

# Birmingham City Council

## Report to Cabinet

23 September 2022



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**Subject:** Commonwealth Games Legacy Projects

**Report of:** Rob James – Strategic Director City Operations

**Relevant Cabinet Members:** Councillor Ian Ward, Leader of the Council  
Councillor Yvonne Mosquito, Cabinet Member for Finance and Resources  
Councillor Sharon Thompson, Cabinet Member for Housing & Homelessness  
Councillor Jayne Francis, Cabinet Member for Digital, Culture Heritage & Tourism

**Relevant O &S Chair:** Councillor Jack Deakin Commonwealth Games, Culture and Physical Activity

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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: 008786/2021		
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. The Commonwealth Games were an unprecedented success with more than 5 million people visiting the City, driving investment, delivering both training and jobs and significantly improving the perceptions of our city amongst a worldwide audience. This report sets out some immediate opportunities to build on this

legacy, including bidding to host new events, developing a new Cultural Festival as well as grassroots Sport & Culture.

- 1.2. Following on from a previous report authorising a bid to the European Athletics Championships 2026 this report also seeks approval to sign all the documents associated with hosting the event and delegates the associated procurement matters.

## **2. Recommendations**

- 2.1 To note that the unprecedented success of the CWG has presented Birmingham with a significant uplift in the opportunities available to it for hosting Major Events
- 2.2 Cabinet agrees to progress the bids for both the Eurovision Song Contest (2023) and the UEFA Euros (2028), noting the current level of financial underwrite commitment in paragraphs 9.3 and 9.4 respectively.
- 2.3 Cabinet authorises officers to commission the Birmingham 2023 Anniversary Festival in line with paragraph 3.6, noting the financial position as set out in 9.5.
- 2.4 Cabinet delegates authority to the Assistant Director Neighbourhoods to develop the business cases for Grassroots Sport and Grassroots Culture as set out in paragraph 3.7.
- 2.5 Subject to the success of the bids, Cabinet delegates the approval of the procurement strategy and the award of contracts associated with the events in 2.2 and 2.3 to the Strategic Director - City Operations, in conjunction with the Assistant Director, Procurement (or their delegate), the Director of Council Management (or their delegate) and the City Solicitor and Monitoring Officer (or their delegate) and in consultation with the Cabinet Member for Finance and Resources.
- 2.6 In the event the bids are successful, Cabinet authorises the City Solicitor and Monitoring Officer (or their delegate) to sign all relevant documents associated with the hosting of the European Athletics Championships 2026, Eurovision 2023 and UEFA Euros 2028, including the host city contract.

## **3. Background**

- 3.1 Cabinet approved a report at the 28 June 2022 meeting setting out an intention to enhance legacy projects, should the Commonwealth Games deliver under budget. In this report authorisation was given to bid to host the European Athletics Championships 2026 as well as continuing to develop work to enable business cases for three other projects to be submitted through to DCMS.

- 3.1.1 The Commonwealth Games were an unprecedented success – and something that Birmingham can rightly be proud of. More than 5 million people visited the City during the two weeks of the event - a 200% increase on the same time last year; public investment in the Games unlocked over £85m of additional investment; 7,500 people received training and were upskilled and 40,000 jobs were created across the West Midlands. A recent survey carried out by DCMS found that 9 out of 10 people thought that the Games would improve the overall perception of the City.
- 3.1.2 There is an opportunity now to build on this legacy. The City and its residents face huge challenges but it is more important than ever to stimulate activity by investing into our local economy to support businesses and help people into work – signalling to potential investors that Birmingham remains open for business.
- 3.1.3 The following sections (Major Events 3.2-3.5, Festival 3.6 and Grassroots Sport & Culture 3.7) in this report set out some of the immediate opportunities that are presenting themselves as a result of the Commonwealth Games and have the potential to form the backbone of a 'Golden Decade of Opportunity' for the City.

