

Birmingham City Council

Report to Cabinet



9th February 2021

Subject: Replacement 200m Indoor Athletics Track for Arena Birmingham

Report of: Director of Neighbourhoods (Acting)

Relevant Cabinet Member: Cllr Ian Ward, Leader of the Council
Cllr Tristan Chatfield, Cabinet Member for Finance and Resources.

Relevant O & S Chair(s): Cllr Sir Albert Bore, Resources

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Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s): Ladywood		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 008299/2021		
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
If relevant, provide exempt information paragraph number or reason if confidential :		

1 Executive Summary

- 1.1 To obtain approval to replace the 200m indoor athletics track at an estimated cost of £1.2m, funded by capital.
- 1.2 To obtain approval for the commencement of the procurement exercise for a 200m indoor track in Arena Birmingham, the storage and maintenance and the venue support for indoor athletics meetings.
- 1.3 This project is entirely consistent with the Council Plan outcome 4 priority 8, to enhance Birmingham's status as a city of culture, sports and events. This has a

target to increase the number of international, sporting, cultural and major events in our landmark venues. It also compliments the strategic aims in the Birmingham Major Events Review by contributing to the elements relating to, increasing performance, improving economic development and increasing participation.

- 1.4 The original track was installed over 29 years ago and is worn due to extensive use and is now coming towards the end of its usable life. It is essential that the track is replaced to ensure the sustainability of Birmingham as a venue for major indoor athletics events for another 10 – 15 years, meeting the latest international specification approved by the World Athletics.
- 1.5 The case for allocation of capital was presented to Capital Board on 7th October 2020. Capital Board supported the business case, however given the value being in excess of £1m the formal decision is with Cabinet. The business case has made it clear that no contract award for the track would be made prior to the securing of contracts with UK Athletics to host future indoor events.

2 Recommendations

That Cabinet:

- 2.1 approves the allocation of £1.2m in the capital programme to replace the existing 200m indoor athletics track to be installed for major events held in Arena Birmingham.
- 2.2 approves the strategy and commencement of the procurement activity for the supply of a 200m indoor athletics track including storage, installation and maintenance in accordance with Appendix 1.
- 2.3 delegates the award for the supply of a 200m indoor athletics track to be installed for major events in Arena Birmingham, subject to the award of the events contract with UK Athletics to the Director of Neighbourhoods (Acting), in conjunction with the Assistant Director - Development and Commercial (or their delegate), the Interim Chief Finance Officer (or their delegate) and the City Solicitor (or their delegate).
- 2.4 under Standing Order 2.5i, approves the commencement of single contractor negotiations by the Projects and Events Officer with the NEC Group Ltd for the provision of venue support for indoor athletics meetings in Arena Birmingham for an estimated value of £200,000.
- 2.5 delegates the award of the contract for the for the provision of venue support for indoor athletics meetings in Arena Birmingham to the Director of Neighbourhoods (Acting) in conjunction with the Assistant Director, Development and Commercial (or their delegate), the Interim Chief Finance Officer (or their delegate) and the City Solicitor (or their delegate).
- 2.6 authorises the City Solicitor to negotiate, execute and seal and complete all necessary documentation to give effect to the above recommendations.

3 Background

- 3.1 The original track was built in 1991 to coincide with the opening of the National Indoor Arena. Surface replacement was carried out in 2006 for the European Indoor Athletics Championships 2007. Replacement infield and extension to the frame (to meet changing World Athletics regulations) was completed in 2017 ready for the IAAF World Athletics Championships 2018.
- 3.2 In addition to its increasing physical fragility due to age and usage, athletics as a sport has moved forward significantly over the past 15 years. The track needs to reflect this change and be world class again.
- 3.3 It is essential that the track is replaced to ensure the sustainability of Birmingham as a venue for major indoor athletics events for another 10 – 15 years, meeting the latest international specification approved by the World Athletics.
- 3.4 Due to the age and deterioration of the current track, it would shortly be impossible to host indoor international athletics competitions. This would fundamentally conflict with the long-term objectives of the City Council to attract major sports events to the City. It would also mean we would not be able to stage the Indoor Grand Prix, one of the world's best indoor athletics events. The rights for this event are held by UK Athletics and the City Council will need to link future contractual agreements to host this event with the track procurement process. Not replacing the track would also rule us out of bidding for European and World Indoor Championships in the future.
- 3.5 Purchasing a new indoor 200m track would sustain BCC on the world athletic stage and enable the city to retain the indoor Grand Prix and enhance the prospects of the event returning to Birmingham every year instead of every other year. It would also enable us to bid for world and international indoor athletics events.
- 3.6 Due to the installation requirements of the venue the track will be bespoke and manufactured specifically for our requirements. The lead time from order to delivery is approximately 9 months. The aim is for the track to be operational from February 2022 in time for both the Indoor British Championships and Indoor Grand Prix.
- 3.7 Hosting Major Events can generate significant economic and community benefits in the lead up to and post Commonwealth Games, along with delivering a 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.
- 3.8 Major Events bring a significant economic impact to the city. In 2019 the portfolio of major events delivered an economic impact of £75m.
- 3.9 All the above information has been supplied to Capital board on 7th October. Capital board supported the allocation of capital resources to procure a new track

