



West Midlands
Combined Authority

Investment Board

Date	19 June 2023
Report title	Birmingham Athletics European Championships 2026 – Full Business Case
Portfolio Lead	Ed Cox
Accountable Chief Executive	Laura Shoaf
Accountable Employee	Jonathan Skinner
Report has been considered by	Investment Panel – 22 May 2023

Recommendation(s) for action or decision:*

The WMCA Investment Board is recommended to:

- (1) Reaffirm the WMCA's March Board approval of £13.7m grant to support the delivery of the Athletics European Championship 2026, as detailed in Birmingham City Council's Full Business Case.
- (2) Delegate terms of agreement and management / evaluation framework to the Executive Director of Economic Delivery, Skills and Communities in consultation with the WMCA Monitoring Officer and, S151 Officer to finalise with Birmingham City Council officers

Statements of support:

DCMS

DCMS have worked closely with the West Midlands Combined Authority and Birmingham City Council to ensure the underspend from the Commonwealth Games helps more people engage with sport and culture in the region alongside driving further economic growth through the delivery of future major events in the region, specifically including the Athletics European Championships 2026 (AECH26).

DCMS acknowledge due to the cost profile of major event delivery that significant investment for the AECH26 will fall outside of the legacy spend window. As a result, while maintaining the CA's SAF process and alignment to the grant agreement, DCMS endorse the principle of the resource swap (noting this will be a part of the WMCA's sign-off of the FBC) and support the AECH26 forming part of the portfolio of programmes due to the clear outcomes aligned to Games legacy ambitions.

WMCA SRO

An accepted core element of the Games underspend is to support the region's ambition to host future major events. In securing the Athletics European Championship in 2026, Birmingham City Council as the host city and project lead has developed a detailed FBC with all the information presently available, incorporating knowledge gained from hosting the Commonwealth Games where applicable. Due to a significant portion of the spend associated with the European Athletics Championships occurring outside of the delivery window for the Commonwealth Games Legacy Enhancement Fund, DCMS and BCC have initiated a resource swap against complementary activity. This is fully documented in the FBC and is reflected in the statement of support from DCMS which mitigates risk to the WMCA.

The AECH26 FBC importantly articulates how the investment will be utilised, alongside specifying the detailed outcomes and benefits of the Championship. Given the date of the event, it similarly has been agreed with DCMS that reporting and evaluation can be carried out after the spend envelope. Therefore, it is recommended that the FBC is approved by the Investment Board noting the special arrangement with DCMS and the management controls, led by BCC.

1. Purpose*

Major events present a powerful opportunity to deliver significant benefits to West Midlands communities building on the recognised success of the recent Commonwealth Games. The delivery of the Athletics European Championship 2026 (AECH26) aligns with regional strategies (West Midlands Plan for Growth, Regional Major Sporting Event Delivery Plan) cementing a core ambition for the West Midlands to be recognised as a preeminent destination for sporting, cultural and business events.

The Governments investment of the underspend from the Games budget was set out to enhance and realise legacy ambitions of Birmingham 2022, to help more people from across the region to engage with sport and culture. The AECH26 will represent the first time it has ever been held in the UK and become a further flagship event for the region helping open the door for future opportunities and events to be hosted across the West Midlands.

2. Background*

The WMCA Board in March 2023 agreed with the portfolio of programmes presented for the Games underspend including £13.7m to support the delivery of the AECH26. £10.7m is to be allocated from the Economy, Trade & Tourism pillar aligning to the Plan for Growth, and £3m from the Inclusive Communities pillar, to encourage residents to participate in sports and physical activity. The funding will directly enhance the legacy of the Games by boosting the region's reputation as a world-class host for major events, increase people's access to sport and culture, and by driving inward investment and tourism.

Birmingham City Council (BCC) has aligned its wider legacy strategy with local (Birmingham City Council Corporate Plan and Major Sporting Events Strategy), regional (WMCA Aims & Objectives), and national (Sport England – Uniting the Movement, UK Sport Strategic Plan) policy. By instigating a coordinated approach to the delivery of legacy initiatives it assures direct alignment to Games legacy objectives which are to:

1. Bring people together
2. Improve health and wellbeing
3. Put us on the global stage
4. Help the region to grow and succeed
5. Be a catalyst for change

The impacts of hosting the AECH26 and the complementary boosting of grass roots sports investment will deliver positive social, economic and environmental outputs for local citizens, its businesses, and the wider economy. Regional economic benefits will be realised through a combination of increased tourism spend, direct and indirect GVA effects as well as wider societal benefits to regional residents. Direct employment and wider legacy benefits will result through the redevelopment of the Alexander Stadium and organisation of the event as well as increased employment in the tourism sector both in the short term during the event and in the longer term as the reputation of the region is developed further both nationally and internationally. As evidenced from Birmingham 2022 and the recent DCMS Interim Evaluation Report, the AECH26 will stimulate investment in business (suppliers and services to the event industry), enhance skills of local people and provide employment opportunities to local residents.

