

Template to accompany any Report not on the Forward Plan

PUBLIC

Report to: CABINET
Report of: Chief Executive
Date of Decision: 26 June 2018
SUBJECT: COMMONWEALTH GAMES OVERVIEW, UPDATE

Key Decision: Yes
If not in the Forward Plan: Relevant Forward Plan Ref:
(please "X" box) Chief Executive approved X
O&S Chair approved X
Relevant Cabinet Member(s) or Leader of the Council, Councillor Ian Ward
Relevant Executive Member:
Relevant O&S Chair: Councillor Albert Bore
Wards affected: ALL

REPORT

* To be completed for all reports which are key decisions and are not on the forward plan

Reasons for Not on the Forward Plan

The item was originally incepted on the Council's software programme collating information for the Forward Plan. That information was correct and within the statutory time limit for publication of the Forward Plan for Cabinet on 26th June 2018. Due to a system and administrative error, that information was not then copied correctly into the Forward Plan "document," which is then published on the Council's website.

Reasons for Urgency

The Council's likely contribution to the overall budget of the Organising Committee (OC) for the Commonwealth Games 2022 was set out in the Host City Contract approved by Cabinet on 8th December 2017. This report seeks approval to the Council's contribution to the 2018/19 games budget in order to ensure that critical work is progressed ahead of the OC submitting a full proposal the HM Treasury in the autumn.

The report also provides an overview of Commonwealth Games progress to date in the context of the decision reports elsewhere on the Agenda relating to the Games Village and Alexander Stadium. Work must progress at pace in order to deliver the Council's key commitments for the games and current priorities include the capital programme for the Athletes Village and the Stadium, which are referred to into this report.

In accordance with the Council's Constitution the agreement of the Chair of the relevant O&S Committee is necessary .

Councillor Albert Bore has approved that this report proceeds to Cabinet



**BIRMINGHAM CITY COUNCIL
PUBLIC REPORT**

Report to: CABINET
Report of: Chief Executive
Date of Decision: 26 June 2018
SUBJECT: COMMONWEALTH GAMES OVERVIEW, UPDATE AND FINANCE
Key Decision: Yes
Relevant Forward Plan Ref:
If not in the Forward Plan: Chief Executive approved X
(please "X" box) O&S Chair approved X
Relevant Cabinet Member(s) or Leader of the Council, Cllr Ian Ward
Relevant Executive Member:
Relevant O&S Chair: Cllr Albert Bore O & S Committee
Wards affected: All

1. Purpose of report:

- 1.1 This report is one of three reports on this Cabinet agenda on the Commonwealth Games. Business Case reports follow this report relating to the Alexander Stadium and the Games Village.
- 1.2 This report provides an overview and update on Commonwealth Games progress and seeks approval to the Council's financial contribution to the Organising Committee (OC) in 2018/19, in line with the approved Host City Contract.

2.1 Decision(s) recommended:

That Cabinet:-

- 2.1 Notes the update on Commonwealth Games progress.
- 2.2 Approves a revenue budget of £1.492m for the Council's contribution to the Organising Committee budget for 2018/19, to be funded from the Commonwealth Games contingency established in the Council Plan 2018+.
- 2.3 Approves a capital budget of £5.788m for the Council's capital contribution to the Organising Committee budget for 2018/19.
- 2.4 Approves the release of policy contingency of £1m in 2018/19 held for Commonwealth Games Project Team Costs.
- 2.5 Delegates authority to the Corporate Director of Finance and Governance to:
- 2.5.1 Agrees the final revenue and capital budgets and contributions to the OC for 2018/19, and agree any adjustments to these budgets within the Commonwealth Games revenue contingency and capital resources available.
- 2.5.2 Agrees the terms of any related agreements.
- 2.6 Authorises the City Solicitor to negotiate, execute, seal and complete all necessary documentation to give effect to the above recommendations.

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3.Consultation

Consultation should include those that have an interest in the decisions recommended

3.1 Internal

- 3.1.1 A Commonwealth Games Project Board is established which includes officers such as the CEO and representatives of Strategic Services, Place, Economy and Finance & Governance Directorates. This Group commissioned this Cabinet Report. The overall work of the Commonwealth Games Project has involved members of all Directorates at various points, with discussion and updates at strategic meetings such as CMT, or bespoke meetings with groups of officers. The Chair of Co-ordinating Overview and Scrutiny Committee has agreed this report to be submitted to Cabinet.
- 3.1.2 A Members Advisory Group has been established which consults and briefs Members of the Labour, Conservative and Liberal Democrat parties of the Council regarding the arrangements for the Games.

