

Birmingham City Council

Report to Cabinet

14 February 2023



Subject: **OUTLINE BUSINESS CASE FOR THE COMMONWEALTH GAMES LEGACY PROGRAMME**

Report of: **Professor Graeme Betts, CBE**
Strategic Director for Adult Social Care

Relevant Cabinet Member: **Cllr Ian Ward, Leader**
Cllr Jayne Francis, Culture, Heritage & Tourism

Relevant O &S Chair(s): - **Cllr Jack Deakin, CWG, 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: 010959/2023		
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, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:		

1 Executive Summary

1.1 This project will establish and operate a Birmingham City Council (BCC) Legacy portfolio, coordinating resource and the continued delivery of Birmingham City Council's Legacy ambitions.

1.2 The following is proposed as the two principal objectives for the Portfolio:

- 1.2.1 To inspire, oversee and assure projects which will fulfil the Council's commitments and ambitions to realise a legacy value for the city of Birmingham, arising from hosting the Commonwealth Games:
- 1.2.2 To compile a single view of the benefits achieved for the city (and the cross-partner programme) as a result of delivering the BCC Legacy Plan's "bold promises".
- 1.3 The Legacy Portfolio will not be directly responsible for project delivery but will provide a structure for the oversight and assurance of any legacy projects delivered as a result of any additional funding. It will be through the Portfolio governance that decisions about new projects will be made, and the Legacy programmes will be monitored and maintained.
- 1.4 Additional projects may be developed in conjunction with, or have external dependencies to, partner organisations and third parties. Where these projects require external funding or decision-making powers, they will be expected to align with third party frameworks and governance.
- 1.5 The Legacy Team will support and help enable the wider City Transformational Plan and priorities notably including the building of Council capacity and capability to align with strategic ambitions. It is proposed the Portfolio will operate for a defined initial period of 2 years. This will allow BCC to capture the immediate and short-term benefits of the CWG and to align with the likely availability of CWG legacy funding channelled through the WMCA, after which the benefits will be substantially realised the Council or via any permanent vehicle which may be created to manage future initiatives in Birmingham.
- 1.6 The portfolio itself will consist of a small team, detailed in the Management case below, operating within the BCC's Transformation Programme on behalf of the Portfolio Executive Sponsor (Graeme Betts).

2 Recommendations

- 2.1 Cabinet is recommended to:
 - 2.1.1 Approve the Outline Business Case as set out in **Appendix 1** of this report, and in particular the establishment of a Legacy Portfolio adopting a Hybrid Approach (Option 3 below).
 - 2.1.2 Approve the implementation of the Governance and Management arrangements for the Portfolio as set out in the Outline Business Case.
 - 2.1.3 Approve the continued use of the Themes from the Birmingham City Council Legacy Plan approved in December 2021 to underpin the direction of the Portfolio. The themes being:
 - Enabling a THRIVING city, creating opportunities accessible to all.
 - Opening up opportunities to which our younger population can ASPIRE to achieve.

- Initiatives and facilities which support the development of a HEALTHY society, both physically and mentally.
- Creating a platform for a more WELCOMING, diverse place to live and invest.
- Accelerating our GREEN GROWTH plans to grow Birmingham in a sustainable and resilient way.

- 2.1.4 Note the inclusion within the Portfolio of key priorities for support including the European Athletics Championship 26 and City's aspiration to host an International Festival.
- 2.1.5 Approve the proposed funding for the operation of the Legacy Portfolio as a top slice from identified Games Legacy funding sources as set out in the OBC.
- 2.1.6 Delegate authority to approve Full Business Cases for projects delivered within the scope of the Legacy Portfolio to the Legacy Portfolio Board, subject to proposed projects being deliverable within the available funding as set out in the OBC.
- 2.1.7 Delegate authority to apply for and accept grant funding from WMCA or other sources that may emerge for projects that fall within the scope of the Legacy Portfolio to the Director of Legacy in consultation with the Director of Council Management.
- 2.1.8 Authorise the City Solicitor to complete and execute any legal documents necessary to implement the above recommendations.

