

Investment Board

Date	19 th June 2023
Report title	Commonwealth Games Legacy Enhancement Fund (CWGLEF) Summary Report
Accountable Chief Executive	Laura Shoaf, Chief Executive Officer
Accountable Employee	Ed Cox, Director of Strategy, Integration and Net Zero Bethan Stimpson, Head of Commonwealth Games Legacy

Recommendation(s) for action or decision:

The Investment Board is recommended to:

- (1) Note the background relating to the eight CWGLEF Business Cases presented to Investment Board on 19th June.

1. Purpose

The Investment Board has been asked to consider eight CWGLEF Business Cases in June and should expect a further four to follow between July and September 2023. This Report summarises the key contextual matters surrounding the Commonwealth Games Legacy Enhancement Fund, including details surrounding the funding, its conditions and delivery timescales which relate to all 8 of the Cases under consideration in June 2023.

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.

This budget and its core components were approved in principle by WMCA Board in December 2022 and March 2023 WMCA Board meetings, subject to approval of project detail by Investment Board. Further details of the proposed activity are set out in this Cover Paper and individual supporting Business Justification Cases for each project available to the Board on request.

The CWGLEF has been divided into four 'pillars' to ensure delivery of outcomes across a range of WMCA priority areas. The table below summarises this breakdown. Each

project has been subject to the WMCA Single Assurance Framework process and Investment Board review and approval.

Pillar	Total Value	Consideration by Investment Board in June	For future consideration
Economy, Trade & Tourism	£40.8m	Jobs & Skills and Wellbeing (£5.75m) Mobilisation Plan for Growth Business (£3.25m) Global West Midlands (£2m)	Major Events Fund (£6m) Global West Midlands (£12.1m)
Inclusive Communities	£20.8m	Commonwealth Community Grants (£10.5m) Legacy Trailblazers (£5m) European Athletics Championships (£3m) Social Economy Growth Programme (£2m)	Strategic Framework (£300k)
Wellbeing & Sustainability	£3.2m	[Community Green Grants*] (£1.2m),	Sandwell Aquatics Centre (£2m)
Culture & Heritage	£4.1m	Culture & Heritage (£4.1)	-

* Approved by Investment Board in May 2023.

1. Strategic Management and Governance

WMCA has agreed the creation of a 2-year fixed term 'Head of Commonwealth Games Legacy Enhancement Fund' role to oversee successful delivery, monitoring and reporting of project level activity.

Under the leadership of the Head of CWGLEF and the Director of Strategy, Integration and Net-Zero, all projects, both outsourced and in-house delivered, will be:

- Governed by a centralised risk and programme management approach led by the Head of Commonwealth Games Legacy;
- Subject to WMCA Finance monitoring and assurance, tied to actual spend of funds overseen by WMCA's Section 151 Officer;
- Required to adhere to DCMS imposed terms and conditions (for example, ability to demonstrate and evidence project outcomes).

The CWGLEF is committed to effective Evaluation of its project level activities. All Cover Reports detail project level Evaluation activities, tailored to the needs of individual projects. A centralised gathering of Evaluation outputs from projects will be prioritised to ensure DCMS reporting requirements are met, and that where appropriate, outcomes can be reflected in WMCA Communications.

4. Financial Implications

Table 1	
Finance Summary	PBC (£)
Total Project Cost:	£70,000,000
WMCA Funding Required:	£70,000,000
WMCA Funding Stream:	DCMS CWG Legacy Fund
Funds Secured:	0
Funds Not Secured:	£70,000,000

All projects within CWGLEF have been designed to fit within the allocated pillar and project envelopes detailed in this report. There is no impact on wider WMCA Business as Usual budgeted activities.

All £70million of spend is required by DCMS to have been completed by 31 March 2025, to align with the current Spending Review period.

DCMS T&Cs have indicated a 3-month arrears payment basis of funds to WMCA. WMCA Finance will manage this process and may be required to provide evidence of spend for reimbursement. Where feasible, this condition has been mandated downstream to projects. However, some projects require up-front cash payments (e.g. Commonwealth Community Grants) and therefore there is a small financial operating risk to WMCA of up to 3 months.

The Board should note that a special arrangement, reflected in the legal Funding Agreement between WMCA and DCMS has been made in respect of the European Athletics Championships (EAC) (to be delivered by BCC). This arrangement confirms DCMS's understanding that outcomes relating to the EAC will not be reportable until c. March 2027, following delivery of the event itself in Summer 2026. Funding provided to BCC for EAC will be used to fund complementary activity (including development of the Alexander Stadium for use in the EAC 2026), to enable BCC to release aspects of its 'business as usual' finance for deferred spend post March 2025. Further details of this arrangement are provided in the EAC Cover Report.