**3.2 Major Events:** Birmingham City Council recently set out an ambitious 10-year Major Sporting Events Strategy (2022-2032), which aims to capitalise on the springboard provided by Birmingham's status as Proud Host City for the 2022 Commonwealth Games. This bold, new strategy provides a portfolio approach to aid the city in attracting and hosting events that deliver a positive social, economic and environmental impacts for the residents of Birmingham, its businesses, national governing bodies and the wider regional economy.

- 3.2.1 Our ambition is clear - for Birmingham to be recognised globally as a host city for major sporting and cultural events that have purpose and deliver positive impact for our city. We aim to become the preferred city of choice for international federations, event organisers, rights holders and commercial partners who chose to come to Birmingham because of all it has to offer their competitors, their officials, their volunteers, their supporters, and fans.
- 3.2.2 Major sporting and cultural events enhance Birmingham's profile and status as a city of sport, culture and events. Events help to strengthen the city's identity and promote Birmingham nationally and internationally as a welcoming, diverse, youthful and inclusive city. Furthermore, hosting major events attracts new visitors, which in turn grows our visitor economy. Events motivate people, encouraging greater participation in sport and culture to improve their physical and mental health and wellbeing.

**3.3 European Athletics Championships 2026:** Birmingham has a well-established relationship with athletics. Birmingham is the home of UK Athletics, with the National Governing Body based at the stadium and in Birchfield Athletics we also have one of the premier athletics clubs in the country. We have a long-term arrangement to deliver both the Indoor British Athletic Championships and the annual Grand Prix Athletic Event and we are in ongoing discussions about the Athletic Diamond League event

which was recently held at the new Alexander Stadium as one of the test events in preparation for the Commonwealth Games. In addition to all this the city can now boldly state that the stadium itself is now recognised as the best Athletics Stadium in the country.

3.3.1 The above context has played an important part in the European Athletic Association approaching UK Athletics (National Governing Body) regarding a UK bid for 2026. UK Athletics subsequently approached Birmingham City Council to be the host city partner, continuing our long-standing relationship with them. Although the City has already secured two major sporting events in the World Blind Games 2023 and the World Trampoline Championship 2023, a successful bid to host one of the biggest global sporting events would be a key legacy event in our drive to deliver a 'golden decade' of events and would support our Be Bold Be Birmingham legacy plan.

3.3.2 Cabinet approved submission of the initial bid in June 2022 which is now being considered by European Athletics enabling them to provide feedback, seek clarification on matters and enable the city to progress to the final bid stage at the end of September 2022, prior to a presentation and then the announcement of the successful host city in November 2022.

3.3.3 As part of the June 2022 report Cabinet agreed to underwrite a one-off contribution up to £13.7m, from the Financial Resilience Reserve, which is the net cost of the championships, noting that this figure would reduce with successful bids for funding to both UK Sport and DCMS. The outcome of the UK Sport bid for £3m is expected in mid-October, whilst the wider games underspend discussions with DCMS are ongoing.

3.3.4 In order to submit a fully compliant bid, the city council has to sign the host city contract and therefore authorisation for this is sought through this report, with any legal implications referenced in section 8.

3.4 **Eurovision Song Contest 2023:** Birmingham is one of seven UK cities shortlisted to host the Eurovision Song Contest in May 2023, six in England and one in Scotland. Eurovision is the biggest live TV event in the world seen by over 160m people, generating the equivalent of £700m advertising value and a large increase in tourists visits to the city (in Turin 57% of people visiting came as a result of the city hosting Eurovision). In addition to the Finals, as the main event, there are 8 other ticketed events including the two semi finals and rehearsals, a Eurovision Village/Festival, a cultural programme and numerous spin off events that place this event within the mega event bracket and would clearly have a major impact on the city.

3.4.1 The UK is hosting the event on behalf of Ukraine and the city's bid has engaged Centrala to ensure that, via the Eastern European Arts organisation, Ukrainian culture is at the heart of our bid. Other key partners include the NEC Group, Pride, CWG Cultural Programme, Transport for West Midlands, WMGC and WMCA.