3 Background

- 3.1 In August 2022, the Commonwealth Games (CWG) was successfully delivered by Birmingham City Council and Partners and highlighted the best of Birmingham.
- 3.2 Birmingham City Council (BCC) signed a Host City Contract with the Commonwealth Games Federation and other Games Partners in December 2017, which laid out its obligations and established the Birmingham 2022 Commonwealth Games Programme as the internal vehicle to deliver those obligations, commitments and ambitions for the Games and the post-Games legacy. The Host City Contract contained a specific commitment relating to the Games legacy:

Active participation and contribution to overall planning and delivery of the Games and Legacy programmes.
- 3.3 With the Games now successfully delivered to great acclaim and under budget, and with a Legacy Plan defined and approved, BCC (working closely with WMCA) is now accountable for seeing that legacy delivered and for reporting on the benefits which it has brought to the city.

- 3.4 The CWG Legacy Programme was a key component on the overarching Commonwealth Games Delivery Programme. The Commonwealth Games Delivery Programme has now been completed. However, by its very nature, Legacy continues.
- 3.5 Over the last few months, multiple potential projects have emerged which would build upon the delivery of the Commonwealth Games and its bold promises to the region, some of which are significant in scale. These projects require an overarching governance mechanism that explicitly links the opportunity to the Legacy plan, so that the vision, ambition, and momentum created through the Games is retained.
- 3.6 Establishing the mechanism which will deliver BCC's Legacy commitments also coincides with recent announcements from HM Government (Department of Digital, Culture, Media and Sport) bringing some clarity on the funding available for BCC and its Games partners arising from an underspend in the Games budget.
- 3.7 A new vehicle within Birmingham City Council is now required to continue to drive the Legacy ambitions of the Council and achieve the outcomes set out in both the Corporate Strategy and the BCC Legacy Plan:
 - 3.7.1 Boost investment in Birmingham, creating thousands of jobs and become a world-leader in hosting international events
 - 3.7.2 Engage every child and young person in the games, including all 400+ schools in the city
 - 3.7.3 Build programme and community projects to kickstart an accessible fitness and wellbeing boom
 - 3.7.4 Open our city to the world and connect our communities for and after the Games
 - 3.7.5 Launch an era of green growth through high-quality sports facilities, thousands of new sustainable homes and green transport links to become a carbon neutral city by 2030
 - 3.7.6 Deliver our promise to the City and become a leading local authority with bold ambitions.
 - 3.7.7 Put Birmingham City Council in the best possible position to be able to 'hit the ground running' in the event that funding for additional projects is secured.
- 3.8 This objective of the vehicle is to:
 - 3.8.1 Provide a central team/ coordinating body to take on responsibility for coordinating delivery to time and budgets,
 - 3.8.2 Coordinate monitoring and evaluation of existing legacy projects and commitments

- 3.8.3 Provide assurance that projects are suitably reviewed to demonstrate return on investment and the positive benefits are communicated effectively to the staff, business and residents of the city.
- 3.8.4 Represent the Council and provide support, oversight and consistency in obtaining external funding including from the Games underspend being administered through WMCA (75%)
- 3.8.5 Identify further Legacy projects supporting their delivery and maintaining strategic alignment and provide a suitable management framework for any Games related underspend.
- 3.9 This Legacy vehicle will enable BCC to best direct how it spends its share of that funding towards projects which will achieve the target of delivering a sustainable set of outcomes associated with the Games, which otherwise might not have seen the light, or to accelerate activities to benefit communities and citizens in Birmingham.

