

WMCA Board

Date	17 March 2023
Report title	Commonwealth Games Legacy Enhancement Fund
Portfolio Lead	Finance - Councillor Bob Sleigh
Accountable Chief Executive	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
Accountable Employee	Ed Cox, Executive Director for Strategy, Integration & Net Zero email: ed.cox@wmca.org.uk
Report has been considered by	Mayor & Portfolio Leads Liaison

Recommendation(s) for action or decision

The WMCA Board is recommended to:

- (1) **Approve** the proposed programmes and funding allocations *within* the four pillars of the Commonwealth Games Legacy Enhancement Fund (CWGLEF) (see Table 1 below), in order to enable officers to develop the business cases during the pre-election period, ahead of delivery starting from April.
- (2) **Approve** the proposed approach to the management of underspends across the CWGLEF (see paragraph 13).
- (3) **Approve** the proposed approach to the inclusion of non-constituent authorities within the scope of CWGLEF programmes as direct funding recipients of two specific delivery programmes (see paragraphs 14 - 15).
- (4) **Delegate authority** to the WMCA Executive Director of Finance and Business Hub (S151 Officer) in consultation with the Monitoring Officer to accept CWGLEF funds awarded during the pre-election period commencing 24 March 2023 and up to the June Investment Board meeting, subject to satisfactory terms and conditions and all funds going through the Single Assurance Framework.

- (5) **Provide** approval for WMCA to enter into all necessary legal agreements in respect of the funding.
- (6) **Note** the update on the status of final government sign-off of the CWGLEF.
- (7) **Note** the next steps that delivery bodies will progress during the pre- and post-election periods, including the intention to take some Q1 decisions at risk in order to avoid delivery delays to programmes.

Purpose

1. To update the WMCA Board on the £70m Commonwealth Games Legacy Enhancement Fund (CWGLEF) grant funding to be provided by the Department for Culture, Media and Sport (DCMS) to the West Midlands Combined Authority (WMCA).
2. To seek formal decisions from the WMCA Board on key choices about the approach to the CWGLEF, including programmes and programme funding allocations. It is critical that we receive a formal decision from the WMCA Board on this to enable officers to work up business cases for the programmes during the pre-election period, ahead of seeking sign-off for these business cases at the WMCA's June Investment Board.
3. Seeking Board sign-off of programmes and funding allocations constitutes Stage 2 of the Single Assurance Framework (SAF) process; sign-off of the pillar allocations in December was Stage 1. The third and final stage will be focused on the businesses cases for each programme which will be signed off at WMCA's June Investment Board.

Background

4. The Commonwealth Games Legacy Enhancement Fund (CWGLEF) is a £70m fund to be provided by DCMS to the West Midlands Combined Authority (WMCA) to ensure the region builds on the existing success of the Commonwealth Games legacy.
5. Since the funding was announced in October 2022, WMCA officers have been working closely with Games Partners, local authorities (LAs) and other stakeholder groups to shape the programmes that will be delivered in each pillar.
6. We have also worked with DCMS on the terms of a formal agreement on the funding conditions for the £70m, which must be spent across financial years 2023/24 and 2024/25. Final government sign-off of the funding is now expected to follow the WMCA Board's sign-off of the CWGLEF at this meeting.
7. In December, the WMCA Board agreed to allocate the CWGLEF across four pillars, building on the Birmingham 2022 Legacy themes as shown in the diagram below:



8. Throughout January and February, WMCA officer leads for each pillar engaged with LAs, sub-groups of the WMCA Board and other relevant stakeholders to develop the programmes that will sit within each pillar.
9. WMCA also received several unsolicited proposals from constituent and non-constituent authorities for how the funding could be spent. We have sought to respond to the spirit of these where we can, ie. where they align with our thematic pillars. Although it has not been possible to simply adopt the proposals there remains scope for some of them to benefit from funding particularly where there will be competitive grant funds into which organisations will be able to bid.
10. In March, the proposed approach to programmes and programme funding allocations was discussed at two separate Mayor and Portfolio Leads meetings, with steers coming out of that which have helped to finalise the proposed approach being put to the WMCA Board now for agreement.
11. See Table 1 below for the **proposal for the programme allocations** across all four pillars. This proposal retains the amounts the pillar allocations agreed by the WMCA Board in December.

