

Investment Board

| | |
|------------------------------------|---|
| Date | 19 th June 2023 |
| Report title | Legacy Trailblazer Programme – Business Justification Case |
| Portfolio Lead | Cllr Kerrie Carmichael, Portfolio Holder for Inclusive Communities |
| Accountable Chief Executive | Laura Shoaf, Chief Executive, West Midlands Combined Authority |
| Accountable Employee | Ed Cox, Director of Strategy, Integration and Net Zero Claire Dhami, Head of Systems Change and Inclusion Bethan Stimpson, Head of CWGLEF (Inclusive Communities) |

Recommendation(s) for action or decision:*

The Investment Board is recommended to:

- (1) Approve the £5million proposal set out in the Business Justification Case for the Commonwealth Games Legacy Trailblazer programme, namely Gen22, Bring the Power, Critical Mass, Social Value and Volunteering.
- (2) Approve delegation of delivery of the Commonwealth Games Legacy Trailblazer programme to the Official Commonwealth Games Charity, United by 2022.

1. Purpose*

During the Games five Birmingham 2022 Commonwealth Games legacy programmes achieved high levels of inclusive impact and reach amongst underserved communities and in overlooked places across the West Midlands. However, not everyone had a chance to take part and this proposal extends those opportunities for a two further years so that more people can volunteer at events, young people facing barriers can access social action placements, people with disabilities and more women and girls can participate in Games-linked physical activity, and more VCSEs operating in our most deprived places and with our most disadvantaged people can gain resilience from inclusion in the Games legacy network.

2. Background*

£70million of one-off inwards funding to WMCA has been secured from DCMS resulting from a significant underspend on the Birmingham 2022 Commonwealth Games. £5million of this budget has been approved in principle by WMCA Board in December 2022 and March 2023 WMCA Board meetings, with further details of the proposed activity set out in this Cover Paper and supporting Business Justification Case for approval by Investment Board in June 2023.

The programme has been specifically designed to the allocated budget, having initially been costed at £8million in Q1 2023 calendar year. Efforts to minimise spend and maximise efficiency,

whilst not compromising outcomes have been prioritised. There is therefore no budgetary shortfall to delivery, subject to the full £5million budget set out in this report being approved.

The proposal included in this report represents a new investment in five pre-selected Commonwealth Games projects named above. There is no existing business as usual activity within the WMCA in this area. The five selected projects include:

- Critical Mass – an inclusive dance programme, supporting young people with disabilities to access dance-based activities and performance opportunities across the West Midlands. Participants will have the opportunity to perform at the Games Anniversary Festival in Summer 2023.
- Gen22 – a youth social action programme, aimed at empowering young people aged 16-24 to make real change in their own communities.
- Volunteering – maintaining the regional asset that is the ‘Commonwealth Collective’, meeting a local demand for volunteers, and positioning the region as a viable host for future major events.
- Bring the Power – schools and community-based youth programme, delivering workshops and upskilling teachers to maximise the educational opportunities presented to young people, particularly girls and SEND young people in the West Midlands.
- Social Value – connecting private and third sector organisations to maximise community impact and corporate social value in a measurable and quantitative way.

The delivery agent for these projects has been pre-defined as the United by 2022 Legacy Charity (UB22) – the official Birmingham Commonwealth Games charity. UB22 is led and staffed by individuals who previously worked for the B2022 Organising Committee (OC), delivering the five projects. For the impact and reputational management required for this intervention, branding continuity is essential, and therefore UB22, as the rights holder of the Games branding assets is the only viable delivery option. This proposal for Direct Award has been explored with WMCA Procurement and Legal colleagues, and the approach has been confirmed as acceptable under relevant legislation and guidance.

UB22 was established in March 2021 and responds to Select Committee concerns that previous major events have failed to adequately prepare for legacy, often falling short of ambitions. Evidence of previous delivery is therefore significant, audited accounts are available, governance is robust, the Board recruitment was transparent and comprises an inclusive group of highly respected Trustees from the region. The Exec and operational staff is drawn entirely from ex-OC Legacy team colleagues, directly responsible for the significant positive legacy impact resulting from the Games. UB22 has exclusive access to unique institutional memory, knowledge and skills. It benefits from recognition in the community and warm partner relationships, together with detailed operational understanding of each of the five trailblazer projects which this funding will cover.