It is proven that international events like the Commonwealth Games and the AECH26 engage and inspire individuals and communities, encouraging participation in sport and physical activity. Nearly half of all spectators to Birmingham 2022 suggested they would increase their activity levels as a result of the Games, rising to 71% for those under 25yrs. To critically help sustain this output BCC is funding (£5m) a complementary targeted grass roots sports programme enabling people to engage in regular activity and help remove several barriers to participation. Grassroots sport plays a significant role in the lives of local residents across Birmingham and the region. Often delivered through schools, local clubs and community schemes, grassroots sports provides the opportunity to similarly realise significant economic and social benefits.

3. Strategic Aims and Objectives

The delivery of the AECH26 and its objectives are closely aligned with several regional, national and local policies, these are summarised below.

Regional Policy

WMCA Aims and Objectives¹

In line with Objective 1.4 of Aim 1 which looks to ‘promote inclusive economic growth in every corner of the region and stimulate the creation of good jobs’, the AECH26 will work with local authorities to support the role of culture and sport to help make the region a good place to live, work, visit and invest.

¹ <https://www.wmca.org.uk/media/uwpjllhrz/wmca-aims-objectives.pdf>

By supporting the release of benefits from the event, the grass roots programme will help take sport to a cross section of communities.

BCC will continue to work with WMCA to test the alignment and support the spending objectives of the proposal in this business case with WMCA's Inclusive Growth Decision Making Tool.

Major Sporting Event Delivery Plan 2022-2027 – The West Midlands²

This event will help contribute to the targets set out to 'secure a minimum of 8 major events between 2022-2027' and elevate and enhance the status of the West Midlands, nationally and globally, as a host of great sporting events.

The AECH26 will also contribute to the strategic priorities of collaboration (with regional partners, venues and host authorities), innovation and inclusion to engage, inspire and include new, younger, more diverse audiences.

National Policy

Sport England – Towards an Active Nation (2016-2021)³

The strategy seeks to tackle inactivity and existing barriers to becoming active, particularly across groups who are currently under-represented in sport. The delivery of AECH26 will align with this strategy by:

- Allowing more people from different backgrounds regularly and meaningfully engage in sport and physical activity
- Supporting those who currently lead inactive lifestyles become more active
- Help build more resilient habits
- Encourage more positive attitudes towards sports among young people
- Support a diverse range of volunteers
- Help improve the progression and inclusion within talent development

UK Sport Strategic Plan (2021 – 2031)⁴

The 2026 AECH26 will deliver to the following ambitions set out by UK Sport:

Ambition 1: Keep winning and win well through providing sports talents with the opportunity to be the best they can be.

Ambition 2: Grow a thriving sporting system

Ambition 3: Inspire positive change through helping to increase connectivity and pride across the community.

Local Policy

Birmingham City Council Plan (2018 – 2022)⁵

This project will be entirely consistent with the following Council Plan objectives:

² [3119 Major Sporting Events Strategy R1 V6\(1\).pdf \(meetbirmingham.com\)](#)

³ [sport-england-towards-an-active-nation.pdf \(sportengland-production-files.s3.eu-west-2.amazonaws.com\)](#)

⁴ [Strategic Plan 2021-31 | UK Sport](#)

⁵ https://www.birmingham.gov.uk/downloads/file/10257/birmingham_city_council_plan_2018-2022

Outcome 4 Priority 8 – Enhancing Birmingham’s status as a city of culture, sports and events by increasing the number of sporting and major events at our landmark venues.

Outcome 5, Priority 2 – Enhancing citizens of all abilities and ages to engage in physical activity. The European Outdoor Athletics Championships has a track record of promoting health and fitness to communities with participation levels increasing because of the event.

Outcome 5, Priority 3 – Using the Games as a catalyst to develop and promote apprenticeships, volunteering and leadership opportunities to enhance the skills of our workforce and communities. We will use the European Outdoor Athletics Championships to create jobs to engage with and utilise the volunteer community created by the Games.

Birmingham Commonwealth Games Legacy Plan, 2021⁶

The mission from the Birmingham 2022 Commonwealth Games was to catalyse and help achieve the aspiration of a fair and thriving city for all. The Games helped strengthen connections between communities, and advance ambitions for people to live healthier lives and to create a more active city. The redeveloped Alexander Stadium will offer a world class venue from grassroots sports to future elite athletes, aligning to the Streets to Stadium programme as part of the Council’s AECH26 bid commitments.

Central to the ‘Thriving City’ agenda is to “boost investment, creating thousands of jobs and become a world-leader in hosting international events”, like the AECH26.