Table 1: Revised proposal for all CWGLEF programme allocations

Pillar	Programme	Proposed programme allocation (£m)	Notes
Economy, Trade and Tourism	Trade, inward investment and strategic tourism	14.1	This includes: <ul style="list-style-type: none"> - £13.4m for WMGC Global WM Programme - £100k per LA for local capacity to support the Global West Midlands programme
	Major Events in the West Midlands	6	This is exclusively for events with regional economic impact. Support for local events will be accommodated within the Community Grants Programme under the Inclusive Communities pillar.
	Supporting Birmingham to deliver the European Athletics Championship (EAC) 2026	10.7	The total allocation for EAC is £13.7m. The remaining £3m sits in the Inclusive Communities pillar.
	West Midlands Plan for Growth and supporting high-growth regional businesses	3.25	This includes additional capacity and new provision to support high-growth and resilience in supply chains.

	Jobs & Skills	4.85	This will be aligned with the £0.9m for the Mental Health programme.
	Pillar total	38.9	
Inclusive Communities	Birmingham 2022 Legacy Programme 'Trailblazer' projects	5	This will support the continued delivery of existing successful Trailblazer projects.
	An Inclusive Communities Grants Programme	10.5	This includes: <ul style="list-style-type: none"> - £3m for sports and physical activity, to be overseen by Wellbeing Board - Up to £2m for local arts, sport, cultural events
	EAC Grassroots Sport Fund	3	This will complement physical activity strand of Community Grants Programme.
	A Social Economy Growth Programme	2	This will support an Accelerator Programme for social enterprises and the creation of 7 clusters for social economy organisations (1 in each constituent authority).
	An Inclusive Communities Strategy	0.3	A supporting strategic framework to support our most diverse and disadvantaged communities to flourish and build social capital in the region.
	Pillar total	20.8	
Culture and Heritage	Cultural Investment Programme	4.1	A programme of revenue-based investment in culture, supported by the development of a Culture and Heritage Strategic Framework.
	Pillar total	4.1	
Wellbeing and Sustainability	Sandwell Aquatics Centre	2.0	To address the funding pressures and help keep the centre open.
	Mental Health Commission	0.9	This will support the response to the Commission's recommendations and will align with the Jobs and Skills Programme.

	Community Green Grants Programme extension	1.2	This extends the existing programme to boost environmental sustainability across the West Midlands.
	Pillar total	4.1	
DCMS 1% admin topslice	1% for DCMS admin costs	0.7	Administrative fee taken by DCMS to support its oversight of the Legacy Fund.
WMCA 2% admin topslice	2% for WMCA admin costs	1.4	Administrative fee taken by WMCA to support the management, delivery and monitoring of the Legacy Fund.
	CWGLEF total	70	

12. Across the proposed approach to CWGLEF there are several programmes where significant amounts of funding will be **double-devolved, allocations set for local authorities or funding set aside for local capacity building**. These are:
- Local capacity-building element of Trade, Tourism and Investment programme (£700k)
 - The European Athletics Championships (up to £13.7m)
 - The Jobs & Skills programme (£4.85m)
 - The Community Grants Programme will have an element of local allocation (£10.5m) including Local Events (up to £2m)
 - Elements of the Culture & Heritage Programme (at least £1.3m)
13. It is proposed that, where any **underspends** emerge across the CWGLEF, these are directed first towards either the Plan for Growth or Community Grants Programme.
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.
16. Extensive details of the delivery programmes in each of the four pillars were set out in the paper to the Mayor and Portfolio Leaders meeting on 3 March. In the following sections, we have summarised further details of the approach proposed for each pillar.

Economy, Trade and Tourism Pillar

17. This pillar has been the subject of extensive local engagement to reach a balance across a set of competing priorities within the pillar and across the wider programme. All programmes within this pillar have accommodated changes in order to agree the new proposed approach.
18. This pillar now specifically accommodates the 2026 European Athletics Championships (EAC) in line with Mayor and Portfolio Leaders agreement and DCMS's steer. There is also an element of EAC funding in the Inclusive Communities pillar (see below).