There is current evidence of demand for all five projects amongst communities and VCSEs in the West Midlands. In 2023, community consultation tested post-Games appetite for the outputs and the objectives of these specific trailblazer projects and found not only demand, but also that communities trusted the charity as a neutral body to deliver fairly on behalf of WMCA. Communities said that the Games brand continues to be seen as inclusive, positive and powerful, with the potential to engage underserved beneficiary groups linked to all five Trailblazers.

It is essential that this proposal contains all five of the Trailblazers projects. For efficiency there are significant overlaps and dependencies between projects, with particular emphasis on comprehensive coverage of regional community feeling and engagement.

Approval of this funding can unlock sustainable funding for these projects from regional private sector and national funding sources. Sustainability discussions are well-advanced and centre on

how private and national funding could be leveraged to support these projects beyond March 2025 and into years 3, 4 and 5.

WMCA has a four-year history of project delivery working alongside the OC. The commissioning of these projects via UB22 will continue WMCA's contribution to the Games' ongoing legacy ambitions, securing positive public perception.

3. Strategic Aims and Objectives

The selected Trailblazer projects directly align with WMCA's strategic objectives to:

- Ensure everyone has the opportunity to benefit: the selected delivery agent, UB22, will continue to operate the funded projects in alignment with the Games' mission statement; 'the Games for everyone'.
- Promote inclusive economic growth in every corner of the region: projects are designed to be inclusive and accessible to residents across the wider West Midlands, with specific consideration for marginalised groups, including but not limited to those from ethnic minority backgrounds, SEND backgrounds and individuals facing socio-economic barriers.
- Develop our organisation and our role as a good regional partner: WMCA's investment in these projects will facilitate additional engagement from wider regional stakeholders, including funders, local authorities, and private sector investors.

The table below sets out the objectives specific to this programme, with clarity of which Trailblazer project contributed to which objective.

In the £5m programme, £320,756 is allocated for Evaluation costs which is 6.4% of the total budget. This includes £79,956 (24.9% of the evaluation costs) over two years for an internal Evaluation Manager who will be responsible for managing the relationship and contract with the Independent Evaluator, and who will also work with project teams to integrate evaluation standards consistently and effectively across the programme and support the identification of inflight value add and greater visibility of case studies, which was specifically requested by communities in the March 2023 consultation. This adopts a best practice approach successfully applied by the Commonwealth Games in their Evaluation and has been independently recognised as a robust, transparent and efficient delivery model. The remaining spend (75.1% of eval costs) will cover the Independent Evaluator supplier/s and any evaluation reports or dissemination of learning.

| | | Alignment to Project Objectives | | | | | | |
|---------------------------|--------------------------|---|---|---|---|--|---|---|
| | | Provide personal and professional development opportunities to underrepresented groups | Empower Young People to make real change in their own communities | Provide credible and consistent community upskilling opportunities to individuals | Meet regional local demand for volunteers; positioning the West Midlands as a viable host for future major events | Contribute to increased feelings of civic pride in Birmingham and the West Midlands region | Improve the connection between private and third sector organisations. Maximise community impact and corporate social value | Expanding no. of organisations capable of receiving and effectively using funding to support wider objectives |
| Bring the Power and Gen22 | Objectives Alignment | | | | | | | |
| | Critical Success Factors | <ul style="list-style-type: none"> Hold 7 school festival days across all WMCA authorities each year Deliver a minimum 100 youth workshops, for 8–14-year-olds, supporting a minimum of 2,500 young people by March 2025 For 2,000+ students across the region to be able to access events including the Birmingham Anniversary Festival; Stage 100 visits and assemblies per year featuring B2022 mascot Perry, in school, youth settings and events, with Educational Resources linked to Perry which has new themes; | | | | | | |
| Critical Mass | Objectives Alignment | | | | | | | |
| | Critical Success Factors | <ul style="list-style-type: none"> Stage regular activity engaging up to 100 (at any one time) young people per year in 6 locations; Enable 50 individuals from the West Midlands to benefit from training directly per year; Deliver a minimum of 500 individuals reached with online training resources / indirect activity per year; Stage 1 public performance moment in the West Midlands per year; Commissioning of 'Beyond Critical Mass' in project delivery, implementing programme learnings in different creative settings across the region. | | | | | | |
| Volunteering | Objectives Alignment | | | | | | | |
| | Critical Success Factors | <ul style="list-style-type: none"> Aim to register at least 10% (c. 5,000) of the original Commonwealth Collective applicants on to the retained database; Attract new volunteers (target minimum threshold 500) who had not previously engaged with the Commonwealth Collective; Reach an Individual to volunteer placement fill rate of minimum 20% (2 in 10 individuals included on the Volunteer Platform to actually volunteer within a 12-month period); Meet 90% of organisational volunteer demand within any 12-month period. | | | | | | |
| Social Value | Objectives Alignment | | | | | | | |
| | Critical Success Factors | <ul style="list-style-type: none"> Work towards a stretch target delivery of 2:1 of social value delivered through the Inclusive Communities pillar of the Commonwealth Games Legacy Fund; 10% Social Value requirements to be implemented across all procured services and outputs monitored and measured; Have quantifiable measures of achieved social value, on a per £1 invested basis within any given 12-month period; Support improved connectivity between public and private sector organisations, into mutually beneficial partnerships. | | | | | | |