4 Options considered and Recommended Proposal

- 4.1 The Legacy Portfolio Outline Business Case is broken down into 2 parts:
- The establishment of a Legacy Portfolio
 - The endorsement of projects within the Portfolio that deliver the Legacy ambitions
- 4.2 The options for each are considered below:

The establishment of a Legacy Portfolio

- 4.3 A number of options for the future delivery model for the Legacy were explored in February 2022 and set out in the Commonwealth Games Legacy Delivery Plan. This document was presented and approved by the CWG Legacy Committee on 4th February 2022. The options set out in the OBC document remain valid. The options considered were:
- 4.3.1 **Option 1** – Directorate Led Approach. Each directorate would need to have a relevant sponsor, each directorate would need someone within the monitoring & tracking role.
- 4.3.2 **Option 2** – Centrally Led Portfolio Approach. The relevant sponsor would sit centrally and be responsible for delivery and reporting across the organisation. A larger, centralised team would be required.
- 4.3.3 **Option 3** – Hybrid Portfolio Approach. A single programme-level sponsor corporately (centrally led), with project-level sponsors sitting within the directorates themselves (directorate-led). A centralised team will be needed to assist with monitoring, reporting, and stakeholder management.
- 4.3.4 **Option 4** – Do Nothing/Minimum: Do not pursue Legacy / Externally Led / Arms-Length Body Approach. Do nothing and not pursue Legacy ambitions

from the Games or Establish (or commission) an external body or charity to work to develop information & Legacy monitoring and Legacy projects on behalf of Council.

4.4 Option 3 above, a Hybrid Portfolio approach, is the recommended option.

Projects within the Portfolio

4.5 The Portfolio working closely with Directorates, will identify projects suitable to receive funding and for inclusion within the Portfolio.

4.6 It is proposed that projects wishing to apply for Legacy funding, will need to complete a proportionate Business Case following existing BCC template.

4.7 Approval for projects to receive Legacy funding will be given by the Portfolio Board.

4.8 The following selection criteria will be adopted where **M** is mandatory, and **D** is desirable:

- It aligns with one of the 5 themes within the approved Legacy Plan. (M)
- It supports the delivery of one or more KPI's as set out in the Corporate Performance and Delivery Plan. (D)
- A plan for delivering the initiative has been developed and is achievable. (M)
- A clear and realistic timeframe for delivery of the initiative has been developed. (M)
- Resource has been identified and is available to deliver/manage/evaluate the initiative. (M)
- The initiative is not already being delivered by another part of the organisation or Portfolio. (M)
- The applicant has endorsement from their head of Directorate. (M)
- The initiative has been costed and demonstrates Value for Money. (M)
- The benefits and outcomes are clear, achievable and measurable and a plan for evaluation has been developed. (M)
- The applicant has explored partnering opportunities. (D)
- The applicant has explored other means of obtaining funding. (D)

5 Consultation

- 5.1 An interim Portfolio Board has been established which comprises senior representation from across the Directorates. CLT members were consulted on representation of the Board.
- 5.2 The Portfolio approach also continues to build on work endorsed by the previous Legacy Programme Committee who's members comprised Assistant Director of Neighbourhoods, Head of Strategic Sport; Head of Cultural Development; Capital Investment Officer; Assistant Director Community Safety and Resilience; Assistant Director Adult Social Care; Independent Education Advisor; Assistant Director Skills and Employability; RAP & CP Head of Service, Birmingham Children's Trust, Cohesion & Equalities Service Manager; and the Assistant Director Public Health.

6 Risk Management

- 6.1 The Portfolio will implement an effective risk management process, aligned with the Council's own risk requirements. The risk management process proposed will monitor and look to reduce risk or identify opportunity by applying proportionate risk management, ensuring that the responsibility with managing risks sits with those who are best placed to deal with it. Those best placed to deal with the risk are assigned responsibility.
- 6.2 As this is a Portfolio, the variety of projects within its remit are significant and highly variable. The majority of risks will be held at project and programme level. Each project within the Portfolio will be expected to implement their own proportionate Risk Management framework in line with Council and Directorate requirements.

