

Birmingham City Council

Report to Cabinet.



22nd March 2022

Subject: Additional Capital Funding and Contract Award - Replacement 200m Indoor Athletics Track for Arena Birmingham

Report of: Rob James Managing Director, City Operations

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 Mohammed Aikhlaq, 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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference: 009987/2022		
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
If relevant, provide exempt information paragraph number or reason if confidential : Paragraph 7.3.4 Exempt Appendix 1		

1 Executive Summary

- 1.1 To approve additional capital funding of a further £590,000 and the award of a contract following a procurement process to replace the 200m indoor athletics track
- 1.2 £1.2m capital was previously approved by Cabinet in the strategy report for the commencement of the procurement activity on a Replacement 200m Indoor Athletics Track for Arena Birmingham dated 9th February 2021.
- 1.3 The case for allocation of additional capital was presented to Capital Board on 9th February 2022. Capital Board supported the business case, however as the value is in excess of £200,000 the formal decision is with Cabinet.

- 1.4 A ten-year partnership agreement with UK Athletics had been signed, this includes the delivery of the Indoor Grand Prix and British Championships. Approved at Cabinet in September 2021
- 1.5 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.

2 Recommendations

- 2.1 Approves the additional allocation of a further £590k in the capital programme to replace the existing 200m indoor athletics track.
- 2.2 Approves the award of a contract to Dynamik Sport Surfaces Ltd for the supply, installation, storage and maintenance of a 200m indoor athletics track to be installed for major events in Arena Birmingham for a period of 5 years with an option to extend for a further period of 2 years subject to budget availability and satisfactory performance. as detailed in Appendix A.
- 2.3 Notes the amendment to the procurement strategy approved by Cabinet dated 9th February 2021 for the reasons detailed in Appendix A.
- 2.4 Delegates taking up the option to extend for the installation, storage and maintenance subject to budget availability and satisfactory performance to the Managing Director, City Operations in conjunction with Assistant Director, Procurement (or their delegate), the Director of Council Management (or their delegate) and the Interim City Solicitor and Monitoring Officer (or their delegate).
- 2.5 Authorises the Interim City Solicitor and Monitoring Officer 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 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.
- 3.2 Cabinet approved the budget and the procurement strategy for a replacement track in the Replacement 200m Indoor Athletics Track for Utilita Arena Birmingham report dated 9th February 2021.
- 3.3 Due to the age and deterioration of the current track, it would shortly be impossible to host indoor international athletics competitions. If the track were not replaced it would fundamentally conflict with the long-term objectives of the City Council to attract major sports events to the City. Hosting Major Events can generate significant economic and community

benefits along with delivering a positive profile for the city on a global platform.

- 3.4 Purchasing a new indoor 200m track is key to BCC delivering our 10-year contract with UK Athletics. It will enhance Birmingham's profile of being the home of British Athletics. This partnership has secured the Indoor Grand Prix and British Championships on an annual basis. It would also enable us to bid for world and international indoor athletics events in the future.
- 3.5 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.
- 3.6 Major Events bring a significant economic impact to the city. In 2019 the portfolio of major events delivered an economic impact of £75m.
- 3.7 This year's Indoor Grand Prix was a sell-out crowd of 6000 spectators and live on BBC 1. Crowds watched on as the 800m British record was broken. This raises Birmingham's profile of a city of sport.
- 3.8 Since the Cabinet approval in February 2021, a procurement process was undertaken and during the evaluation process, it was established that no suitable tenders were received due to suppliers' submissions not meeting the specification for the required track installation and breakdown timelines for the venue.
- 3.9 In addition, as the specification incorporated a raised infield, this requirement also added significant costs to the tenderers submissions which were well above the approved budget.
- 3.10 As a consequence, there was a requirement to request additional funding and also to commence an alternative procurement process. Capital Board supported the allocation of additional capital resources for the purchase of the track on 9th February 2022 and as the allocation is in excess of £200k, the formal decision requires Cabinet approval. The details of the procurement process are in Appendix A.

4 Options considered and Recommended Proposal

- 4.1 Do nothing – this is not an option as additional funding is required for the replacement track. 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 Approve additional capital funding and award the contract a new track – this is the recommended proposal to enable the purchasing a new indoor 200m track would sustain the Council on the world athletic stage and ensure the delivery of the contract with British Athletics. It would also support future bids for world and international indoor athletics events.

5 Consultation

- 5.1 The 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 Without additional funding would be a significant reputational risk to the Council if we would be no longer enable to host major indoor athletics events and not fulfil the contract with UK Athletics for the hosting of these 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)

Dynamik Sport Surfaces Ltd is an accredited signatory to the BBC4SR and has produced an action plan with commitments relevant to the contract. These actions will be monitored and managed during the period of the contract.

The list below shows the headline social value actions committed over the contract period:

- 2 jobs created.
- Payment of the Real Living Wage.
- Running Track is member of Green Guard for low chemical emissions.
- Any plant and machinery required for the project will be sourced locally.
- All timber used is in accordance with Forestry Stewardship Council / Programme for the Endorsement of Forest Certification standards.

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 additional approval for capital funding of £0.590m, on top of the previously agreed £1.2m, to replace the indoor track at the Utilita Arena, funded from corporate capital contingency
- 7.3.2 The cost of the track build, maintenance and hosting fees of £0.184m per annum is covered by existing Major Events revenue budget. The use of corporate capital contingency allows for a one-off revenue saving of £0.150m in 2022/23 that had been previously set aside as a reserve for the track.

7.4 Procurement Implications (if required)

- 7.4.1 The procurement implications for the supply of the track, storage, installation, maintenance and venue support are detailed in Appendix A.

7.5 Human Resources Implications (if required)

- 7.5.1 The contract will be managed by Sport and Events staff.

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

None

List of appendices accompanying this report:

- Appendix A – Procurement Process
- Exempt Appendix B
- appendix C – Equality Act 2010