4. Financial Implications*

The total available from the CWG Legacy Fund for Trailblazer programme is £5.0m revenue grant funding for 2 years through to March 2025, subject to receipt of the final grant award letter for the Commonwealth Games Legacy funding from DCMS and accepted by WMCA.

The table below breaks down the total budget for this programme (£5million) against the five Trailblazer projects.

| | Gen 22 | | BTP | | Critical Mass | | Social Value | | Volunteering | | Total | |
|---|-------------------|------------|-------------------|------------|-------------------|------------|-----------------|------------|-----------------|------------|-------------------|--------------|
| Direct delivery costs | £969,036 | 19.4% | £857,286 | 17.1% | £1,046,538 | 20.9% | £525,185 | 10.5% | £320,484 | 6.4% | £3,718,530 | 74.4% |
| Programme overheads | £123,942 | 2.5% | £123,942 | 2.5% | £123,942 | 2.5% | £123,942 | 2.5% | £123,942 | 2.5% | £619,712 | 12.4% |
| Evaluation | £64,151 | 1.3% | £64,151 | 1.3% | £64,151 | 1.3% | £64,151 | 1.3% | £64,151 | 1.3% | £320,756 | 6.4% |
| Marcotms | £58,400 | 1.2% | £58,400 | 1.2% | £58,400 | 1.2% | £58,400 | 1.2% | £58,400 | 1.2% | £292,000 | 5.8% |
| Essential professional costs (e.g. legal) | £9,800 | 0.2% | £9,800 | 0.2% | £9,800 | 0.2% | £9,800 | 0.2% | £9,800 | 0.2% | £49,000 | 1.0% |
| Total | £1,225,330 | 24% | £1,113,580 | 22% | £1,302,832 | 26% | £781,479 | 16% | £576,777 | 12% | £4,999,998 | 100% |

WMCA anticipates notification of revenue grant funding from DCMS through Q1 23/24. However, as this business case will not be formally approved until June 23 Investment Board, any expenditure prior to this approval will need to be agreed and underwritten by WMCA's S.151 Officer. This approach was agreed at the CA Board meeting in March 23.

This business case includes a financial risk of c.£375k relating to Q1 expenditure, associated with time critical activities tied to the B2022 Anniversary Festival in July 2023.

It is acknowledged that United by 2022 (UB22) do not have the scale or balance sheet strength to cashflow programme operations at this scale. Similarly, this also presents WMCA with a potential risk which requires mitigation.

Therefore, to limit WMCA's exposure to risk on this project, the payment mechanism to the delivery partner UB22 has been reviewed and agreed with WMCA's S.151 Officer. Payments will be issued to UB22 on a monthly 'up-front' basis. Therefore, ongoing spending risk to WMCA will be limited to one monthly spend period (£210k average per month).

WMCA will be required to cashflow this programme as the grant can only be claimed quarterly in arrears from DCMS.

A robust assurance process will be operated by WMCA Finance in partnership with the Programme specific operational team, to ensure delivery outcomes match payments being made. An expenditure review with UB22 will be conducted on a monthly basis to establish actuals against budget. Where actual spend is less than the total payment made in advance, WMCA may vary the amount of additional funding paid on the next instalment to minimise the risk of a material budgetary underspend at the end of the delivery period (March 2025). This will be reflected in the grant agreement issued to UB22 on programme commencement.

