-ticketed spectators watching from on land around Portsmouth and spectators watching from boats on the water.

⁵⁹ Other attendees include other America's Cup teams, VIPs spending on hospitality packages, media personnel and volunteers.



4.1 Changes to the ACWSP event format in 2016 - putting sport at the core

While the ACWSP 2015 was successful at engaging just under 250,000 spectators and attendees over the four days combined, the event was hampered by bad weather.

Hosting two ACWS events in successive years in Portsmouth provided the opportunity to enhance the 2016 event's operation and format, as well as to build on the existing relationships forged with suppliers, local and regional businesses and other stakeholders such as Portsmouth City Council, Hampshire Constabulary, Portsmouth lifeboat station and the Queen's Harbour Master.

Research undertaken by TEAMORIGIN Events following the event also highlighted a number of areas under its control where improvements could be made. Lessons were also learned from other ACWS events, including those staged in Gothenburg, Bermuda, Oman, Chicago and New York.

The primary change in the overall philosophy for the ACWSP 2016 was to put the racing at its core. This compares to the ACSWP 2015 where the focus had been to generate a festival feeling and draw a wide cross section of visitors to attract a new audience to sailing. However, feedback from the 2015 event was that people wanted to feel more involved in the sailing and racing itself. Therefore, in 2016, changes were made to address this:

- The free, but previously ticketed, 'Waterfront Festival Arena' area on Southsea common was left open to the public.
- The evening concert was not repeated.
- Ticket prices were reduced, starting at £25 per adult compared to £45 per adult in 2015, and a greater range of ticket options was introduced.
- The capacity of the paid-ticket area (the Race Village) was expanded and encompassed more relevant content including: team exhibits; a 'Tech Zone' showcasing the technology and engineering which goes into the boats and kit; dock-out and dock-in shows from the main stage; a temporary pontoon installed directly in front of the Race Village to allow America's

Cup skippers access to and from the Race Village; award ceremonies and interviews held on the main stage; and the 'Market Place' central to the Race Village that housed 14 America's Cup and other related retailers.

The 2016 event also aimed to provide more opportunities for local traders through the 'Market Place' and the 'Love Southsea Tent' which provided sites for 22 retailers. Efforts were also made to reduce any potential negative impacts on local businesses by reducing the duration of road closures during the set up phase for the event.

A number of changes were also made to the event operation, ticketing, security and crowd management with the aim of delivering an improved experience for spectators and stakeholders.

Overall, compared to the ACWSP 2015, the ACWSP 2016 was delivered to a smaller budget due to efficiencies in delivery, the scaled down, more targeted scope of the event and the shorter event schedule. TEAMORIGIN Events considers that this led to a more effective event, and a more sustainable model for delivering an ACWS event.

These changes, combined with clear blue skies and moderate winds on the weekend of the ACSWP 2016, led to a successful event that received positive feedback focused on the strategic planning of the event, the atmosphere and the highlight moments such as the dock out shows, which brought all of the competing teams much more 'front and centre' for the engaged spectators.

"Quite simply an extraordinary world class sporting event that delivered across multiple levels." Clare Balding, Presenter, BT Sport.

Figure 2: Ticket sales

	ACWSP 2015		ACWSP 2016	
	Adult price	Number of tickets sold	Adult price	Number of tickets sold
Race Village (general)	£45	7,100	£25	15,764
Premier Grandstand	£70	2,471	£60	4,505
Sailors Lounge	n/a	n/a	£120	1,069
VIP Hospitality	£395 - £495	1,794	£595	1,227
Total	£1.1m	11,365	£1.4m	22,565
			+ 16,595 evening concert tickets	

4.2 The run up to the event

Planning for the ACWSP 2016 happened in earnest once the 2015 event was completed and lessons could be learned from it.

Once the blueprint for the 2016 event had been finalised, the focus of TEAMORIGIN Events turned to ticket sales and promotional activity. Tickets and hospitality packages went on sale on 10 November 2015, announced at a launch event which was combined with the launch of KPMG's 2015 economic impact report⁶⁰, with a view to maintaining momentum following the ACWSP 2015 in July. Further promotion was undertaken in January 2016 at the London Boat Show with an early bird ticket offer available.

All through this period discussions were underway to secure event partners and set in motion the planning and delivery of the event.

Following an intensive period of preparations, the event build commenced two weeks before the event starting with the VIP hospitality tent, followed by the rest of the main site, ready for the gates to open for the spectators.



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4.3 Economic impacts associated with the hosting of the ACWSP 2016

TEAMORIGIN Events generated economic impacts through its spending associated with staging the ACWSP 2016. In total TEAMORIGIN Events spent £2.8 million, including staff and supplier costs.

Of this, £0.7 million was spent on staff employed and resource contracted to deliver the event; £0.6 million represented the fee paid to America's Cup TV; and a further £1.5 million was spent with direct suppliers to the event. Almost all (99.5%) spending was in the UK, distributed across 166 suppliers.

Of the £1.5 million of UK supplier spending:

- £0.6 million was spent with suppliers in Portsmouth, representing 38% of total spend;
- a further £0.3 million was spent with suppliers elsewhere in Hampshire, meaning that overall, over half of the supplier spending associated with hosting the event went to businesses in Hampshire; and
- £0.6 million was spent with suppliers based in other parts of the UK.

In addition to TEAMORIGIN Events' expenditure on hosting the ACWSP 2016, other event partners and sponsors incurred their own public activation costs. This covered elements such as the setup of their stands and marquees for the event as well as any marketing or promotion associated with the event.

Based on its engagement with sponsors, TEAMORIGIN Events provided estimates of the public activation spend for the event's major sponsors. Based on this, we estimate that in total the event's major sponsors spent approximately £740,000 on public activation for the ACWSP 2016.

This spending involved with the staging of the ACWSP 2016 generated a positive economic contribution in the Portsmouth and wider UK economy.

Converted to GVA⁶¹, we estimate that in hosting the event, including public activation by sponsors, a total of



£3.1m

of GVA was generated in the UK economy, comprising: £0.7m of direct GVA; £1.2m of GVA through spending with immediate suppliers to the event; £0.7m of GVA generated in the wider supply chain; and £0.5m of induced GVA.

The positive economic impacts that were achieved as a result of the supplier spending associated with the event are not only beneficial to the UK economy but also to the local Portsmouth and Hampshire economies.

Of the total £1.9 million indirect GVA that was created through the supply chain, £1.3 million was from supplier spending associated with hosting the event. Using detailed information on the suppliers to the event, we estimate that

£0.5m

of this GVA was generated by suppliers based in Portsmouth.

Furthermore,

£0.7m

of the GVA generated by suppliers was from businesses based in the Hampshire region.

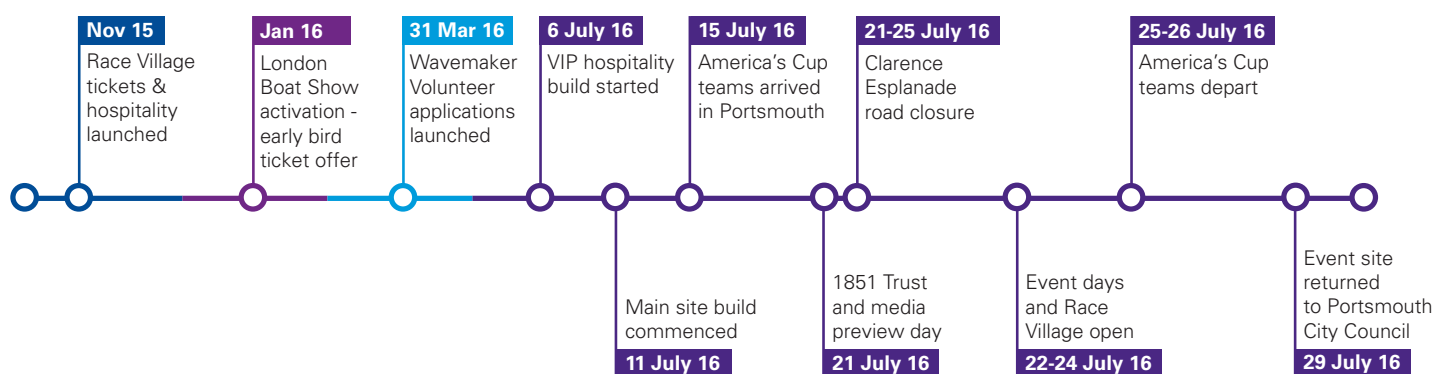
⁶⁰ KPMG, Great Britain: A time to fly. Economic impact study of Land Rover BAR, the British America's Cup Challenger, and the Louis Vuitton America's Cup World Series Portsmouth 2015. https://benainslerracing-images.s3.amazonaws.com/files/m1228_land-rover-bar-acwsp-portsmouth-economic-impact-report-1-.pdf

⁶¹ See the Technical Appendix to this report for the detailed methodology.



© Shaun Roster

Figure 3: Event timeline



Source: TEAMORIGIN Events

This represents 38% and 54% respectively of the total GVA that was directly created through the event supplier spending.