3.4.2 The bid requires the city to set out its resourcing plan for the event. The City intends to resource its contribution to the event with the assistance of £2m from partners and £2.9m from eligible reserves and receipts. If successfully awarded the event the City would look to secure sponsorship to drive down the net cost of the event and also provide enhancements to the offer through a 'good to great' programme.

3.4.3 All prospective host cities are invited to present to a panel on 23<sup>rd</sup> September with a decision be made in the Autumn. If selected to be the preferred host city, officers will need to be authorised to sign off the host city contract.

3.5 **UEFA Euros 2028:** The Footballing Associations across England, Scotland, Wales, Northern Ireland and Ireland intend to submit a preliminary bid to UEFA in November 2022 to host the Euros in 2028. In doing so the English FA are seeking to identify host cities (and stadia) to form part of that bid. The City Council has, with its partner Aston Villa FC (AVFC), progressed to the second stage along with five other cities in the region. Molineux/Wolverhampton and Coventry Building Society Arena/Coventry have already withdrawn and are placing their support behind Birmingham within the context of the 3 Cities programme. If selected to be a preferred host city, officers will need to be authorised to sign off the relevant host city contract arrangements.

3.5.1. The expectation of the FA is that host cities can: -

- deliver a stadium that meets the vast majority of the UEFA bid requirements. AVFC already plan to invest financially in stadium improvements meaning that they will be compliant with these requirements.
- A fanzone experience in the city centre lasting 30 days to both screen matches and to provide family friendly activations, cultural programming and interactive activities for young people
- Hotels, Team Base Camps, Training Centres, Mobility and Transport arrangements

3.5.2 As a Host City we would be expected to fund 25%-50% of the Host City delivery requirements. Our submission is based on a City Council spend of £4-5m drawing £12-15m investment from Central Government.

3.6 **Birmingham Anniversary Festival:** The Birmingham 2023 Festival aims to be an anniversary festival for the city inspired by the Birmingham 2022 Festival for the XXII Commonwealth Games and set in motion plans for the city's new signature international festival in future years. It would be a moment of reflection as the city celebrates its achievements as the host city one year on, and an opportunity to showcase its ambition to be a world-class destination for culture and mega-events; it would build on public appetite for cultural activities in the city centre developed through 2022 and help secure onward private and public sector investment in Birmingham's new annual festival.

3.6.1 The festival would seek to take features of the 6-month Birmingham 2022 Festival and Games time Festival Sites and re-package them into a new, one-off celebration as well as providing a platform for cultural organisations in the city to place their own 'one year on' legacy project outcomes. Other key features would include:

- City-centre located with main squares being the primary destination but using other main city centre arteries and dwell-spaces where possible
- 11 days long, echoing the 11 days of the Games, potentially running over two full weekends at the end of July / start of August.
- Multi-artform with a lean towards screen content, live music, outdoor installation/visual art, walk-about performance, mass dance/movement, public play and participatory activations

3.6.2 An initial financial investment of £1.5m would be needed from the city council for the set up and delivery of the 2023 festival, and to develop early plans for the 2024 festival.

**3.7 Grassroots Sport & Culture:** Investing in grassroots sport and culture is one of the four legacy priorities projects set by Cabinet in June 2022. The DCMS initial evaluation report stated that nearly half (43%) of spectators suggested they would increase their activity levels as a result of the games and this rose to 71% for the under 25's. Alongside this 107 Creative City projects took place across Birmingham, flooding open spaces in the city with art, co-created with local communities. This was the first time that community-based arts and cultural projects had been delivered as part of a Games cultural festival. The legacy opportunity in this field of work is strong.