UB22's initial costings for the project will require further discussion and refinement before any contract is awarded for delivery of this project, to ensure value for money is achieved.

A small amount of funding has been ringfenced to support a monitoring and evaluation methodology, including financial contribution to an Evaluation Manager post to be embedded within UB22. This model was employed by the OC and was especially effective for capturing social return on investment.

5. Legal Implications*

There are two ways that monies can be provided to UB22 (a) by way of procurement in line with the Public Contracts Regulations 2015; or (b) by providing a grant. It is the recommendation of the WMCA Legal team that the procurement route be followed to mitigate resulting risks. A summary of the two options and factors considered are set out below.

(a) Procurement

It is proposed that UB22 are awarded the sum of £5million, this is over the threshold for services and supplies (£213,477 inclusive of VAT) and the threshold for the Light Touch Regime (£663,540 inclusive of VAT).

There is however an alternative, which is to award the contract in accordance with Regulation 32 and follow the appropriate procedure notifying the market of our intention to award the contract to UB22, the justification for doing so and the amount of the award. It should however be noted that a 10 day standstill period must be undertaken from the date the Voluntary Ex Ante Transparency (VEAT) Notice is published before a contract is entered into with the provider.

This Business Case proposed award of a Contract to a single organisation (UB22) without competition. The negotiated procedure without prior publication under regulation 32 of the Public Contracts Regulations 2015 (PCR 2015) enables a contracting authority to negotiate a contract with one or more providers without any advertisement or competition.

Regulation 32 (2) (b) states “where the works, supplies or services can be supplied only by a particular economic operator for any of the following reasons:

- (i) the aim of the procurement is the creation or acquisition of a unique work of art or artistic performance,
- (ii) competition is absent for technical reasons,
- (iii) the protection of exclusive rights, including intellectual property rights

but only, in the case of paragraphs (ii) and (iii), where no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement.

As set out in this report (and supporting BJC) United by 2022 is the only economic operator which can bring about this unique series of inclusive projects activities (i) and there is a need to use the exclusive rights of the organisation(iii).

The award to United by 2022 should comply with the funding terms and conditions imposed on WMCA by the Department for Culture, Media and Sport (DCMS) and WMCA internal procedures. In this case, for the reasons given in the report, there is justification for awarding this contract under Regulation 32 of the PCR. As set out in the report United by 2022 is the only economic operator which can bring about a unique series of project activities and there is a need to use the exclusive rights of the organisation.

It is proposed that WMCA standard terms and conditions are amended to incorporate additional clauses to protect and mitigate WMCA’s position in relation to making advance payments and to flow down obligations placed on WMCA by the Department of Culture, Media and Sport. However, it is strongly recommended that a schedule is attached defining the clear outputs, payment arrangements, monitoring information and data required of the organisations.

The Contract will also need to include clauses specifically relating to double funding and clawback following a reference in the report to other funders/ funding streams being approached to provide funding. Should any monies be awarded to UB22 by way of a grant or for services that are already being provided and paid for by WMCA we will have to ensure there are robust

clauses in place to enable WMCA to recover/clawback (amongst other matters) any double funded costs.

(b) Grant Agreement

WMCA are able to provide grants to third party organisations. However, it must be considered whether a grant is the most appropriate action and used in the absence of a proper procurement route.

When providing grants WMCA have a duty to ensure that some form of competition has taken place to justify the grant amount, the purpose of the grant/grant activities and the choice of organisation receiving the grant.

If a grant is to be made consideration needs to be given to Subsidy Control and a Subsidy Control Assessment should be undertaken prior to the award of any grant monies.

Any grant agreement entered into by WMCA and UB22 should include additional clauses to protect and mitigate WMCA's position in relation to making advance payments and to flow down obligations placed on WMCA by the Department of Culture, Media and Sport.

6. Single Assurance Framework Implications

At meetings on 19 December 2022 and 17 March 2023, WMCA Board approved an approach to the £70million Commonwealth Games Legacy Enhancement Fund (CWGLEF) in line with the SAF. Following Board approval of a four-pillar programme allocation, £21.8million was ringfenced for 'Inclusive Communities', with £5million to be spent on the Legacy Trailblazer Projects.