To maximise benefits from hosting the Birmingham 2022 Commonwealth Games the Legacy Plan presents a programme seeking to promote the benefits of physical activity, community sport and improved wellbeing.

In line with the Plan, the AECH26 will help improve the capacity amongst the community to help people live healthier, more fulfilled lives. It aims to improve people’s habits and offer targeted opportunities to increase activity across underrepresented groups to deliver mental health and wellbeing benefits.

Also, as outlined within the Legacy Plan, Sports England will be working with grassroots organisations, local sports clubs and partners to support more active lifestyles. These aims and visions all align with the successful delivery of the AECH26 and associated Grass Root programme.

4. Financial Implications*

Please see Appendix for Financial details

The majority of the costs associated with the AECH26 will be incurred in 2025 and 2026, whereas the WMCA funding is constrained to only be available until 31 March

⁶ <https://resources.cwg-qbr.pulselive.com/qbr-commonwealth-games/document/2022/02/11/9592fb24-e996-498a-87e5-34c55ada0676/Legacy-Plan.pdf>

2025. Therefore, WMCA funding will be utilised as the first call to finance expenditure up to this date, including complementary activity sitting alongside the AECH26 will include,

- a grassroots sports programme of around £5m of which at least £3m will be spent by 31 March 2025
- the completion of the post-Commonwealth Games investment programme for the Alexander Stadium (the venue for the championships), at a further total investment value in excess of £20m.

There was a meeting between WMCA, BCC and DCMS to agree the funding switch principle and ensure that grant terms and conditions reflect this including reference to capital spend.

In line with Local Government Finance Regulations and the associated CIPFA Code / guidance revenue funding such as the CWG legacy funding is able to be utilised to fund capital expenditure. The Council expects the resources freed up from the Stadium project as a result of the use of the CWG legacy funding to be either revenue in nature, or sufficiently flexible capital funding that it will be possible to “swap” for revenue funding across the Council’s overall capital programme.

Funding will be provided to BCC under a back-to-back grant agreement that will mirror the terms and conditions within WMCA’s accountable body agreement from DCMS, which will include payment quarterly in arrears. Ensuring all risk are transferred to the delivery partners.

5. Legal Implications*

Providing funding towards the AECH26 is within the economic development and regeneration functions conferred on WMCA by the West Midlands Combined Authority Order 2016.

The AECH26 will be delivered by Birmingham City Council as the Host City and its principal partners UK Athletics (UKA) and UK Sport (UKS). Within the BCC City Operations Directorate sits the Major Events Delivery Team which will lead the delivery of the event in the initial stages, on behalf of the BCC CEO as SRO for the AECH26. As the SRO, this role will address and ensure adherence to conditions set out in the contract and any funding agreements and with specific attention to ensuring overall delivery to the contractual obligations, to the required level of quality, whilst ensuring that the event is delivered on time and to budget.

Support i.e. legal, finance etc will be primarily delivered in house with external resource brought in where appropriate reporting to the internal service. A similar model was used in the Games where specialist expertise was contracted in.

Delivery will draw on various partners supported by externally sourced PCR compliant specialist advice if required. Throughout the lifespan of the programme BCC will work closely with Championship delivery partners and gain necessary legal input to ensure contractual commitments are met.

The route to market for any contracts will be compliant to the Public Contracts Regulations 2015 (PCR15) with any legal and constitutional governance obligations, aligning with the ultimate delivery structure chosen for the championships.

All payments to external partners / contractors will be made in accordance with the terms of any contracts entered into, whether by the Council or by the chosen delivery vehicle (assuming this is a separate legal entity capable of contracting in its own

right). It is anticipated that any payment terms agreed will be consistent with the established BCC payment policy.

BCC will be responsible for ensuring that all expenditure is in compliance with all relevant legislation.

6. Single Assurance Framework Implications

WMCA SAF – This Full Business Case (FBC) has been appraised by the PAA team and is SAF compliant. Based on review by appraisal this case is recommended for approval. Please refer to the Risk and Investment Report for the full recommendation and caveats.

BCC are seeking a grant of £13.7m from the Birmingham Commonwealth Games underspend fund aligned to its AECH 2026 FBC.

Funding commencement date: Immediate on approval

Funding Completion date: 31/03/2025

7. Equalities Implications

It is central to Birmingham City Council (BCC) legacy objectives that the AECH26 and complementary Grass Root Sports programme help address inequalities in health and inactivity across the city and region aligning with local, regional, and national strategic objectives (detailed in section 3) and further identified as part of a Health and Equity Impact / IG Assessment.