3.2 External

- 3.2.1 The Council works collaboratively with the Department for Culture Media and Sport, the Commonwealth Games Federation on a daily basis as fellow signatories to the Host City Contract. Partnership work is coordinated through a governance framework which includes the above in addition to the West Midlands Combined Authority, Transport for West Midlands, the West Midlands Police Force, and the B2022 Organising Committee which is currently being mobilised.
- 3.2.2 Engagement has also continued on a regular basis with colleagues from Local Authorities, Institutions and Companies who are hosting sports as part of the games including Sandwell Council, University of Birmingham and the NEC Group. Further engagement has taken place with business partners such as the LEPs, the Midlands Engine and the Chamber of Commerce.
- 3.2.3 Public engagement has taken place with residents of the Perry Barr area and an engagement work stream is being mobilised to ensure that community engagement is a thread which runs through all the councils work on the games moving forward.

4.Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

- 4.1.1 The Council's Vision and Priorities focus on Birmingham being a city of growth where every child, citizen and place matters. The priorities are for Children, Housing, Jobs and Skills and Health. The Birmingham Commonwealth Games 2022 will maximise opportunities to align delivery of the City's vision with the vision held by both Government and the Commonwealth Games Federation for the Games and its legacy successes.

4.2 Financial Implications

(How will decisions be carried out within existing finances and Resources?)

- 4.2.1 This is set out in the background and key events section below in Section 5.

4.3 Legal Implications

4.3.1 No specific legal issues arise from this general update and budget decision.

4.4 Public Sector Equality Duty

4.4.1 An initial Equalities assessment was carried out and reported in the Games decision report to Cabinet on 8 December 2017. This remains appropriate in relation to the decisions required in this report.

5.Relevant background/chronology of key events:

5.1 Progress

5.1.1 Birmingham was confirmed as the host city of the 2022 Commonwealth Games on 21 December 2018. Work began in the first week of January by the creation of a Commonwealth Games Project Team which is leading on the work internally. A Project Director, Neil Carney, was successfully appointed and started work with the council on 29 May 2018.

5.1.2 The Project Team has created an internal governance structure which draws upon the expertise within the Council. A small Project Management Office function coordinates the projects work which is driven within the business, taking a whole council approach, learning from the best practice of Glasgow City Councils approach to the 2014 games.

5.1.3 Internally work streams have been established on thematic lines to deliver key products that BCC have committed to deliver within the Host City Contract, signed by BCC, DCMS and CGF. These work streams include teams focused on delivery of:

- Legacy
- The Athletes Village
- Alexander Stadium
- A Business Expo
- Security and Resilience arrangements
- Transport
- Community Engagement
- Communications, Finance and Legal Support

5.1.4 Our approach has been informed by visits to Glasgow City Council and by our delegation to the Gold Coast Observer Programme where we were able to take advantage of the only opportunity prior to 2022 to see how to organise and run a Commonwealth Games. We were also visited by a delegation of 15 Australian colleagues from multiple organisations who led a 3 day conference with senior managers to pass on lessons learnt from Gold Coast.

5.1.5 The projects immediate deliverables, and first successes, were the delivery of the Handover content during the closing ceremony and the athletes Homecoming the following week. The Handover was seen by hundreds of millions of people around the world and showed Birmingham at it vibrant and diverse best. This was an event delivered in 8 weeks that usually takes 18 months, and was delivered on time and on budget.

- 5.1.6 Current priorities include the Capital Programme comprised of the Athletes Village, Stadium, Aquatics Centre and Transport infrastructure. As these are the most time pressured and fundamental products required for the games, work has progressed at pace to ensure we are able to deliver them in good time.
- 5.1.7 A fundamental key to the success of Birmingham 2022 Commonwealth Games are the partnership governance arrangements between the key strategic partners. Mirroring our own internal arrangements these are currently being mobilised. Key meetings are currently being established coordinating the work of BCC, DCMS, CGF, CGFP, CGE, WMCA, TfWM and WMP.
- 5.1.8 Work is progressing on establishing the Organising Committee for the Games. BCC has a space on the group shortlisting and interviewing candidates for the Chair and NEDs of the OC. Once in post the OC board will recruit a CEO. An interim CEO, Ian Reid, is currently in place and has rented desk space within Woodcock Street for the use of the OC.
- 5.1.9 Work progresses at pace to deliver our key commitments for the games. While we have a reduced delivery window of 4.5 years as opposed to 7 years, we are fully confident that we have the leadership, expertise and relationships with partners required to deliver a high quality event that will put Birmingham on the world stage.