The expenditure incurred in staging the ACWSP 2016 also generated employment in the local and national economy. There were over 2,000 people working at the event itself, and many more workers were involved in preparation for the event. When converted to annual full time equivalents (FTEs) for 2016, based on the value of expenditure and GVA generated, we estimate that the total employment effect of staging the event, including the impacts through supplier spend and sponsor activation, was

45

annual FTEs.

This consists of: 8 direct annual FTEs employed or contracted by TEAMORIGIN Events; 22 indirect annual FTEs at Tier 1 suppliers; 12 indirect annual FTEs in the induced FTEs associated with the economic activity from employee spending.

In addition to this the event hosted

353

volunteers across the 4 days of ACWSP 2016, 106 of whom were working on the water and 247 who were working on land.

These individuals generated economic value associated with the time they volunteered at the event. Based on the eventIMPACTS⁶² methodology, we have estimated that the value of the work carried out by these volunteers for the ACWSP 2016 was over £130,000.⁶³

⁶² A collaboration between UK Sport, Visit Britain, EventScotland, the London Development Agency, the North West Development Agency, Yorkshire Forward and Glasgow City marketing Bureau.

⁶³ This is estimated based on the 353 volunteers working at the event across each of the 4 days, an average hourly wage provided by eventIMPACTS of £11.54 and the opening times of the event area from 10am-6pm each day.

CASE STUDY / Showsec, security and crowd management supplier.

TEAMORIGIN Events appointed Showsec after a tender process to supply crowd management services in 2016. TEAMORIGIN Events told KPMG that it was impressed with Showsec's reputation for providing high quality staff and its customer services focused culture.

Showsec specialises in crowd management and security specifically for arena tours and music festivals. The company told us that it views large public events, and in particular sporting events, as a key growth area for its business. It saw winning the ACWSP 2016 contract as an opportunity to increase its presence in this field.

The ACWSP 2016 was the first major event in Portsmouth that Showsec had provided services to. Winning the contract contributed to the growth of revenues earned by Showsec's South Coast Office based in Bournemouth and thus the company overall.

As part of its contract with TEAMORIGIN Events, Showsec provided approximately 150 staff, 15-20 of whom were full time management staff and the remainder were employed from Showsec's pool of temporary staff employed for a range of events. The majority of Showsec staff at the event were from Hampshire and the surrounding counties, which has a positive impact on employment levels and income at the regional level, albeit limited given that the individuals were only employed at the ACWSP 2016 over a four day period.

Showsec indicated to us that it is committed to the learning and development of its employees. For large events, such as ACWSP 2016, Showsec requires all staff working at the event to have undertaken a briefing training module ahead of the event, delivered through its e-learning portal. The intention of this is to ensure that all staff are well informed and prepared for the event that they will be working at.

As detailed below, Showsec received excellent feedback from both TEAMORIGIN Events and Sportsworld for its operation at the ACWSP 2016.

"In Showsec we found a crowd management company who fully understood our primary aim of being customer focused. They absolutely embraced the fact that their staff were the first and last impression people had of visiting our event. Therefore, the choice of individual staff, not only in key positions, but right across the event, was critical to its success."

Jeremy Troughton, Operations Director for ACWS Portsmouth Showsec considers that its role in the staging of the ACWSP 2016 gave it a platform to showcase the services it offers and has resulted in Showsec pursuing a number of new business leads. If successful, these new business leads will increase revenues for the business in the future and consequently will result in an increase in the GVA that Showsec generates in the UK economy.

Source: Information from Showsec provided as part of a case study interview with KPMG.



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⁶⁴ This sample provides a confidence interval of 2% at a 95% confidence level. See: <http://www.surveysystem.com/sscalc.htm>

⁶⁵ The survey was voluntary, and therefore may be subject to some bias amongst respondents. However we have no evidence of the direction or significance of any bias cannot make any adjustments for this.

⁶⁶ Estimates of spectators outside of ticketed areas are based on information from crowd counters on the number of people watching big screens and from the shore, as well as imagery provided by drones flying over the relevant areas.

⁶⁷ KPMG analysis of Ticketmaster data.

⁶⁸ KPMG analysis of Ticketmaster data.

⁶⁹ KPMG analysis of Ticketmaster data.

4.4 The economic impact of spectator and event attendees’ spending at the event

In addition to the GVA generated through staging the event, further economic activity, and hence GVA and employment, was generated through spending by visitors to Portsmouth for the event, as well as spending by local residents whilst attending the event.

In order to gather information about the spectators at the event, and their spending activities, we conducted an online survey of spectators who pre-booked tickets through Ticketmaster. The survey asked questions about respondent’s own spending as well as the spending behaviour of those they bought tickets for.

The survey was sent to 9,354 individuals and we received a total of 785 responses. These responses provided information on 2,446 individuals who attended the event, representing 11% of ticketed spectators. Based on the statistical significance of this sample,⁶⁴ we consider that it provides a sufficiently large sample to allow us to draw conclusions regarding the overall population of spectators.⁶⁵ For further information on how we conducted our analysis please see the Technical Appendix which accompanies this report.

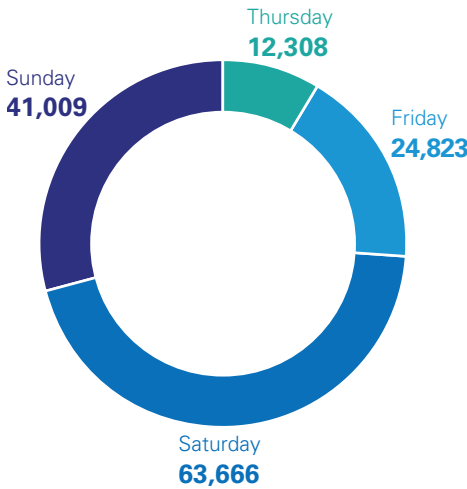
TEAMORIGIN Events undertook an exercise to establish numbers of attendees at the ACWSP 2016, using a combination of CCTV, car counting and aerial footage. Based on this exercise, and information held on known attendance at the event from admissions data and accredited attendees, TEAMORIGIN Events estimates that the ACWSP 2016 was attended by a total of

141,806

people over the four days from 21 to 24 July. This includes all ticketed spectators and VIPs, those watching in the free to view areas, those watching from boats on the water, as well as team members, contractors, media personnel and volunteers.⁶⁶

The Saturday race day was the most heavily attended day, with an estimated total of 63,666 attendees. As may be expected given that they were working week days, attendance figures for the Thursday and Friday were lower.

Figure 4: Attendees, split by day attended



Source: TEAMORIGIN Events

An estimated total of 22,565 ticketed spectators attended the event across the four days, with an estimated 2,473 watching from hospitality areas elsewhere and an estimated additional 102,729 people watching the event from the free to view areas and from boats on the water.

We have used data from our own survey of ticket purchasers, as well as data from Ticketmaster, to analyse the profile of spectators attending the event:

- There were more male attendees. 55% of our spectator survey respondents, and those they answered on behalf of, were male.
- The most common age group of spectators included in our survey responses was 45 to 64 years, with just under half (45%) of spectators falling within this age bracket. The next most common age group was 25 to 44 years, accounting for 21% of spectators. This suggests, that despite the event having a broad appeal amongst all age groups, there was a particular interest shown by those over the age of 45, at least amongst the ticketed spectators covered by the survey.

- The age profile of spectators for the ACWSP 2016 was broadly similar to that of the ACWSP 2015, although there was a slightly greater proportion of younger spectators in 2015 with 16% and 8% of spectators between the ages of 0 to 15 years and 16 to 24 years respectively. This is compared to 12% and 5% for the 2016 event.
- Additionally for the ACWSP 2015 the gender profile of spectators was more balanced, with an even split between male and female spectators.

The event attracted spectators from all over the UK, with 78% of those who purchased tickets for the event coming from outside of the Portsmouth area.⁶⁷ Local residents of Portsmouth accounted for almost a fifth (19%) of ticket holders.⁶⁸

Analysis of Ticketmaster data shows that 3% of ticket holders covered by responses to the survey came from abroad.⁶⁹

The spectator survey results suggest that

Figure 5: Age split of attendees at ACWSP 2016

Age	Percentage of ticket holders
0-15	12%
16-24	5%
25-44	21%
45-64	45%
65+	17%

Source: KPMG analysis of spectator survey data

of those who travelled from outside of Portsmouth to attend the ACWSP 2016,

90%

travelled to Portsmouth specifically to attend the event, whilst the remaining 10% were already travelling to the local area. This demonstrates the influence that the ACWSP 2016 had in bringing visitors to the Portsmouth and Hampshire areas.