Per Government and WMCA policy, a 1% and 2% respective contribution from the £70million budget will be made to support DCMS and WMCA operations and central function support. Remaining funding (£67.9million) will be distributed and managed through a range of supplier contracts, grant agreements and double-devolution to Local Authorities. A breakdown of these models is presented in the table below.

Pillar	Programme	Budget	Funding Model
Inclusive Communities	Commonwealth Inclusive Communities Grants	£10.5million*	Competitive Supplier Contract Competitive Grant Agreements
	Legacy Trailblazers	£5million	Direct Award Contract (United by 2022 Legacy Charity)
	European Athletics Championships	£3million	Double-devolution (Birmingham)
	Social Economy	£2million*	Competitive Supplier Contracts

	Inclusive Practice Framework	£0.3million	In-house WMCA delivery
Economy, Trade and Tourism	Jobs, Skills and Wellbeing	£5.75million*	Double-devolution (Constituent LAs)
	Major Events Fund	£6million	Double devolution (major event host LAs)
	West Midlands High Growth	£3.25million*	Competitive Supplier Contract(s)
	Global West Midlands	£0.7million	Double-devolution (Constituent LAs)
	Global West Midlands	£13.4million	Direct Award Contract (West Midlands Growth Company)
	European Athletics Championships	£10.7million	Double-devolution (Birmingham)
Culture and Heritage	Creative Commissions and Place Based Grants	£2.5million	Double-devolution (Constituent LAs)
	Strategic development and conference	£0.6m*	In-house WMCA delivery
	International Grants Skills and Business Programme Mayor's Talent Fund	£1million	Competitive Grant Agreements
Wellbeing and Sustainability	Sandwell Aquatics Centre	£2million	Double-devolution (Sandwell)
	Community Green Grants	£1.2million*	Competitive Supplier Contract Competitive Grant Agreements
		£67.9million	

Programmes marked with an asterisk (“*”) reflect those where a small proportion of funding will be used to enhance WMCA capacity through additional staff recruitment and administration costs. Management and administration costs have been considered by each individual programme and are presented in individual business cases. Shared roles across three individual programmes have been identified, with scope to reduce administration costs by three roles. The overall programme will be managed by a single dedicated role supported by existing WMCA staff funded through the mainstream WMCA budget.

The importance of Evaluation on this programme has been acknowledged throughout development stage. Following a programme wide review, a centralised, independent Evaluation of the full £70million programme will be undertaken. Funding contributions from individual projects will be made to facilitate this. This approach will minimise duplication of evaluation efforts and costs, as well as ensure consistency of Evaluation approach and the identification of cross cutting outcomes.

5. Legal Implications

A Funding Agreement between DCMS and the WMCA is progressing to execution. Laura Shoaf, WMCA Chief Executive Officer is the named Senior Responsible Owner for this Agreement.

A draft version of the Funding Agreement has been provided to the WMCA Legal team and a finalised version is being refined. Execution of this agreement is anticipated in June 2023.

All of the Business Cases under consideration by Investment Board in June 2023 will require elements of sub-contracting to delivery partners. Contracts include suppliers (via competitive tender and sole source award), direct double-devolution of funding to Local Authorities and Grant Agreements. Details of contractual arrangements are summarised in individual Cover Reports, however WMCA Legal will oversee inclusion and 'back-to-backing' of all DCMS imposed terms to ensure delivery partners support WMCA in effectively adhering to all legal, monitoring and outcome aspects of the Funding Agreement.

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.

The continuation of support for the projects presented to Investment Board on 19th June 2023 is contingent on comprehensive Programme Business Cases having been assessed through the SAF process and ultimately approval by Investment Board itself.

7. Geographical Area of Report's Implications

This report applies to West Midlands Combined Authority constituent and non-constituent local authority areas. Specific consideration was made to this geographic definition in WMCA Board on 17th March 2023, and further details of approval are noted here: [Point 15 on Page 10, of Item 9 at 17th March 2023's WMCA Board.](#)

Relevant extracts from the above approval read as follows:

14. There is a decision needed on whether non-constituent authorities of the WMCA should be eligible to benefit from the funding as direct recipients. While we propose that non-constituent authorities be included in region-wide initiatives where this may reflect realities on the ground, there is a separate decision needed on whether non-constituent authorities should be eligible to receive funding from the CWGLEF directly, i.e. by being permitted to bid into competitive grant pots.

15. We propose that non-constituent authorities should be eligible to bid into the CWGLEF in relation to (i) the regional Major Events Programme, and (ii) the Community Grants Programme, recognising that each may be subject to the determination of more detailed criteria and design for those programmes.