7 Compliance Issues:

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

- 7.1.1 Birmingham City Council Legacy Plan was produced in 2021 to provide a strategy and detailed plan to capture and amplify the benefits of hosting the Games while supporting the acceleration of the City Council's ambitions to respond to the city's challenges as enshrined in the Corporate Plan. The Portfolio seeks to continue with the implementation of the Legacy Plan.
- 7.1.2 The Legacy Portfolio will help manage and drive performance of delivery against BCC's Corporate Performance and Delivery plan objectives: Priority 4: Maximising the Benefits of the Commonwealth Games and Priority 7: Promote and champion diversity, civic pride and culture.

7.2 Legal Implications

- 7.2.1 There are not anticipated to be any specific Legal implications of establishing a Legacy Portfolio.

- 7.2.2 Each project within the Legacy Portfolio will be expected to consider their own specific legal implications and these should be recorded proportionately in their own Business Case.

7.3 Financial Implications

- 7.3.1 The Legacy Portfolio will comprise a number of individual projects, together with a small team to manage and co-ordinate the portfolio over the period to 31 March 2025. Projects will only be supported to the extent that they can be funded within the identified available resources for the Portfolio.
- 7.3.2 Funding for the Portfolio will be derived from underspends and savings secured in the successful delivery of the Commonwealth Games, including from City Readiness budgets and from a reduced requirement for the Council to provide a funding contribution to the core games budget (the latter equating to 25% of the core budget underspend).
- 7.3.3 It should be noted that an estimated £70m of the core Games budget underspend is proposed to be administered through the WMCA and is only available for 2023/24 and 2024/25. Access to this funding will require a formal funding application to the WMCA, and it is anticipated that bids will be invited from Games Partners across the West Midlands region. At this stage it is anticipated that the Council will seek funding through this route equivalent in value to the anticipated costs to the Council of the European Athletics Championship and international Festival (a total of £18.7m), with detailed bids to be developed once the full bidding criteria are confirmed.

7.4 Procurement Implications (if required)

- 7.4.1 The overarching portfolio management approach does not have any direct procurement implications. Individual projects delivered as a part of the portfolio will however all have their own characteristics and requirements, which will be developed as a part of each individual project Full Business Case.

7.5 Human Resources Implications (if required)

- 7.5.1 There are not anticipated to be any significant Human Resource implications associated with the Portfolio. Human Resources where appropriate, will be/have been consulted on the recruitment of staff into the Portfolio.
- 7.5.2 Each project within the Legacy Portfolio will be expected to consider their own specific Human Resource implications and these should be recorded proportionately in their own Business Case.

7.6 Public Sector Equality Duty

- 7.6.1 There are not anticipated to be any significant Public Sector Equality Duty implications associated with the Portfolio.
- 7.6.2 Four of the five Legacy Themes however aim to promote Equality and Accessibility. The themes being:

- Enabling a THRIVING city, creating opportunities accessible to all.
- Opening up opportunities to which our younger population can ASPIRE to achieve.
- Initiatives and facilities which support the development of a HEALTHY society, both physically and mentally.
- Creating a platform for a more WELCOMING, diverse place to live and invest.

7.7 Environmental and Sustainability Implications

- 7.7.1 There are not anticipated to be any negative Environmental and Sustainability implications associated with the Portfolio.
- 7.7.2 One of the 5 themes within the Portfolio is: *Accelerating our GREEN GROWTH plans to grow Birmingham in a sustainable and resilient way*, so it is expected that the Portfolio can support projects which have a positive impact.
- 7.7.3 The Benefits Realisation framework that has been developed asks projects to consider how they align and measure themselves against the UN Sustainable Development Goals.
- 7.7.4 Each project within the Legacy Portfolio will be expected to consider their own specific Environment and Sustainability implications and these should be recorded proportionately in their own Business Case.

8 Appendices

- 8.1 Appendix 1 - Outline Business Case for the Commonwealth Games Legacy Programme

9. Background Documents

- 9.1 None