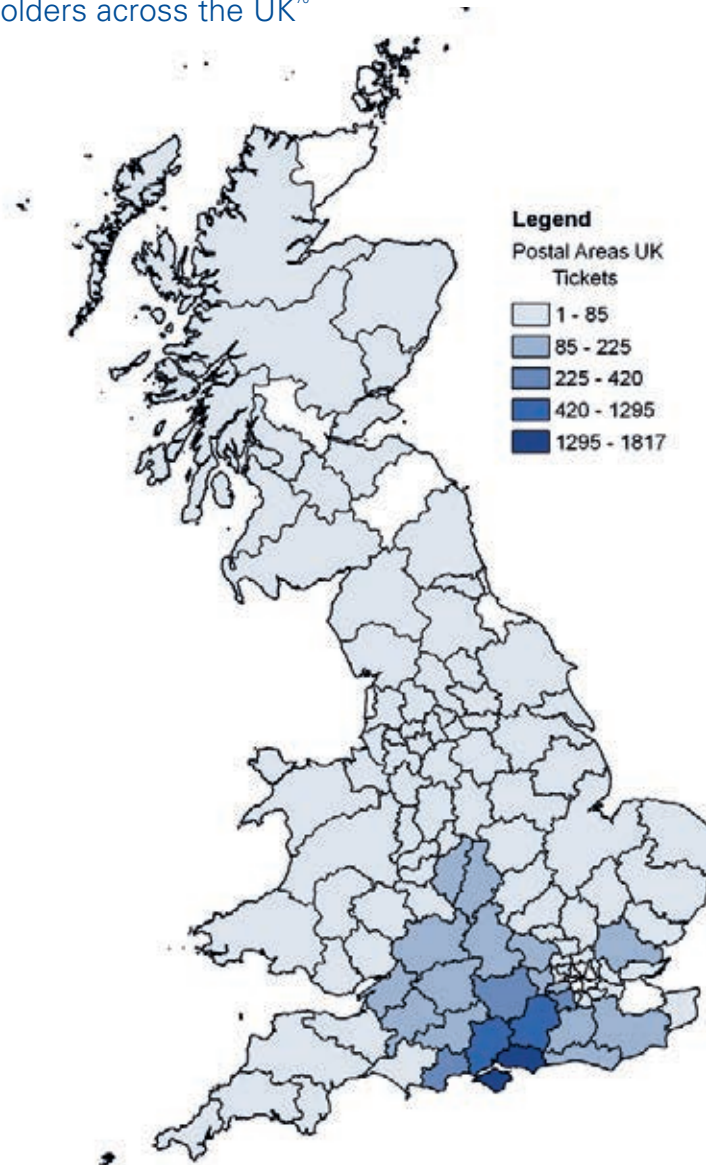
Whilst attending the event, spectators at the ACWSP 2016 generated economic impacts through a number of channels, including:

- spending within ticketed areas on food, beverages and retail;
- spending with local businesses outside of ticketed areas on food, beverages, retail and local attractions, such as Portsmouth Historic Dockyard;

- spending on accommodation for those spectators that stayed overnight; and
- spending on travel to and from Portsmouth, as well as, daily travel to and from the event arena.

Spectators also spent money on tickets for the event. The economic impact of this spending is captured within the analysis of the direct GVA impact of staging the ACWSP 2016.

Figure 6: Location of ticket holders across the UK⁷⁰



Source: KPMG analysis of Ticketmaster data

⁷⁰ Analysis is based on the address that the purchased tickets were sent to. Please note that in some cases this may not be the permanent address of the ticket purchasers.

4.4.1 The economic impacts from spectator spending

Figure 7 provides a breakdown of average spectator spend among those who spent money inside and outside of the ticketed areas, across different areas of spend. Our survey of ticketed spectators indicated that 85% of ticketed spectators spent money inside of the ticketed areas of the ACWSP 2016. Among these respondents, the average spend within the ticketed areas was £18.90 per person per day. This includes spend on food and beverages and retail as some spectators did not spend money within the ticketed area, the average across all ticketed spectators was £16.08 per person per day.

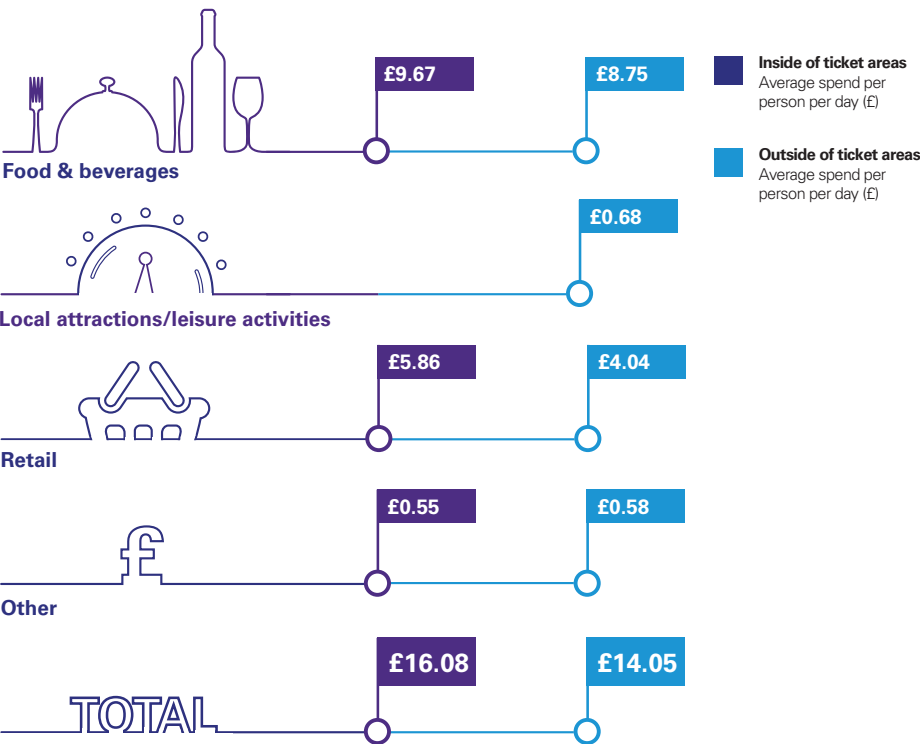
For example, total bar sales (excluding through Sportsworld hospitality packages) were £119,126 and sales of £80,526 on official merchandise were recorded over the four days of the event.

Our survey results suggest that 49% of ticketed spectators spent money outside of the ticketed area, spending an average of £28.96 per person per day outside of the ticketed areas. Across all ticketed spectators this average was £14.05 per person per day.

Over a third (36%) of the spectators surveyed stayed at least one night away from their primary residence in order to attend the ACWSP 2016. Those who did stay away from their primary residence in order to attend the ACWSP 2016, spent on average two nights away.

Over half (51%) of those that stayed overnight when attending the ACWSP 2016 stayed in Portsmouth. A further 33% stayed elsewhere in Hampshire.

Figure 7 : Average spend per person per day excluding accommodation and travel



Source: KPMG analysis of spectator survey data

Figure 7 presents the estimated average spend per person per night, by type of accommodation.

On average, spectators that paid for overnight accommodation spent £41.01 per person per night. However, this varied dependent on the type of accommodation stayed in. For some visitors spending on accommodation was much higher, with a maximum amount spent of £220 per person per night. Some of this accommodation would have been booked through Travel Places, the official accommodation supplier for the event, which took £287,000 worth of bookings for the ACWSP 2016.

The majority of spectators that stayed overnight while attending the ACWSP 2016 (58%) stayed in hotels or similar accommodation. The next most common was staying with friends and family, with 21% of overnight spectators choosing this type of accommodation.

As well as the spending by those with tickets for the event, we have also included within our analysis an estimate of the expenditure by those spectators watching from outside the ticketed areas including those watching from the shore, from boats on the water, and from VIP areas outside of the Race Village. These estimates draw on evidence from TEAMORIGIN Events, from our survey of free ticketed attendees in 2015, and from the survey of ticketed spectators in 2016.

Based on TEAMORIGIN Events estimates, there were a total of 64,864 spectators⁷¹ watching from the non-ticketed areas around Portsmouth, and a further 37,865 watching from boats on the water.

As we were unable to survey these groups directly⁷², we have drawn on evidence from our survey of free ticketed spectators from the ACWSP 2015 event to estimate that 46% of those in the free to view areas were residents of local to the area and, therefore, did not spend money on accommodation or return travel to Portsmouth.

For those attendees spectating from boats on the water, TEAMORIGIN Events estimated their spending on fuel and private catering based on its knowledge of typical costs. We capture the spending on charter boat hospitality packages separately in Section 4.5.2.

⁷¹ TEAMORIGIN estimates, excluding VIPs watching from hospitality areas outside of the Race Village.
⁷² As these spectators did not purchase tickets for the event, their contact details were unavailable meaning an online survey could not be sent to them.

Using the information above, and estimates of expenditure based on results of our 2016 survey of ticketed spectators (i.e. those who watched from the main Race Village),⁷³ we have estimated the expected expenditure of these groups of spectators.

This analysis allowed us to estimate the expenditure, and consequent economic impacts, of each type of spectator, across the following categories of expenditure:

Combining all elements of expenditure identified above, namely:

- spending inside and outside of ticketed areas;
- travel to and from Portsmouth and the ACWSP 2016 event; and
- accommodation for those attendees that stayed overnight.

