

Birmingham City Council

Report to Cabinet

18 May 2021



Subject: 2023 INTERNATIONAL BLIND SPORTS ASSOCIATION
WORLD GAMES (The Games)

Report of: Acting - Director of Neighbourhoods

Relevant Cabinet Councillor Ian Ward – Leader
Councillor Tristan Chatfield – Finance and Resources

Member:

Relevant O &S Chair(s): Councillor Mariam Khan - Commonwealth Games, Culture and Physical Activity
Councillor Sir Albert Bore - Resources

Report author: Chris Jordan, Assistant Director- Neighbourhoods
Telephone No: 0121 303 3143
E-mail: chris.jordan@birmingham.gov.uk

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 008785/2021		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

1. Executive Summary

- 1.1 British Blind Sport (BBS), have been awarded host of the 2023 International Blind Sports Association (IBSA) World Games. The games are a partnership with the University of Birmingham (UoB), Birmingham City Council (BCC) the BBS and the event delivery partner, MLS, who successfully staged the 2018 British Transplant Games in Birmingham. The World Games for the Blind and Partially Sighted is held every four years and is the flagship event of the International Blind Sports Association.
- 1.2 It has never been staged in the UK and the bid, driven by British Blind Sport (a charitable organisation), and delivered by MLS Contracts, has brought about an excellent partnership arrangement between the University and facilities across the City, the Council, BBS, and UK Sport. Significant opportunities exist for the City to deliver benefits to Visually Impaired residents as a result of securing this major event.

- 1.3 Although a partner the City Council is not making a direct financial contribution to this event.
- 1.4 UK Sport, the primary event funder, has requested that the City Council act as Accountable Body for this event and along with a joint underwriting responsibility these are the main decisions being brought forward as part of this report.

2. Recommendations

- 2.1 Agrees to act as the Accountable Body for the Games.
- 2.2 Agrees to be joint underwriters of “last resort” for the Games and in doing so set aside £75,000 from the Major Events revenue budget into the Major Events Reserve to cover underwriting risk..
- 2.3 Authorises the Assistant Director Neighbourhoods in conjunction with the City Solicitor (or their delegate) to negotiate execute and complete all necessary legal, contractual and financial arrangements and documentation to host the 2023 International Blind Sports Association World Games for Birmingham City.

3 Background

- 3.1 The World Blind Games has never been hosted by the UK before. This is an international event and aims to successfully deliver a world-leading event that shines a light on sport for people living with sight loss and leaves a lasting legacy whereby people can see beyond any impairment and enjoy sport on an equitable platform. It will be a World Games that showcases sport for blind and partially sighted people and Birmingham City on the international stage.
- 3.2 The bid originally submitted to host the games was for 10 sports, including two Paralympic Qualification tournaments in Goalball and Judo. It is estimated the event will attract 1100 athletes and 400 direct support/coach staff, from 70 plus nations. In addition, it is proposed the Games will need 150 overseas Technical Officials plus 250 national officials and an estimated 400 volunteers with the event delivering a £3.1m Economic Impact.
- 3.3 Since the Games have been awarded to Britain the event has grown in scale. IBSA have awarded two further World Football Championships and these are now incorporated into the World Games for 2023.

The Games will now therefore include:

11 sports comprising Judo, Archery, Football, Showdown, Goalball, Powerlifting, Ten Pin Bowling, Tennis, Cricket, Chess, and Shooting. Within this there are now three Paralympic Qualification tournaments with Men’s Football being added to Goalball and Judo.

The elevation of the men’s 5-a-side football tournament to a World Championships has made this the automatic Paralympic Qualification Tournament for Paris 2024, attracting a full quota of teams. These additions not only assist the profile but also the budget as more participants will be taking part.

- 3.4 The budget for the event projects a break-even position and has no direct ask of the City Council for funding. The main risk in the event delivery budget is an income stream of £163k to be secured through sponsorship, grants, donations and other fundraising activities. However with almost three years to go this remains a positive position and the income streams are expected to be secured.
- 3.5 UK Sport have been very supportive of the bid and the business planning approach that has been adopted for the Games. They have agreed a £370,000 contribution to the event budget.
- 3.6 However, conditional to the award was the desire by UK Sport for the Council to take on the role and act as the Accountable Body.. This approach alongside a shared approach to underwriting the event reduces the financial risk on BBS which itself is a small charity.