The continuation of support for this project is contingent on a comprehensive Business Justification Case be assessed through the SAF process and presented to and approved by Investment Board at the meeting on 19 June 2023.

7. Equalities Implications

The five projects selected for continuation in this Business Justification Case all underwent robust Equality Impact Assessments at design and implementation phase in 2020, whilst still under the operational ownership of the B2022 Organising Committee (OC). This activity was overseen by a dedicated EDI function within the then existing OC.

EDI was a cross-cutting thematic priority embedded throughout B2022 Legacy delivery. This was captured in the 'Our Legacy' public report publicised in Summer 2022, and EDI measurables were also prioritised for inclusion in the Games wide Evaluation.

The five projects have each been specifically selected for their ability to address long standing matters of inequality across regional communities. A summary of each project and its ability to promote equality is provided below:

- Gen22 - for young people with barriers to access;
- Bring the Power - focus on SEND, women and girls and youth voice;
- Volunteering - broadening participation in volunteering, implementing learnings from the success of the Games Commonwealth Collective and retaining existing engagement from new entrants to this community space;
- Social value - building skills and capacity in the community through private sector engagement;
- Critical Mass – focusing on Equality, Power and Participation, as a result of the dance cohort being fully inclusive of disabled and non-disabled people.

There is current evidence of demand for all five projects amongst communities and VCSEs in the West Midlands. In 2023, community consultation tested post-Games appetite for the outputs and the objectives of these specific trailblazer projects and found not only demand, but also that communities trusted UB22 as a neutral body to deliver fairly on behalf of WMCA. Communities said that the Games brand continues to be seen as inclusive, positive and powerful, with the potential to engage underserved beneficiary groups linked to all five Trailblazers.

It is widely acknowledged that the Games received negative criticism from some of these communities, largely resulting from gaps in the funding landscape, and perceptions that some areas/groups did not receive the same positive impact as others. This proposal has been specifically designed to mitigate concerns arising from the community, to address and plug acknowledged gaps, and seeks to level the playing field in terms of access to legacy benefits across the West Midlands.

8. Inclusive Growth Implications

This Business Case proposal forms part of the CWGLEF Inclusive Communities pillar, which itself contributed to WMCA Inclusive Growth priorities through the development of an inclusive communities strategy and community-led activities. These activities will together in combination help achieve our power, influence, and participation fundamental.

The Legacy Trailblazer Programmes will further contribute to WMCA's Inclusive Growth Priorities in the following ways:

Gen22 and Bring The Power have Education and Learning at the heart, through both programme's being focused on schools and young people seeking opportunities to fulfil their potential.

The Volunteer platform will be connecting communities, with opportunities stretching right across the West Midlands region and it being a platform for all those interested in volunteering or those who have given voluntary service.

Connecting Communities will also be the same for the Social Value strand and its plan to treble the number of organisations part of the Community Network set up for Birmingham 2022. This also ties into Inclusive Economy, as a result of the partnerships which will be formulated between organisations of all sizes and the economic benefits which will come from such collaboration.

9. Geographical Area of Report's Implications

This report applies to the West Midlands Combined Authority area coverage, including Birmingham, Coventry, Dudley, Sandwell, Solihull, , Walsall, and Wolverhampton..

10. Other Implications

The WMCA must implement suitable staffing and processing capabilities internally to manage timely payment of funds to UB22 to facilitate efficient project delivery.

2023 Community Consultation revealed high expectations that this funding offered communities a second opportunity to access the benefit of the Birmingham Commonwealth Games – and was warmly welcomed as a chance for the Games legacy to include more people, places and partners. However, there is also a reputational risk arising from widespread community concern that too much time has passed, too little information has been shared and many contributors expressed a loss of hope of ever seeing this reach them. To re-engage with communities across the region

after almost a year it will be important to reactivate Games branding and ensure the difference between this, and BAU funding or programmes is clearly communicated to communities.

11. Schedule of Background Papers

Single Assurance Framework
Legacy Trailblazers Programme Business Justification Case
Risk Register and Issue Log
Project Schedule (Cashflow)
Benefits Realisation Plan and Register
B2022 Legacy Plan
Outcomes and Evaluation Summary