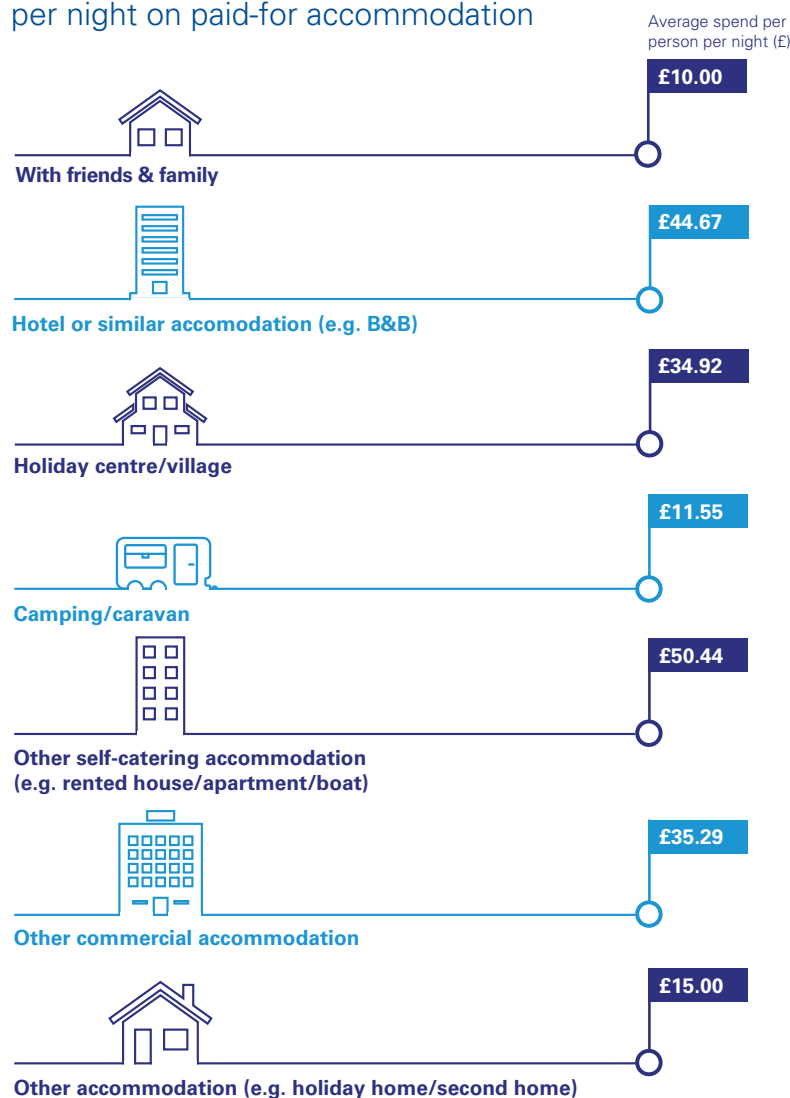
We estimate that ACWSP 2016 spectators spent a total of

£3.0m

in the UK economy as a result of attending the ACWSP 2016.

This does not include the cost spectators incurred in purchasing tickets for the ACWSP 2016, as this is captured separately as part of the direct impact of staging the event.

Figure 8: Average spend per person per night on paid-for accommodation



Source: KPMG analysis of spectator survey data



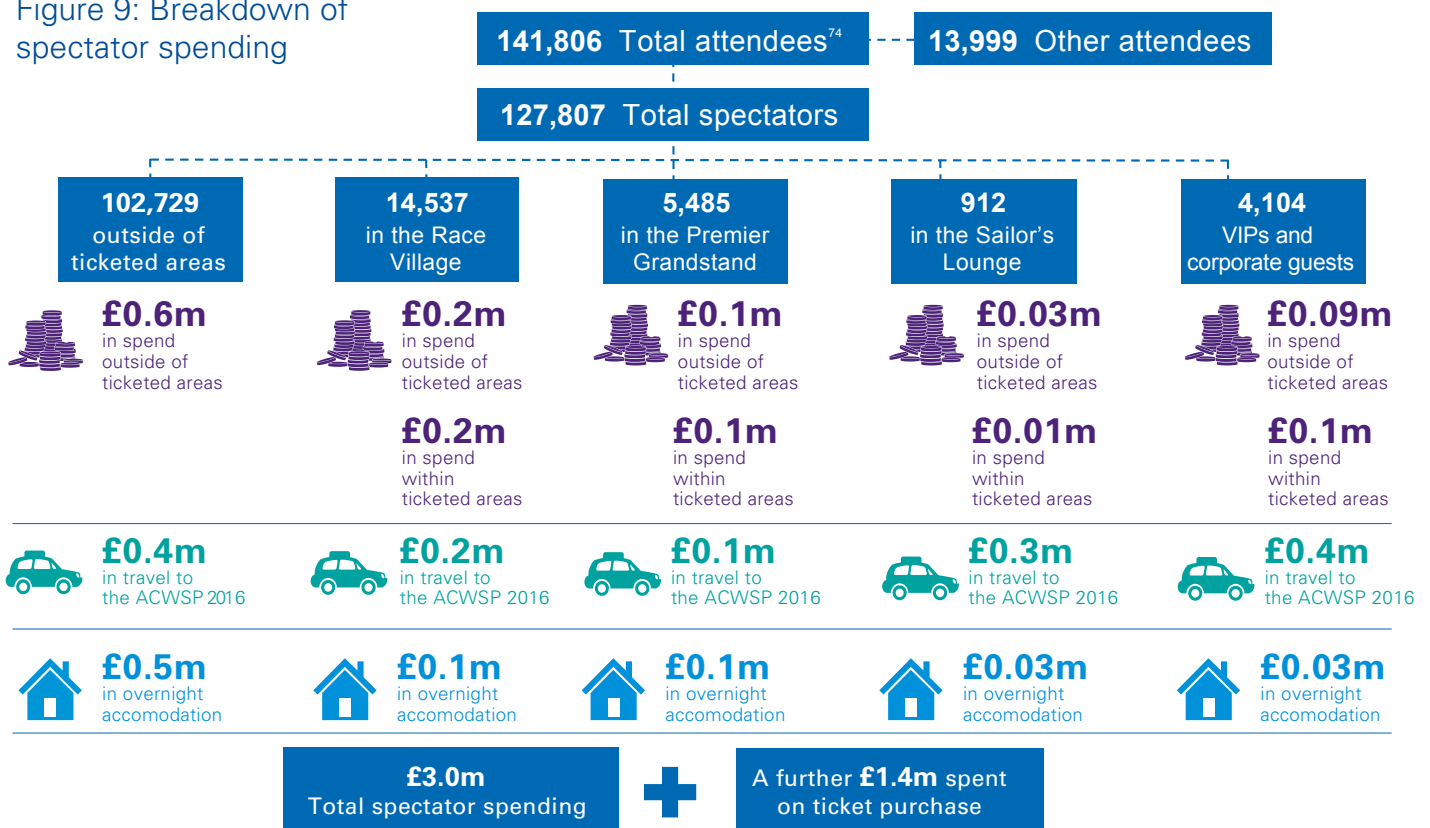
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Figure 9 shows the breakdown of spectator spending based upon the type of spectator – those with tickets and those spectators watching from free to view areas on the shore and from boats on the water. For ticketed spectators, the event area was split up into different areas, with spectators buying tickets for

those specific areas. These included:

- the Race Village with standing access for ticketed spectators;
- the Premier Grandstand for seated spectators;
- the Sailor's Lounge; and
- the VIP hospitality tent.

Figure 9: Breakdown of spectator spending



The majority of the spectator spending will have been local expenditure as the concentration of event activity was in Portsmouth and thus spectators would likely have spent with local businesses and stayed overnight nearby.

Based on survey responses, the estimated gross GVA generated through spectators spending whilst attending the ACWSP 2016 was

£3.0m

comprising:

- £1.6 million of indirect GVA from spending by spectators attending the event;

- a further £1.0 million of indirect GVA generated in the wider UK supply chain as a result of the spending; and
- £0.5 million of induced GVA generated through the employees of event suppliers and their wider supply chains spending in the wider economy.

The spending by spectators at the event will also have generated employment impacts due to the additional economic activity that it created. Using data from the ONS on the average GVA per FTE for the relevant industries for each spending category in the UK, we have estimated the employment impact from this spending based on the GVA analysis above.

We estimate that the total employment impacts generated through spectator spending at the ACWSP 2016 was

89

annual FTEs for 2016. This comprises:

- 84 indirect annual FTEs for 2016 from spending by spectators attending the event; and
- 5 induced annual FTEs for 2016.

⁷⁴ The total attendee figure includes: 127,807 spectators including ticketed spectators and hospitality guests, non-ticketed spectators watching from on land around Portsmouth and spectators watching from boats on the water; and 13,999 other attendees including competing teams, media personnel, contractors working at the event and Wavemaker volunteers.