4 Options considered and Recommended Proposal

- 4.1 Not to accept the request to become the Accountable Body for the Games and in doing so put at risk UK Sport funding of £370,000. Loss of UK Sport funding would result in the budget for the event not breaking even and as a result putting the event at risk.
- 4.2 Accepting the request to become Accountable Body for the Games, which is the preferred way forward.

5 Risk Management

- 6.1 By hosting this event the City Council is agreeing to join the other stakeholders, (University of Birmingham, British Blind Sport and MLS Contracts Ltd), to act as underwriters of “last resort” for the Games in 2023. The main risks to be mitigated are those that would impact on the budget. A financial risk log was submitted as part of the budgeting process (appendix 1) for the bid and managing the identified risks will be a key part of the Championship Director’s role.
- 6.2 VAT implications of this event need to be carefully considered so that this does not become a cost to the council because there is a risk the event may run at a significant loss.

6 Compliance Issues:

How are the recommended decisions consistent with the City Council’s priorities, plans and strategies?

- 7.1 Birmingham residents gain the maximum benefit from hosting the Commonwealth Games.
- 7.2 In addition Major Events can generate significant economic and community benefits along with positive profile for the city on a global platform. The World’s great cities have built reputations through a sustained programme

of events as part of a long-term strategy. They can increase the profile and reputation of Birmingham as, (1) a major event and tourism visitor destination, (2) as a centre of sporting excellence (3) as a place to do business.

7.3 The projected economic impact of the 2023 World Games is £3.1m.

7.4 The intention is to secure dedicated live domestic and international television coverage (World Championships) and live online streaming (World Age Group Competitions).

All organisations entering procurement arrangements with the City Council will need to sign up to the BBC4SR subject to contract value thresholds.

7.2 Legal Implications

7.2.1 Under Section 1 of the Localism Act 2011, the Council has the power to enter into the arrangements set out in this report, which are within the remit and limits of the general power of competence Section 2 and 4 of the Localism Act 2011.

7.3 Financial Implications

7.3.1 Financial planning and modelling for the Games has been led by MLS Contracts Ltd (event management consultants), and subsequently interrogated by stakeholders and subsequently by UK Sport as part of their Major Events Awards Panel process.

7.3.2 The Games budget of £3.318m (as per table below) is largely funded by the participants attending the Games – expected to be in the region of £2.386m. The balance is made up of a UK Sport grant (£0.370m cash) which is allocated to supporting the three Paralympic Sports of Judo, Goalball and Football (BS1); British Blind Sport contribution (£0.030m value in kind); Sport England (£0.035m to Games Legacy); £0.100m (cash or value in kind) from the host city partners; and income from spectators and sponsorship. The budget retains a contingency of £0.132m and is currently projected to deliver a £0.098m surplus.

7.3.3 There is no direct cash contribution to the event budget from Birmingham City Council, however, if the Games were to make a loss, Birmingham City Council would be liable to fund a share of the loss along with the other 3 stakeholders – British Blind Sport, MLS Contracts and University of Birmingham.