3.7.1 The Sport and the Culture Teams intend to work with others to develop proposals to secure underspends/legacy funding including: -

- support development of grassroots sports clubs, community organisation and cultural organisation, in the form of small grants funds and capacity building support
- opportunities for capital funding
- apprenticeship or other options to connect to cultural/sports employment for young people

#### **4. Options considered and Recommended Proposal**

4.1 The paper sets out the immediate legacy opportunities that are presenting themselves and the commitments that are needed to submit the best applications to the varied governing bodies to secure them, and if successful deliver them. There are options to not progress with some or all of the opportunities set out in the recommendations, however any such decision would need to consider this against the stated ambition that the Commonwealth Games would be the start of a 'Golden Decade of Opportunity' for the City.

- 4.2 Recommended Proposal – Agree the recommendations as the City’s next bold step to delivering an ongoing legacy from the Games.

## **5 Consultation**

- 5.1 On the European Athletic Championships; UK Athletics are supporting the bid and process. UK Sport and DCMS have been fully engaged with our bid development and are involved in steering group meetings for the bid submission. West Midlands Growth Company have shown support and been engaged and will assist in maximising the benefits of the event for residents and businesses in the region.
- 5.2 On Eurovision we have engaged with Birmingham Pride, Southside BID, Transport for West Midlands, WMCA, GBSLEP, WMGC, Centrala, NEC Group and the CWG Cultural Team. The bid team and council received full support to the submission, including identification of benefit in kind resourcing, financial support, collaborative work and shared opportunities to achieve efficiencies.
- 5.3 On UEFA Euros we have engaged Wolverhampton City Council, Coventry City Council, Transport for West Midlands, AVFC. Our neighbouring cities gave support to a single bid by Birmingham and will work with the city to enhance the regional experience.

## **6 Risk Management**

- 6.1 The main risks at this stage are i) the need to underwrite budgets in advance of funding decisions on Games underspends ii) the tight timescales to deliver Eurovision 2023 if awarded the event in Autumn 2022. The operational aspects will be mitigated by maximising the use of staff who developed their skills and experience over the Games period.

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

- 7.1 Aligns well with outcome 4 Priority 8, to enhance Birmingham’s status as a city of culture, sports and events by increasing the number of sporting and major events at our landmark venues.
- 7.2 Is consistent with Outcome 5, priority 2; To encourage citizens of all abilities and ages to engage in physical activity.
- 7.3 And is consistent with Outcome 5, Priority 3; We will use the Games as a catalyst for the development and promotion of apprenticeships, volunteering and leadership opportunities to enhance the skills of our workforce and communities.

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

Where contracts are let by partners, the Council will promote and support consistency with our charter and social value outcomes.

## 8 Legal Implications

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 in Sections 2 and 4 of the Localism.

The legal powers to stage activities and events of this nature are contained with Section 145 of the Local Government Act 1972.

In discharging their duties under recommendation 2.5 the City Solicitor (or delegate) will assist with identifying ways in which contractual risks might be minimised.

## 9 Financial Implications

9.1 Birmingham City Council, will work with city partners, sponsors and event organisers to secure the most favourable position possible with regard to its ambition to both host major international events and deliver legacy outcomes. The section below sets out the funding position for each event.

9.2 European Athletics Championships 2026. In June 2022 Cabinet agreed to underwrite, if required, the net budget required for this event at £13.7m from the Financial Resilience Reserve, noting that this figure would reduce with successful bids for funding to both UK Sport and DCMS. The City Council's bid for £3m to UK Sport is due to be determined in mid-October and although the process for accessing Commonwealth Games underspend is not yet fully determined it is understood that there will be sufficient funds for this event.

9.3 Eurovision Song Contest 2023. In addition to in kind contributions there is a £4.9m financial budget required to deliver Eurovision. The City intends to resource its contribution to the event with the assistance of £2m from partners and £2.9m from eligible reserves and receipts. If the event is secured, we will work with the BBC and EBU on sponsorship arrangements to see where we can deliver arrangements that could either reduce the City Council's investment or deliver an enhanced 'good to great' programme.