4.4.2 Assessing the net economic contribution of spectator spending at the ACWSP 2016

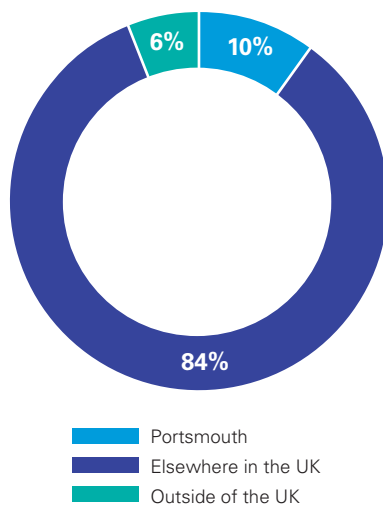
Our analysis captures information on the actual spending of spectators at the ACWSP 2016. However, some of this spending may have occurred at the expense of spending on an alternative activity which would have been undertaken instead. In order to understand the additional economic impact for Portsmouth and the UK, it is important to account for this displacement by assessing the level of expenditure at the ACWSP 2016 that was over and above what would otherwise have been spent on any alternative activities.

We obtained an estimate of this by asking survey respondents about what they would have done, and what they would have spent, had they not attended the ACWSP 2016.

Of the respondents to our survey, 11% reported that they, and those they answered on behalf of, would have undertaken an alternative activity had they not attended the ACWSP 2016. Of these, 10% reported that the alternative activity would have taken place in Portsmouth, whilst the majority

(84%) reported that it would have been elsewhere in the UK. This suggests that most of the displaced activity, and hence associated economic impacts, were outside Portsmouth.

Figure 10: Where would an alternative leisure activity have taken place



Source: KPMG analysis of spectator survey data

Based on data received through our survey of spectators, we estimate that approximately £1.3 million would have been spent by spectators undertaking

alternative activities had they not attended ACWSP 2016. This represents 45% of total spectator spend. Of this £52,140 would have been spent by spectators undertaking alternative activities in Portsmouth.

When converting this spend to the direct, indirect and induced economic impacts, it is estimated that a total of £1.3 million of GVA was displaced.

Deducting this displaced GVA from the gross GVA estimated in Section 4.4.1 above, it is estimated that

£1.7m

net GVA was generated through spectator spending at ACWSP 2016.

The displaced spending also translates in to displaced employment effects. Deducting this from the gross employment effects of the ACWSP 2016, we estimate that the net employment generated by spending at the event was

50

annual FTEs for 2016.

4.5 The economic impact of other attendees spending at the ACWSP 2016 event

In addition to the economic impact associated with the spending involved in organising and staging the event and with the spending by spectators, we have considered the economic impact arising from the spending of other attendees at the ACWSP 2016. These additional attendees include the teams competing in the ACWSP 2016, VIPs and corporate guests in the hospitality areas, and the media personnel reporting on the event.

4.5.1 The economic impacts associated with the competing America's Cup teams

Six America's Cup teams participated in the ACWSP 2016. Each team is crewed by a five-man crew, with additional reserve crew members. The teams also travel with an entourage of trainers, coaches, meteorologists and designers, all of whom support the team in the lead up to and during races. Based on the responses to our team survey the teams that competed in ACWSP 2016 consisted of an average of 25 members.

The teams travelled to Portsmouth a week prior to the event in order to establish their bases and to prepare for the upcoming race. In the run up to and for the duration of the event the teams stayed in Portsmouth, spending on accommodation as well as food and beverages.

Based on data provided to us by the participating teams and TEAMORIGIN Events, we estimate that the teams collectively spent approximately £0.5 million to attend the ACWSP 2016. Teams spent across a number of categories including:

- flights/travel to the UK;⁷⁵
- travel within the UK;
- accommodation;
- food and beverages; and
- other expenditure.

Spending by teams to attend the ACWSP 2016 in turn generated a total of

£0.5m

of GVA in the UK economy.

In employment terms, the participating teams spending to attend ACWSP 2016 generated a total employment effect of

11

annual FTEs for 2016.

With the exception of spending to travel to the UK (which has been excluded from the GVA and employment impact) and to Portsmouth, much of the spending incurred by participating teams, and thus the economic impact, would have been focused in the Portsmouth area.

4.5.2 The economic impacts arising from spending on hospitality

In total, an estimated

£1.2m

of GVA, and

15

annual FTEs, were generated in the UK economy through spending on hospitality at the ACWSP 2016.

This includes hospitality packages within the Race Village, as well as hospitality packages sold through local charter boat companies, and is in addition to the spending by hospitality guests on the days of the ACWSP 2016 that is captured in the analysis reported in Section 4.4.1.

Sportsworld, the official hospitality provider to the ACWSP 2016, was responsible for setting up and selling £0.8 million of hospitality packages, generating a total £0.9 million in GVA and 12 annual FTEs for 2016, including the indirect and induced impacts.

Additionally, TEAMORIGIN Events hired Spitbank Fort for the event, representing spending with Solent Forts of around £55,000. The £56,962 total GVA impact of this is captured through analysis of TEAMORIGIN Event's supplier spending in Section 4.3.

In addition to the official hospitality areas, TEAMORIGIN Events estimates that there were 357 charter boats on the water offering hospitality packages over the 4 days of the event. We estimate that £0.2 million of GVA was generated through official charter boat partners for the ACWSP 2016 in this way and a further £0.1m of GVA was generated from unofficial charter boat companies operating during the event.

Portsmouth City Council also hosted an event at Southsea Castle. While we were unable to capture this in our analysis due to a lack of data, as this hospitality spending was small it is unlikely to materially impact on the overall economic impact of the event. However, if included it would marginally increase the estimate.

4.5.3 The economic impacts associated with media personnel at the ACWSP 2016

The ACWSP 2016 received extensive media coverage including in the press and on radio, television and social media.

The event was attended by an estimated 723 media personnel, including 393 accredited media from 123 media outlets representing 17 countries. An additional 216 media personnel attended the Thursday press conference and a further 114 media personnel attended the royal visit on the Sunday of the event.

UK media personnel included those representing a number of high profile media outlets including the BBC, BT Sport as well as national newspapers and magazines. The attendance of these personnel over the four days of the event created an additional economic impact, through their spending on travel, accommodation and amenities.

We surveyed 307 accredited media attendees and received 54 responses, a response rate of 18%. Of those that responded, over a fifth (22%) of media personnel had travelled to the UK from

⁷⁵For the purpose of the analysis, team spending on flights/travel to the UK has been excluded in the GVA and employment analysis. This is to ensure that the impact we are capturing is only in the UK and not a leakage outside of the UK.



© Shaun Roster

abroad to report on the ACWSP 2016, spending an average of £450 per person on flights/ travel to the UK with UK operators.

A further 44% used public transport within the UK to travel to the event.

Over a third (37%) of media personnel survey respondents stayed overnight in order to report on the ACWSP 2016. On average, they stayed 3 nights. The remaining 63% of media respondents did not stay overnight but incurred travel costs to attend the event each day.

Based on survey responses, we estimate that the spending by media personnel⁷⁶ at the event generated

£0.1m

of GVA and an employment effect of

2

annual FTEs for 2016.

4.5.4 The economic impacts associated with volunteers at the ACWSP 2016

353 volunteers worked over the course of the ACWSP 2016, the majority (61%) of whom were from the local Portsmouth area.

Expenditure by these volunteers during the event further added to the economic impact of the ACWSP 2016. Volunteers were provided with lunch each day, but covered any additional spending themselves. We were unable to collect detailed information on this but it would

have included daily travel to and from the ACWSP 2016 and retail purchases made whilst there. Volunteers from outside of the local area are likely to have incurred additional spending on return travel to the Portsmouth area and accommodation.

Drawing on the spending data obtained through the spectator survey⁷⁷, we estimate that the **volunteers working at the ACWSP 2016** could have, on average, spent £25,181 over the four days of the event. **This, in turn, could have generated an estimated £22,453 in total GVA and employment equivalent to 1 annual FTE.**

However, a proportion of this spending and GVA generated as a result of individuals volunteering at the ACWSP 2016 is likely to have displaced economic activity elsewhere in the economy as alternative activities may have taken place otherwise. We estimate that 15% (£3,405) of volunteers' total spending would have been spent on an alternative activity, taking the **net GVA impact of volunteers' spending as a result of attending the ACWSP 2016 to**

£19,048

4.6 The economic impact of the ACWSP 2016 event on local business

The hosting of the ACWSP 2016 in Portsmouth impacts local business, not only through the use of local businesses as suppliers to the event and to Land Rover BAR, but also through the increased numbers of visitors to the area for the duration of the event. As set out

in Section 4.4 of this report, many of those attending the event spent money in the local area, impacting on sales for local businesses.