7.3.4 Financial summary table

Budget Summary			
EVENT NAME:		IBSA Wold Games 2023	
DATE OF EVENT		18th-27th August	
DATE AND VERSION OF BUDGET:		Jan 2021 Incl Football	
<u>Item</u>	<u>Cash - Full Commercial Incom</u>	<u>Value in Kind (VIK)</u>	<u>Total</u>
<u>REVENUE</u>			
R1. Spectator Income	77,500	0	77,500
R2. Sponsorship & Advertising	60,000	15,000	75,000
R3. Merchandising & Licensing	5,000	0	5,000
R4. Broadcasting and Other Media	0	0	-
R5. Public & Partner Funding	168,500	215,605	384,105
R6. International Federation Funding	20,000	0	20,000
R7. Competitor Income	2,386,700	0	2,386,700
R8. Accommodation and Transport	0	0	-
R9. Other Income	370,000	0	370,000
TOTAL REVENUE	3,087,700	230,605	3,318,305
<u>Item</u>	<u>Cash</u>	<u>Value in Kind (VIK)</u>	<u>Total</u>
<u>EXPENDITURE</u>			
E1. LOC Personnel	232,200	0	232,200
E2. LOC Co-ordination	10,000	15,000	25,000
E3. IT & Telecommunications	16,000	0	16,000
E4. Finance, Legal & Insurance	60,000	5,000	65,000
E5. Venue & Warm-up	259,502	70,605	330,107
E6. Sports Presentation and Fan Experience	55,000	0	55,000
E7. Sport Specific Costs	195,000	50,000	245,000
E8. Doping Control	25,000	0	25,000
E9. Security	10,000	0	10,000
E10. Medical	30,000	0	30,000
E11. Accreditation	60,000	0	60,000
E12. Media & TV	60,000	0	60,000
E13. Licensing & Ticketing	16,000	0	16,000
E14. Marketing, Promotion and Branding	65,000	10,000	75,000
E15. Accommodation	1,516,975	70,000	1,586,975
E16. Transportation	190,500	0	190,500
E17. Protocol & Events	33,000	5,000	38,000
E18. Development Programmes	18,500	5,000	23,500
E19. International Federation Hosting Fees	0	0	0
E20. Event Bid costs	5,000	0	5,000
Contingency	131,884		131,884
TOTAL EXPENDITURE	2,989,561	230,605	3,220,166
NET DEFICIT/SURPLUS BEFORE FUNDING	98,139	0	98,139
UK SPORT FUNDING			
OVERALL NET DEFICIT/SURPLUS	98,139		98,139

7.3.5 Within this model there is currently unsecured income of £0.163m which is to be generated by MLS Contracts and British Blind Sport through sponsorship, grants,

donations and fund raising, over the lead-in period. Any shortfall on securing this income would require Birmingham City Council funding 33%, equating to potentially £0.055m.

- 7.3.6 In addition to the risk on securing the income above, Birmingham City Council would take on a shared final underwriting of the event, if the Games were to make a loss. This would see losses shared equally between the 4 stakeholders – Birmingham City Council, British Blind Sport, MLS Contracts and University of Birmingham. Appendix 1 sets out budget risk mitigations to reduce the risk of this eventuality.
- 7.3.7 If the event were to generate a surplus, then a proportion of the UK Sport Grant will need to be returned. Birmingham City Council will not receive a share of any surplus generated
- 7.3.8 In response to the underwriting and VAT risk (see section 6), the financial risk to Birmingham City Council could be between £0.055m and £0.130m. However, this is an assessment based on the position at the current time. As set out in Appendix 1 there are options to reduce cost if necessary and the financial plan includes a contingency sum of £0.132m. A sum of £0.075m will be set aside into the Major Events reserve from the Major Events revenue budget in 2021/22 to cover such eventualities, however, this may need to be increased at a later date. This would increase the reserve to £0.220m and cover current risk estimate.
- 7.3.9 As the Accountable Body, Birmingham City Council would take responsibility in a number of areas including managing cashflows, recovery of expenses, timely finance reports to Board and procurement. The cost of these additional activities will be funded within the Games budget.
- 7.3.10 The economic impact of the event is to reach in excess of £3.1 million, plus there is likely to be a Place Marketing value of £1 million, as the City and University is promoted to over 50 participating nations through the live streaming of events, and media coverage. It is likely the BBC Sport Website will share streaming along with the IBSA Website.

7.4 Procurement Implications (if required)

- 7.4.1 The City Council has worked closely with BBS to secure the successful award of this event from IBSA. The event award is made to BBS and then the City Council contract with them to host and support the delivery of the event. The contract is at no cost to the Council. There is no other way in which the City Council can deliver the 2023 World Games without contracting directly with BBS. They are the sole provider of this event.

7.5 Human Resources Implications (if required)

- 7.5.1 There no HR implications

7.6 Public Sector Equality Duty

7.6.1 This decision has no negative impact on those covered by the Equality Duty, as an event for the Visually Impaired equality is at the heart of the event.

8 Background Documents

8.1 None

List of appendices accompanying this report:

Appendix 1 Financial Risk Mitigation

Appendix 2 Equality Assessment