subject to securing contracts with UK Athletics to host future indoor events. As the allocation is in excess of £1m, the formal decision rests with Cabinet.

4 Options considered and Recommended Proposal

- 4.1 Do nothing - Due to the age and deterioration of the current track, it would shortly result in the loss of ability to stage international athletic competitions. It would also mean we would not be able to stage the world's best indoor athletics event, the Müller Indoor Grand Prix. Not replacing the track would rule us out of bidding for European Indoor Championships in the future, conflicting with the long-term objectives of the City Council to attract major sports events to the City.
- 4.2 Buy a new track - purchasing a new indoor 200m track would sustain the Council on the world athletic stage and enable the city to host the indoor Grand Prix every year instead of every other year, It would also enable us to bid for world and international indoor athletics events.
- 4.3 Separate the purchase, installation, storage and maintenance of the track – engagement with the market has shown that there is little appetite for this option, and a more holistic approach, with one provider, gives greater certainty of risk management and better economies of scale.
- 4.4 Alternative procurement options are detailed in Appendix 1. The decision to undertake two separate procurement exercises, one for the supply and delivery of the indoor track and one for the storage, installation and maintenance of the track was made as the storage, installation and maintenance contract can only be put out to tender once it is known which supplier will be supplying the track.

5 Consultation

- 5.1 Sporting National Governing body (UK Athletics) and the venue (NEC Group Ltd), have been and will continue to be engaged over the detailed requirements of the track to be procured.

6 Risk Management

- 6.1 As Birmingham delivers its event in the Arena Birmingham, which is used for other purposes during the year, the track being procured needs to be demountable. Birmingham is the only major sporting city using this type of track and there are very few suppliers for this type of track. Our procurement strategy will take this into account and seek to maximise the range of suppliers who can bid for the work.
- 6.2 There is also reputational risk to the Council if we no longer plan to host major athletics events.

7 Compliance Issues:

- 7.1 **How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

7.1.1 This project is entirely consistent with the Council Plan outcome 4 priority 8, to enhance Birmingham's status as a city of culture, sports and events. This has a target to increase the number of international, sporting, cultural and major events in our landmark venues. It also compliments the strategic aims in the Birmingham Major Events Review by contributing to the elements relating to, increasing performance, improving economic development and increasing participation.

7.1.2 Birmingham Business Charter for Social Responsibility (BBC4SR)

Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of these contracts. Tenderers will be required to submit an action plan with their tender that will be evaluated in accordance with the procurement strategy set out in Appendix 1 and the action plan of the successful tenderers will be implemented and monitored during the contract period.

7.2 Legal Implications

7.2.1 Under the Local Government Act 2000 the Council is empowered to further the wellbeing of its communities.

7.3 Financial Implications

7.3.1 This report is seeking Cabinet approval for capital funding of £1.2m to replace the indoor track at the Arena Birmingham, funded through corporate prudential borrowing costs (PBC) at an annual cost of £101k from 2022/23.

7.3.2 The cost of the track build, maintenance and hosting fees is covered by existing directorate revenue budget.

7.4 Procurement Implications (if required)

7.4.1 The procurement strategy for the supply of the track, storage, installation, maintenance and venue support is detailed in Appendix 1.

7.5 Human Resources Implications (if required)

7.5.1 There are no human resources implications.

7.6 Public Sector Equality Duty

7.6.1 The replacement track supports the delivery of the major events review, for which an Equality Analysis was undertaken. This Equality Analysis has been reviewed and it is concluded that this project is unlikely to have a disproportionate impact on any of the protected groups and characteristics under the Equality Act 2010.

8 Background Documents

8.1 None

List of appendices accompanying this report:

- Appendix 1 – Procurement Strategy
- Appendix 2 - Equality Act 2010