An example of the positive economic impact the ACWSP 2016 had on a local business is Hovertravel, which offers scheduled passenger hovercraft services with a frequent service between Southsea, Portsmouth and Ryde on the Isle of Wight. For the ACWSP 2016, Hovertravel scheduled an additional 8 crossings on the Saturday of the event and also sold promotional products for the event. Over the course of the weekend, data suggests that Hovertravel saw a 5% increase in passenger numbers when compared to figures for last year's event, which themselves represented 9% higher sales when compared to the average for Saturdays in the school summer holidays. In addition, they sold a total of 183 of their promotional combined ACWSP 2016 ticket and hovercraft packages.⁷⁸

Similarly, Wightlink, the ferry service between Portsmouth and the Isle of Wight put on an additional 6 return sails as a result of increased demand from consumers attending the ACWSP 2016. This led to an additional 266 passenger return journeys.⁷⁹

These are both examples of how the increased visitor numbers from the ACWSP 2016 led to increased demand for local products and services, subsequently increasing sales over the event period.

However, it is also possible that for some local businesses a positive impact of increased visitors was not realised.

⁷⁶ Spending included: Flights to the UK with UK based airline carriers, travel within the UK, accommodation, food and beverages and any other expenditure.

⁷⁷ To estimate the expenditure of volunteers from outside of the local area we have assumed that their expenditure was the same as that incurred by those who watched from the Race Village.

⁷⁸ Information sourced from Hovertravel.

⁷⁹ Information sourced from Wightlink.

This may have resulted from travel disruption caused by the event, or the event pulling footfall away from their location to other areas of Portsmouth.

The aggregated value of these business impacts has been captured through the analysis of the GVA and employment impacts set out in Sections 4.3, 4.4 and 4.5. This section, therefore, serves purely to better understand the impact that ACWSP 2016 had on local businesses, how these impacts were generated, as well as to gain an insight into the potential future impacts the event may have on business activity.

To achieve these insights, we conducted a survey sent to 3,000 businesses selected from a range of databases including the Mint UK database; the Hampshire Chamber of Commerce database; the Business South database; the Shaping Portsmouth database; and TEAMORIGIN Events internal database, which includes exhibitors and suppliers to the event. The majority were taken from the Mint UK database, based on their sector⁸⁰, with this sample supplemented with businesses from the other databases to enhance the sample.

The survey was not compulsory and only 48 responses were received. Due to the combination of a low response rate and resultant small sample size, the business survey should be interpreted with caution and should not necessarily be considered representative of the experiences of the Portsmouth or Hampshire business population. Nonetheless, responses provide an indication of the impacts generated by the event, as well as further insight of the drivers of the impacts through the qualitative responses. For further details of the survey methodology, please see the Technical Appendix to this report.

Based on survey responses, businesses appear to have been generally supportive of the ACWSP 2016.

91%

of the businesses that responded expressed support⁸¹ for the ACWSP 2016 event. Just over a half (56%) had undertaken special marketing or promotions before and/or during the event. These included social media

promotions, selling tickets for the AWCSF 2016 and producing limited edition products for the event.

4.6.1 Impact of the ACWSP 2016 event in Portsmouth on the sales of businesses surveyed

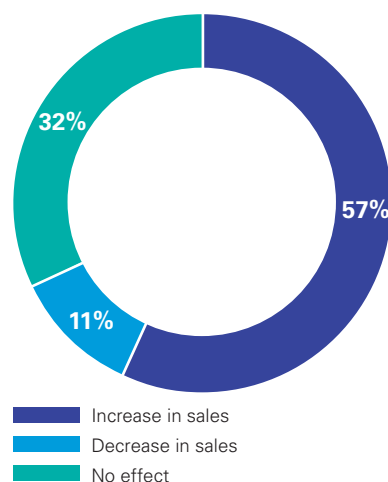
We surveyed businesses on how the event had impacted the sales of their business before, during and after the event. When answering this question we asked respondents to compare their sales to the expected sales to a similar period where an event such as the ACWSP was not being staged in Portsmouth.

57%

of business survey respondents reported an overall increase in their sales as a result of ACWSP 2016.

However, approximately a third (32%) of businesses said that the event had no effect on their sales, whilst the remaining 11% of businesses said that the ACWSP 2016 resulted in a decrease in sales. The reason given for any decline in sales was that although there was increased footfall generated by the event, this was predominantly around the waterside, rather than other parts of Portsmouth such as the city centre.

Figure 11: Overall impact of the ACWSP 2016 event on business sales



Source: KPMG analysis of spectator survey data

The impact of the event varied across businesses and time periods.

In the run up to the ACWSP 2016

The majority of business respondents (58%) indicated that they saw no impact of the ACWSP on their sales in the run up to the event.

Of those that saw an impact on sales before the event, the majority (89%) reported an increase. Three quarters of those business which saw an increase in sales in the run up to the event (25% of all respondents), saw an increase of between 1% and 24%.⁸² A small number of businesses reported that they had experienced a larger increase in sales prior to the event, with 6% of respondents (3 businesses) experiencing an increase of sales of between 25% and 49%, and 2% (one business) experiencing an increase of between 75% and 100% as a result of the ACWSP 2016. All of the businesses that saw an increase in sales of 25% or more reported that they had undertaken special marketing or promotions before or during the event, including online and social media promotions.

Two businesses (4% of respondents) reported a decrease in sales due to the ACWSP 2016 in the run up to the event. For one business which experienced a decline in sales in the overall period of the event, this was reported as being the result of footfall being drawn away from the store due to the event.

During the ACWSP 2016

The businesses we surveyed reported that the greatest impact on their sales from the ACWSP 2016 was experienced during the event itself. Almost half (44%) of all businesses surveyed experienced an increase in sales over the four days of the event. Most of these reported an increase of between 1% and 24%. A further 10% of businesses reported an increase in sales due to the ACWSP 2016 of between 25% and 49%. Only one business reported an increase in sales above this level.

The number of businesses reporting a decrease in sales during the event was higher than in the run up to the event, at 8%.

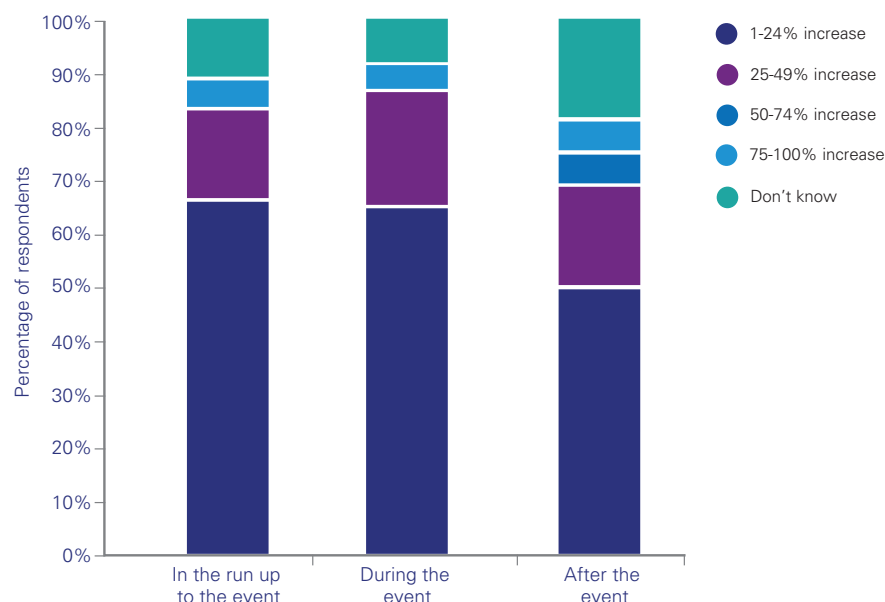
Three-quarters of those businesses that reported a decrease in sales due to the ACWSP experienced a decrease between 1% and 49%. However, one reported a

⁸⁰ Sectors included were: catering, creative, hotels, leisure, marine, printers, professional services, retail and taxis. These were selected as they were considered most likely to have been impacted by the event.

⁸¹ In response to the question "How supportive are/were you (as a business) of the ACWSP 2016 taking place in Portsmouth?".

⁸² The range specified in the survey was 0% to 24% increase or decrease. However, we have assumed that all those selecting this response saw some positive or negative impact due to the availability of an alternative option of "no impact" for those that have not experience any impact.

Figure 12 : Change in sales before, during and after the event for businesses reporting an increase in sales as a result of the ACWSP 2016⁸³



Source: KPMG analysis of business survey data

sales decline of greater than 75%. This was reported by a trader who reported that it had paid for a stall at the event but that it had experienced lower footfall in this location than it had expected.

After the ACWSP 2016

For a number of businesses the effects of the ACWSP 2016 were still being felt after the event.

Over a quarter of businesses (27%) we surveyed reported an increase in sales following the event which they attributed to the staging of the ACWSP 2016. Again, the majority of these saw an increase in sales of between 1% and 24%, but 4% of businesses reported increases in sales of between 50% and 100%.

Only 4% of businesses reported a decrease in sales in the period following the event which they attributed to the ACWSP 2016. All of these businesses reported a decrease in sales in the range of 1% to 24% but no reasons were provided as to the drivers of this decrease.

When compared to the results of the business survey following the ACWSP 2015, the proportion of businesses

reporting an overall increase in sales has increased by eight percentage points. Furthermore, the proportion of businesses reporting a decrease in sales has fallen five percentage points since the ACWSP 2015. This suggests an increasing positive impact on local impact between the two events.

