

Birmingham City Council
Report to Leader of the Council,
the Cabinet Member for Finance and
Resources jointly with the Acting Director
Neighbourhoods



22 July 2019

Subject: **SINGLE CONTRACTOR NEGOTIATIONS – STAGING OF MAJOR ATHLETICS EVENTS**
Report of: Assistant Director Neighbourhoods
Relevant Cabinet Members: **Councillor Ian Ward, Leader**
Councillor Tristan Chatfield, Finance and Resources
Relevant O &S Chair(s): **Councillor 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): Perry Barr | | |
| Is this a key decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| If relevant, add Forward Plan Reference: | | |
| 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 checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Please refer to Appendix 1 for exempt information | | |
| If relevant, provide exempt information paragraph number or reason if confidential : | | |
| The accompanying exempt appendix contains confidential market information which could impact on the tender process. | | |
| Schedule 12A of the Local Government Act 1972 as amended- paragraph 3 – information relating to the financial or business affairs of any particular person (including the authority holding that information) | | |

1 Executive Summary

- 1.1 The City Council has regularly held prestigious athletics events under agreement with UK Athletics Ltd.
- 1.2 The British Championships and Diamond League Events are due to take place in August 2019 at the Alexander Stadium.
- 1.3 A new contract needs to be in place between the Council and UK Athletics Ltd prior to the forthcoming events and it is proposed to enter into single contractor negotiations with this organisation.

2 Recommendations

That the Leader of the Council, the Cabinet Member for Finance and Resources and the Acting Director Neighbourhoods:-

- 2.1 Under Standing Order 10.5 approves the commencement of single contractor negotiations by the Assistant Director Neighbourhoods with UK Athletics Ltd for the provision of staging the Birmingham Grand Prix 2019 and British Athletics Championships 2019 for the estimated sum of £300,000 over a period of 6 months commencing August 2019.
- 2.2 Delegates authority to the Acting Director, Neighbourhoods in conjunction with the Assistant Director, Development and Commercial (or their delegate), the Chief Finance Officer (or their delegate) and the City Solicitor (or their delegate) to award a contract to UK Athletics Ltd subject to the satisfactory outcome of negotiations described in 2.1 above.

3 Background

- 3.1 The major events programme sets out that the Council will host the Birmingham Grand Prix (Diamond League) and the British Athletics Championships in August 2019.
- 3.2 As part of the 2019/20 budget consultation, it was agreed to provide resources to continue with the council's existing calendar of major events up until the 2022 Commonwealth Games. This included the following two events:
 - Grand Prix Birmingham – 18th August 2019: Birmingham has hosted this event for the past 8 years. This event is part of an IAAF World Series event with Birmingham being ranked as one of the top ten events around the world. High profile athletes will compete to attract a sell-out crowd.
 - British Athletics Championships – 24th – 25th August 2019: This event will see the very best in Britain go head-to-head in advance of this year's IAAF World Championships in Doha. The championships will star over 650 athletes and see 36 champions crowned across both male and female events.
- 3.3 Given the uncertainty of whether funding for events was going to continue, the majority of events were not contracted post 2018/19 until the outcome of the

budget consultation was completed and the budget for 2019/20 was approved by Full Council in March. The major events programme requires individual decisions to be taken on the procurement for each event. There is therefore now a requirement to put a contract agreement in place prior to these two events taking place and authorisation is being sought to enter into single contractor negotiations to facilitate award of contract.

3.4 The basis for the negotiations will be to agree the pricing and social value commitments and also to confirm the terms and conditions the contract will be delivered under.

3.5 The contract will be managed by the Assistant Director, Neighbourhoods.

4 Options considered and Recommended Proposal

4.1 These two events are well established within Birmingham and the Alexander Stadium.

4.2 As a result of market investigation there is only one contractor that can meet the Council's requirements. The Council wishes to host the Grand Prix and British Athletics Championships which are administered through UK Athletics as the owner of the rights for these events. UK Athletics is the only National Governing Body for athletics and the Member Federation of the IAAF responsible for athletics in the United Kingdom of Great Britain & Northern Ireland. It is therefore the case that UK Athletics are the only organisation who can provide the Council with the services and associated rights to stage these events.

4.3 Run a procurement process: There is insufficient time to run a procurement exercise because of the short period of time since the Budget was approved. In addition, UK Athletics are the only body able to the rights to stage the events, as they are the national governing body controlling Diamond League events.

4.4 Not to run the events – this is not an option as the events are important to the city and there would be serious reputational damage and likely financial compensation sought if we withdrew from staging the event at this stage.

5 Consultation

5.1 Officers from City Finance, Procurement and Legal and Governance have been involved in the preparation of this report.

6 Risk Management

6.1 There are no other providers who can provide the staging of these two events. The costs associated with the service continue to be driven down and this reduction will form part of the negotiations.

7 Compliance Issues:

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

- The Major Events programme was considered through the budget setting process with additional resources being identified to ensure that the programme of Major Events across the city could continue.
- 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.
- The direct economic impact of staging both events has been judged to be in the order of around £1million
- Television viewing figures show that the events achieved a global cumulative viewing audience of approximately 2 million with live coverage of the events on the BBC.

7.1.2 Birmingham Business Charter for Social Responsibility (BBC4SR)

UK Athletics Ltd will be required to be a certified signatory to the BBC4SR and produce an action plan proportionate to the value of the proposed contract.

7.2 Legal Implications

7.2.1 The Council has the legal power to stage events of this nature through Section 145 of the Local Government Act 1972.

7.2.2 The value of the contract is over the threshold limit required under the Public Contract Regulations 2015. In this case, there is no requirement for OJEU publication pursuant to regulation 32B as the services can only be supplied by UK Athletics because competition is absent for the technical reasons outlined above.

7.3 Financial Implications

7.4.1 The budget available to fund major events in 2019/20 is £0.833m. The service has a programme of events planned for this financial year, and the financial details of these two events are in the private appendix A. The total cost of all planned events is estimated to be £1.335m, which will result in an overspend position detailed in the June 2019 Financial Monitoring Cabinet report to be presented in July 2019. Based on the level of commitments made to date the overspend will be addressed through re-prioritisation of other events and schemes to remain within approved resources..

7.4 Procurement Implications

7.4.1 This report concerns the requirement to enter into single contractor negotiations to award a contract as set out in paragraph 4.2. As there is not sufficient time

for this requirement to be entered into the monthly Procurement Planning Activities report to Cabinet, in accordance with the Procurement Governance Arrangements, this executive approval is requested to approval the decision.

7.5 Human Resources Implications

7.5.1 None

7.6 Public Sector Equality Duty

7.6.1 This decision has no negative impact on those covered by the Equality Duty. An Equality Assessment ref no: EQUA339 is attached.

8 Background Documents

8.1 None

8.2 List of Appendices accompanying this Report

Exempt Appendix 1

Initial Equality Impact Assessment Screening – Appendix 2