Source	Amount	Stage
CWG City Readiness Event Hosting	£2.0m	Close-down in progress - strong estimate
Partner grant awards in progress	£2.0m	Offers subject to governance processes

Windfall Capital Receipt from ringfenced business support programme (no associated debt or balance sheet asset value)	£0.9m	In legal due diligence
	£4.9m	

Partner contributions have been discussed and presented informally to board and decision bodies. Amounts have been discussed and the council has been invited to submit applications for full governance process once Eurovision bid success is known.

- 9.4 UEFA Euros 2028. The City's bid is based on a 75% National Government match to our 25% investment. The final details of our arrangements will need agreeing with the FA should we be shortlisted but have been calculated at a £5m maximum contribution. The number could be less depending upon the detail of fanzones and transport arrangements, but at this level would draw down a £15m Government investment into the city. The exact source of funding has not yet been identified, however as the event is 6 years away there is time to generate funding from a variety of different sources. These sources will include identified uplift in advertising venue linked to increased visitor numbers, income excess will be set aside annually. Partner bids will again be sought where skills, jobs and business growth can be identified as an outcome from the event. Prior to signing any financial commitment with the FA a report on how the event is to be funded will have to be brought forward.
- 9.5 Festival 2023, Grassroots Sport and Grassroots Culture. Establishing an Anniversary Festival in 2023 will require £1.5m of city council investment for the set up and delivery of the 2023 festival, and to develop early plans for the 2024 festival. The exact amount of the underspend that the Council is to receive has not yet been confirmed by DCMS but we understand that it will be sufficient to fund the European Athletics Championships bid and other grassroots sports and cultural programmes in the City. The Festival is one of the Council's proposals for use of the underspend submitted to DCMS.
- 9.6 Work is continuing to finalise the overall costs incurred in delivering the Commonwealth Games, but current indications are that there will be a significant underspend and that this may enable either the support for a range of legacy projects linked to the Games, or may be returned to the funders, or some combination of the two. A firm decision may be some months away and will require government/HM Treasury approval.
- 9.7 All of the proposed events will be considered for funding from the number of sources identified, where one is not successful then any BCC funding already identified will be retained for alternative approved events. The European Athletics and Festival bids are key elements of the proposal to use CWG underspends and are in discussion with DCMS and it is anticipated that the return of BCC's share of underspend will be sufficient to fund both of these events. Should these and other funds not be confirmed in time for the commissioning of both the Birmingham Festival 2023 and the Euros 2028 then these will be underwritten by the Financial Resilience Reserve (FRR)

noting that there remains 6 years in which to generate the funds for the Euros as described in para 9.4.

9.8 The need to use the FRR is considered low risk as it is expected that the council will be able to deliver these events from funds as described above. It must be noted however that FRR will not then be available for other uses.

9.9 It is worth noting that the Welsh Government has launched a review into a tourism levy. The economic beneficiaries of major events in Birmingham and the region are the hotels, restaurants, pubs etc and it is therefore fitting to seek to capture part of this in order to continue the growth within the City. The outcome of the Welsh review will be monitored.

## **10 Procurement Implications (if required)**

There are no procurement implications for this report. Should the bids be successful any further procurements sourced will be the subject of separate reports, noting delegations sought within the recommendations of this report and in compliance with the Public Contracts Regulations 2015 (PCR) and the Council's procurement governance arrangements as set out in the Council's Constitution.

## **11 Human Resources Implications (if required)**

There are no HR (Human Resources) implications in submitting the bids, although if bids are successful HR recruitment processes will need to be followed.

## **12 Public Sector Equality Duty**

12.1 This decision has no negative impact on those covered by the Equality Duty. The projects are unlikely to have a disproportionate impact on any of the protected groups and characteristics under the Equality Act 2010.

## **13 Background Documents**

13.1 None.

### **List of appendices accompanying this report:**

1. Environment and Sustainability Assessment
2. ENIA