4.6.2 Impact of the ACWSP 2016 on the employment levels of businesses surveyed

As part of our business survey, we asked local businesses if, as a result of ACWSP 2016, they had changed their number of staff (both permanent and temporary). Any increase in employment that is not due to being directly involved in the set up and operation of the event can be viewed as a positive spillover effect in the local community.

For an event such as ACWSP 2016 which ran over four days, it is unlikely that businesses would need to increase permanent staff to take care of the increased number of visitors attracted by the event. Indeed, this is reflected in the survey results, where only 2 businesses (4% of survey respondents) reported an increase in permanent staff of 4

additional staff. Both of these businesses were direct suppliers of the event.

Almost a quarter of business survey respondents (23%) reported that they had increased their level of temporary staff by an average of four employees due to the ACWSP. The increase varied across businesses, however, with between 1 and 12 temporary staff being employed due to the event. Again, the business that hired 12 additional temporary staff was a direct supplier of the event.

The proportion of businesses that increased temporary staffing levels for ACWSP 2016 is three percentage points higher than the level reported in our survey of businesses after the ACWSP 2015. This suggests that for ACWSP 2016 more businesses anticipated busier trading hours, potentially based on their experience of the 2015 event.

Whilst the impact on individual businesses responding to the survey was modest, our analysis of the GVA and employment impacts of the event shows that at an aggregate level, the impact is significant.

For the businesses that were immediate suppliers to the event the employment impact as a result of the ACWSP 2016 is captured in the estimation of the indirect and induced GVA and employment in Section 4.3. And the economic impact due to the increase in sales as a result of the spending of attendees to the ACWSP 2016 has been assessed in Section 4.4.

This section therefore provides additional context and insight into the analysis presented in Section 4.4.

4.6.3 Impact of the ACWSP 2016 on the investment levels of businesses surveyed

In addition to the impact on their sales and employment, around a quarter of businesses we surveyed reported that the ACWSP 2016 had resulted in increased planned or actual investment.

This represents a 9 percentage point increase in businesses reporting an increase in investment, or planned investment as a result of the ACWSP 2016 when compared to the business survey carried out for the ACWSP 2015.



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CASE STUDY / Harrisons, Land Rover BAR and TEAMORIGIN Events supplier

Harrison Industrial Ltd. is situated on the Fratton Industrial Estate, in the southeast area of Portsmouth and has customers from across the UK, including Land Rover BAR.

Since the establishment of the company in 1983, its manufacturing facilities have developed to include sheet metal fabrication in mild steel, stainless steel, aluminium and copper, and heavy fabrication including structural and architectural work in mild steel, stainless steel and aluminium.

Harrisons has undertaken a range of steel work for Land Rover BAR and was selected to build a steel cradle to display one of the team's America's Cup 45 (AC45) yachts that formed the centre piece to the ACWSP 2016 race village.

As with most of its commissions, Harrisons indicated that it began the process by producing a sketch design of the cradle from the event team's brief. Once the concept was agreed and

quotation accepted, they worked on the structural calculations, fabrication drawings, then set about manufacturing the cradle from mild steel. The value of the order was just under £5,000.

The revenue received by Harrison has generated an estimated £4,645 in GVA, including indirect and induced GVA.

Nick Harrison, owner of Harrisons Ltd. said: *"Harrisons has been working with Land Rover BAR for over two years producing bespoke metal fabrications and we were really pleased to be selected to design, build and install the cradle to hold the AC45 boat at the ACWS event in Portsmouth. The cradle took us six days to fabricate and eight hours to install and I understand it will be re-used for other boat displays. It's great that the event and the team is working with local businesses like us and helping to put Portsmouth and the expert marine industries we have here back on the map"*

Source: Case study provided by TEAMORIGIN Events based on information provided by Harrisons Ltd.

4.7 Potential longer term impacts of the staging of the ACWSP 2016

4.7.1 Impacts on Portsmouth's tourism and business profile

Events such as the ACWSP 2016 bring tourists to Portsmouth in the short term for the event, but they can also help generate tourism in the long-term as spectators return and the media coverage of the event helps advertise Portsmouth as a tourist destination.

New, high profile businesses establishing themselves in a local area, as Land Rover BAR did in Portsmouth, can also have a positive impact. Of the spectators surveyed, 80% indicated that they consider that Land Rover BAR's location in Portsmouth has helped local business and tourism.

In terms of the positive longer term impacts of the staging of the ACWSP in Portsmouth, evidence from our spectator survey suggests that there will be longer term tourism benefits, with likely consequent business benefits also.

92%

of spectators respondents surveyed indicated that they are likely to visit Portsmouth again in the future. Over half (53%) of spectators surveyed said they

were very likely to return to Portsmouth or the local area for a reason other than to attend a future ACWSP event. A further 39% said they were fairly likely to return.

33%

of spectators respondents reported that they were more likely to return to Portsmouth in the future as a result of having attended the ACWSP 2016. The large majority of these would return for either a day trip or for a weekend.

The businesses we surveyed also reported that they consider the ACWSP 2016 may generate a number of wider benefits for Portsmouth and the surrounding area in both the short and long term. Of the businesses surveyed:

71%

agreed or strongly agreed that Portsmouth's hosting of the ACWSP 2016 will have a positive short to medium term impact on their business;

54%

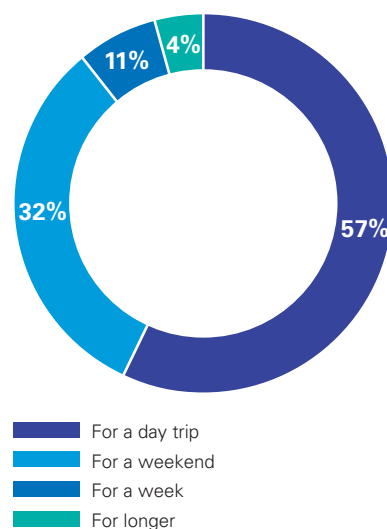
agreed or strongly agreed that Portsmouth's hosting of the ACWSP 2016 will have a positive long term

impact on their business; and

85%

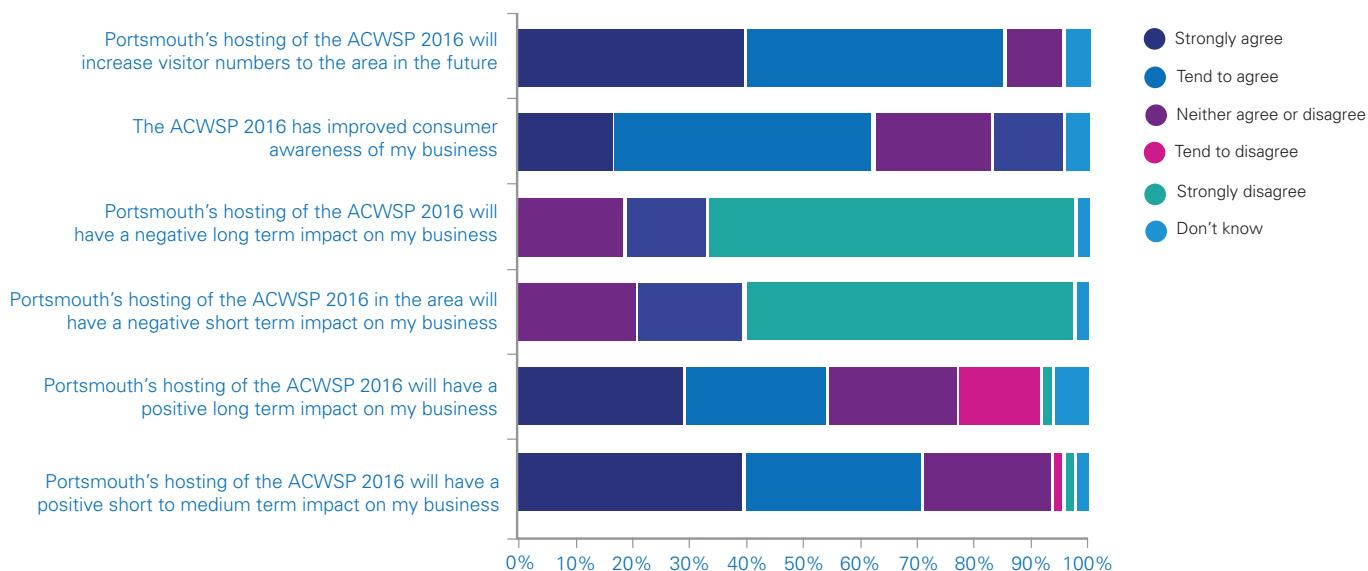
agreed or strongly agreed that the ACWSP 2016 will increase visitor numbers to the Portsmouth area in the future.

Figure 13: How likely are you to return to Portsmouth or the local area other than to attend a future ACWS event?



Source: KPMG analysis of spectator survey results

Figure 14: Expected future business impacts



Source: KPMG analysis of business survey data

4.7.2 Social impacts of the ACWSP 2016

Hosting a major sporting event has the potential to deliver both short and long term benefits beyond the immediate economic impacts generated over the course of the event itself.