5.2 Alexander Stadium

- 5.2.1 There is a separate report to Cabinet on the Alexander Stadium which sets out the project definition document for Work to the Alexander Stadium to support the Games. This approves initial expenditure to develop the project to full business case stage.

5.3 The Games Village

- 5.3.1 There is a separate report to Cabinet on the Games Village which sets out the outline business case for the development of a Games Village and associated regeneration in Perry Barr. This includes delivery of over 1400 new homes, transport infrastructure, and enabling works including land assembly (supported by a compulsory purchase order if necessary).

5.4 Finances

- 5.4.1 A detailed budget for the costs and finances of the Games is being developed primarily by the OC, which is establishing the staffing and resources over the next few months to undertake the necessary work on its budget development. Pending announcement of this by the Government and the OC, no overall budget figures are publicly available. The OC has been established by the DCMS as a non-departmental public body (NDPB) which means that its finances will be managed in accordance with Government financial rules for public money in NDPBs.
- 5.4.2 The costs to the OC of delivering venue improvements and running the Games will be funded (in accordance with the Host City Contract) 75% by the Government (DCMS) and 25% by the City Council (with some adjustments). At the time the City Council set its budget for 2018/19, the amount the City Council would pay towards this in 2018/19 was not known, but a Commonwealth Games contingency of £4.746m was included in the budget. An overall OC budget for 2018/19 of £35.2m has now been approved by DCMS and by the Chief Secretary to the Treasury (Liz Truss MP). The City Council's contribution for 2018/19 has been provisionally agreed at £1.492m of revenue grant

(which it is proposed to meet from the Games revenue contingency), plus a capital contribution of £5.788m (which can be met from the £15.4m capital resources approved towards the Games by Cabinet on 27 March 2018) This does not change the Council's overall 25% contribution to the OC's costs, but sets the amount the Council is required to pay to support the OC costs in 2018/19. These figures remain to some extent provisional as the OC firms up its spending plans, and a delegation is proposed to enable the Corporate Director of Finance and Governance to agree final figures within the revenue contingency and capital resources available.

5.4.3 Discussions are proceeding with the OC and DCMS about the capital expenditure on City Council venues which will ultimately be funded from the OC budget (primarily on the Alexander Stadium). One possibility is that these capital costs will be contracted for and funded by the City Council and would offset the Council's remaining 25% contribution to the OC. However, discussions are proceeding into the optimal contractual and financial structure, taking account of VAT implications and other aspects.

5.4.4 In addition to its 25% contribution to the OC budget, the City Council will have other costs to fund, including the provision of the Games Village and associated work (reported elsewhere on this agenda), the Council's own Project management and general costs (£1m held in the Policy Contingency in 2018/19) and the cost of City Operations around the time of the Games, such as street cleaning and City volunteers (these requirements will be further developed in the coming months and years in the run up to the Games, in relation to existing council service budget provision). The £1m held in policy contingency for project team costs is recommended to be released for this purpose.

6. Evaluation of alternative option(s):

6.1 The decision in this report is to approve the financial contribution to the Organising Committee in 2018/19. The Council's overall contribution to the OC budget was agreed in the Host City Contract approved by Cabinet on 8 December 2017, but options for the phasing of the grant in relation to each year's spend by the OC have been discussed with the OC and DCMS and the final proposal is set out in this report.

7. Reasons for Decision(s):

7.1 To approve the budgets for the Council's contribution to the OC for 2018/19.

Signatures

Councillor Ian Ward
Leader of the Council

Dawn Baxendale
Chief Executive:

Date

List of Background Documents used to compile this Report:

Report to Cabinet, 8 December 2017

List of Appendices accompanying this Report (if any):

None

Report Version 1.4

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

- 1 The Council must, in the exercise of its functions, have due regard to the need to:
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 2 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
 - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 4 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - (a) tackle prejudice, and
 - (b) promote understanding.
- 5 The relevant protected characteristics are:
 - (a) marriage & civil partnership
 - (b) age
 - (c) disability
 - (d) gender reassignment
 - (e) pregnancy and maternity
 - (f) race
 - (g) religion or belief
 - (h) sex
 - (i) sexual orientation