This in part will be achieved through the delivery of a targeted Grass Roots Sports Programme/Fund to deliver longer-term positive impacts and step changes in levels of physical activity across communities with the highest need and deprivation indicators. Similarly, funds will help create accessible opportunities by reducing known barriers to sport (including cost and access to equipment), alongside promoting inclusivity and diversity by pro-active engagement and involvement from under-represented groups and individuals applying learns and successes from recent programmes including the Commonwealth Games Community Fund. Investments will be informed by data and local insights to strategically identify targeted areas of the city and audiences to ensure the inclusion of those communities where physical activity levels are known to be lower than the local average.

BCC recognise the importance of connecting local communities, groups and clubs in to their local 'system' and existing networks to support the co-creation of interventions and enhanced opportunities for local people. With a wide range of organisations and groups such as the Council, universities, schools and sports clubs, partners will work together to provide access to sport and increase the opportunities for participation. In turn, this will also promote more physical activity and active travel habits throughout the community supporting better local environments, improved air quality and the regions strive towards achieving its goal of net zero.

The AECH26 will also improve strategic collaboration among regional / national (e.g. UK Sport, National Governing Bodies), venues and host authorities to increase innovation and inspire new, younger, more diverse audiences. The AECH26 will similarly enhance the profile and status as a region for sport and culture, further our collective identity and promote the West Midlands and Birmingham nationally and internationally as a welcoming diverse, youthful, and inclusive place.

8. Inclusive Growth Implications

In line with Objective 1.4 of Aim 1 which looks to 'promote inclusive economic growth in every corner of the region and stimulate the creation of good jobs', the AECH26 will work with local authorities to support the role of culture and sport to help make the region a good place to live, work, visit and invest.

By supporting the release of benefits from the event, the grass roots programme will help take sport to a cross section of communities.

The Athletics European Championship 2026 (AECH26) and associated Grassroots sports programme will continue to build upon the progress to date by delivering new opportunities to help Birmingham City Council (BCC) and the region achieve its noted ambitions of driving a healthier, more active city and connected region.

Through bolstering the available opportunities between communities, sports and more active lifestyles such as those of the Grass Roots Sports Programme, BCC seeks to deliver **inclusive growth for all**. This is evidenced through the strategic aims and ambitions detailed both for the AECH26 and Grass Roots Sports Fund which seeks to incorporate learnings from other programmes (including the Games Community Fund) to ensure the right communities are targeted in the right way.

The impacts of hosting a major sporting event and the complementary boosting of grass roots sports participation will deliver significant regional economic benefits through a combination of increased tourism spend, direct and indirect GVA effects.

Direct employment will result through the redevelopment of the Alexander Stadium and organisation of the event, itself. Moreover, hosting the event will attract new visitors, which in turn will increase the city's visitor economy and generate income within the leisure, culture, tourism, and hospitality sectors. As evidenced from Birmingham 2022 and the recent DCMS Interim Evaluation Report⁷ the AECH26 can stimulate investment in business providing supplies and services to the event industry, enhance skills of local people, provide employment opportunities to residents, and importantly continue to enhance the global reputation and associated investment for Birmingham and the wider region.

After the success of the Birmingham 2022 Commonwealth Games, the opportunity now exists to deliver on the region's major events ambitions, creating a golden decade of events with the AECH26 as the next centrepiece for the City and West Midlands. The AECH26 will build on the foundations established from Birmingham 2022 to generate a stronger sense of regional civic pride to promote the West Midlands and Birmingham as a vibrant place to live, work, and play.

It will enhance the profile and status as a region for sport and culture, enhance our collective identity and promote the West Midlands and Birmingham nationally and internationally as a welcoming diverse, youthful, and inclusive place. The increase in tourism during the event will also help bolster the reputation of the region.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/100000/Interim_Evaluation_of_the_Birmingham_2022_Commonwealth_Games_-_Interim_Evaluation_Report.pdf

9. Geographical Area of Report's Implications

Birmingham and wider West Midlands region

10. Other Implications

Governance for the delivery of the AECH26 will continue to develop as the programme matures and moves through its 3 main stages (Planning, Delivery and Operation) but will retain alignment to the Council's existing processes and procedures which are underpinned by the Council's Constitution.

The management procedures and governance arrangements of the AECH26 will be firmly established by BCC and its partners during the planning stage and then subsequently reviewed at each stage of the AECH26 Programme so that they remain robust, flexible and provide the necessary levels of assurance.

Recognising the delivery date of the AECH, BCC's FBC encapsulates all known applicable information at the time of submission, including knowledge transfer and learns from hosting the Commonwealth Games. BCC are fully supportive to a mutually agreed reporting framework to provide further information, alongside monitoring and performance evaluation update reports.

11. Schedule of Background Papers

Appendix A to Investment Board Summary Report
Birmingham City Council AECH26 Full Business Case
Birmingham City Council AECH26 accompanying appendices No.1-13 in support of FBC
WMCA March Board paper & approval