The types of wider positive benefits that can be generated are set out within the eventIMPACTS⁸⁴ toolkit and include long term economic impacts, as well as positive social impacts, on local communities and those involved in the event.

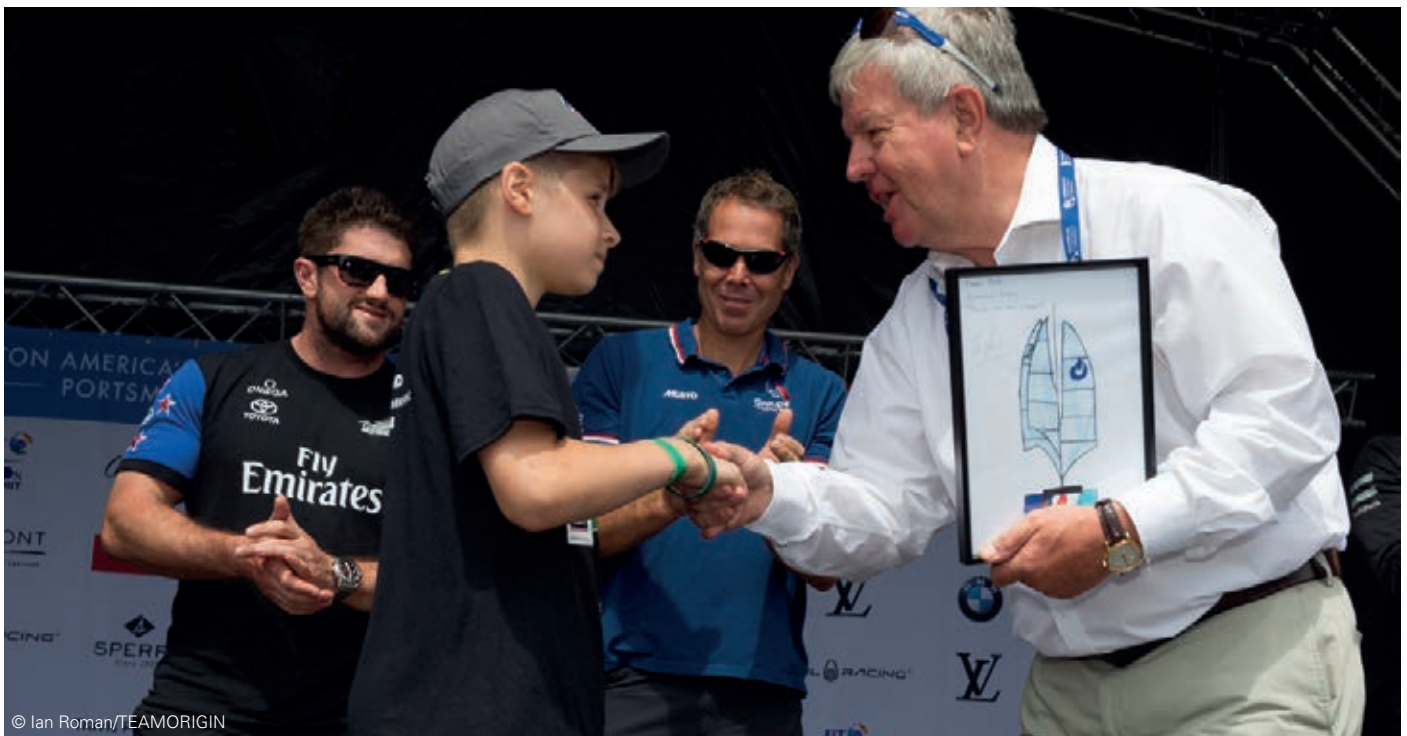
Examples of such benefits may include previously inactive people participating in sport, local communities being brought together in a common goal or through a common identity or image, or individuals gaining increased knowledge and skills.⁸⁵ There is extensive literature on these impacts. However, there is insufficient robust evidence to allow them to be quantified for this event, therefore our estimate of the economic impact of the event underestimates its full social and economic value.

Specific initiatives undertaken to enhance this social value include the community day hosted by the 1851 Trust⁸⁶ on the Thursday immediately prior to the event. Through this initiative, over 200 young people from local schools, youth organisations and local sailing clubs were given the opportunity to learn more about the technology behind sailing and the marine environment. The 1851 Trust, supported by 11th Hour Racing, delivered a series of educational activities focused on team work, sustainability and ocean health. Participants also had the opportunity to use and learn about interactive equipment, including the stable flight and wind tunnel, usually found in the Tech Deck at Land Rover BAR's base.⁸⁷

TEAMORIGIN Events also engaged with the local community to raise awareness and interest in the event. This included running a competition for young school children to design the ACWSP 2016 official Victory trophy, with the winner having his trophy design transformed

by local artist Michelle Littlewood into the physical trophy handed to the winning team of the ACWSP 2016 at the end of the weekend.

Social value was also generated through volunteering at the event. In total, 353 volunteers worked over the course of the ACWSP 2016, including the individuals participating in the Wavemakers volunteering programme at the event, sponsored by Airbus. As detailed in the eventIMPACTS toolkit, volunteering is recognised as a specific form of engagement that should be encouraged in its own right rather than only with a focus on delivery of a discrete end goal. Volunteering opportunities provide people with opportunities to develop new skills and training opportunities which can then help these people in their future. It also provides real life work experiences to individuals who may not be otherwise able to gain relevant work experience.



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⁸⁴ A collaboration between UK Sport, Visit Britain, EventScotland, the London Development Agency, the North West Development Agency, Yorkshire Forward and Glasgow City marketing Bureau.

⁸⁵ eventIMPACTS Social Measures toolkit. Sourced from: <http://www.eventimpacts.com/~media/event-impacts/downloadable-resources/social/social-measures-complete-toolkit.pdf?la=en>

⁸⁶ The 1851 Trust is the official charity of Land Rover BAR. The Trust works to enable and encourage young people from a wide demographic to experience sailing, engage in STEM subjects and consider their impact on the environment.

⁸⁷ <http://www.1851trust.org.uk/1851-trust-gives-200-local-young-people-exclusive-preview-louis-vuitton-americas-cup-world-series-portsmouth-race-village/>



CASE STUDY / Wavemakers volunteer programme for the ACWSP 2016

The Wavemakers was the name given to the volunteer programme for the ACWSP events. The Wavemakers were at the event to welcome visitors and to provide assistance where required. They were often the first person associated with the event that spectators would interact with and it was their job to be ambassadors for the event and the city.

In March 2016, ACWSP event organisers, TEAMORIGIN Events, announced that they had secured Airbus, one of Portsmouth's largest private sector employers⁸⁸, as the presenting sponsor for the event's Wavemaker volunteer programme.

The announcement of the partnership also marked the opening of individual and corporate applications for the volunteer programme, which resulted in over 60% of volunteers from the ACWSP 2015 event signing up again in 2016. The Wavemakers included employees of Airbus, BT, Land Rover and Portsmouth University students who volunteered at the event. All volunteer applicants were interviewed and those who were successful in gaining a place as a Wavemaker took part in a three hour training session – delivered by local training company HTP Training.

"At Airbus we are extremely proud to have sponsored the Wavemakers volunteer programme at the Louis Vuitton America's Cup World Series 2016. We are keen to support our local community here in Portsmouth, demonstrate our commitment to the area, and to have involved our staff in this exceptional event." Dr Mike Healy, Portsmouth Site Director, Airbus

The 2016 Wavemakers were made up of 353 volunteers, all performing a range of tasks across a number of roles. TEAMORIGIN Events considers that the Wavemaker volunteers were integral to the success of the event, helping to make the spectator experience fun, engaging, and enjoyable.

The majority of Wavemakers came from Hampshire, with 61% coming from Portsmouth. This meant that as well as being the face of the event, Wavemakers acted as local ambassadors, helping to inform visitors about the city and educate spectators about the America's Cup.

106 Wavemakers performed their duties out on the water, marshalling the race course and supporting the on-water team. On land, 247 volunteers performed a range of roles including:

- supporting media centre staff;
- supervising the Park and Ride car parks; and
- guiding fans along the walking routes to the event site.

Collectively the Wavemakers performed over 11,300 man hours of voluntary work over the course of the event.

Following the ACWSP 2016, the Wavemakers continue to engage with each other, organising regular meetings. New friends were made and the positive social and impacts, although hard to measure, are apparent. Comments on the group's Facebook page included:

"I'd personally like to thank all those working with me on the walking route, free area and the common. Thanks you for all your help and support. It was lovely to have people personally thank me for their experience." Marissa Kellet, Wavemaker 2016.

"Can't believe it's a week ago that we all met in Portsmouth for the start of a fantastic and exhilarating 4 days volunteering for the America's Cup. I was on a high on returning home, followed by a low knowing it was all over. I miss you all and especially my lovely teams. Can't wait for the reunion, I hope it's soon." Karen Caselton, Wavemaker 2016

Source: Case study provided by TEAMORIGIN Events based on information provided by Airbus



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