Inclusive Communities Pillar

19. This pillar will provide funding for existing successful 'Trailblazer' legacy projects and a broad Community Grants Programme, and it will also support a programme of social economy growth and an inclusive communities strategic framework.
20. There have been discussions about the approach to the Community Grants Programme. The detailed design of the Community Grants Programme will need to be carried out as part of business planning during Stage 3 and agreed by Investment Board. However, we propose that within its design we make provision for the following:
 - There will be a strand or theme of the grants programme dedicated to giving grants for sports, physical activity and mental health to the value of at least £3m. The WMCA Wellbeing Thematic Board will have responsibility for designing, administering and for oversight of delivery of this strand.
 - Additionally, £2m will be allocated to local events across different themes, including sports and physical activity. To ensure alignment and to coordinate and oversee bids, a Regional Events Board (currently being defined by WMGC) will include membership from the Wellbeing Thematic Board.
 - All Community Grants will need to demonstrate how they contribute to the Legacy Fund outcomes framework.
21. The EAC Grassroots Sport Fund is dedicated to supporting a sports and physical activity programme aligned to the EAC, bringing benefits to Birmingham and the wider region. The detailed design will again need to be developed during Stage 3 of the process and approved by Investment Board. It is proposed that this programme is designed to complement the Sport, Physical Activity and Mental Health strand of the Community Grants programme and that it provides regular reports to the WMCA Wellbeing Board.

Culture and Heritage Pillar

22. This pillar includes a programme of targeted, revenue-based interventions that require a regional approach and are all aimed at maximising legacy impacts across culture and heritage.
23. The proposal to develop a separate culture and heritage strategy has been incorporated into the broader culture and heritage programme. The programme will be developed in conjunction with constituent local authorities and their existing plans and strategies, working to complement existing local resource and plans and provide genuine additionality at a regional level.

Wellbeing and Sustainability Pillar

24. This wellbeing programmes in this pillar, as well as the physical activity strand in the Community Grants Programme, will have with oversight from the Wellbeing Board to ensure the alignment of funding and that we are getting the best outcomes.
25. Funding to support the heating costs relating to the Sandwell Aquatics Centre has now been included in this pillar, subject to any other government support available. As a result, the physical activity strand previously in this pillar has been incorporated into the Community Grants Programme, as described above. The sustainability element of this pillar incorporates an extension to the existing Community Green Grants Programme.

Evaluation Framework

26. The December Board paper referred to the development of an Evaluation Framework for the Legacy Fund. It is important that this is largely consistent with existing evaluation processes.
27. To this end, the table below draws heavily from *Annex 1.2: Evaluation Framework Update – Theories of Change and Evaluation Indicators* using key medium-term outcomes and longer-term impacts from that document. Where there did not appear to be suitable outcomes in the formal evaluation framework, alternative outcomes have been proposed. Most of these outcomes also align well with other regional and local strategies, where they exist.

Economy, trade & tourism	Inclusive communities	Culture & heritage	Wellbeing & sustainability
Increased levels of trade and FDI in the region	Involvement in volunteering in target groups*	Audiences which are more representative of the regions communities regularly attend and participate in cultural activities	Increased levels of physical activity in target groups
Improved skills and employability of local workforce	Diversity of grant recipients / grant beneficiaries*	Increased levels of understanding and respect among different groups and levels of participation in the community	Positive effect on reported levels of mental wellbeing
Sustained increase in domestic and international visitors to the region	Increased feelings of civic pride in Birmingham and the West Midlands region	Increased feelings of civic pride in Birmingham and the West Midlands region	Increased proportion of journeys taken on foot and bike

Create and/or safeguard good quality jobs		Diversity, capacity/skills of cultural workforce**	Access to green spaces*
Social Value / Inclusive Growth Framework / Carbon Reduction			
Value for Money			

* *Not directly referenced in B2022 Evaluation Framework*

** *Drawn from the outcomes of the B2022 Cultural Programme*

28. Each pillar lead will establish a small number of indicators for each outcome and a methodology for gathering data as part of the monitoring and evaluation arrangements for each pillar and delivery programme. We propose they draw heavily on existing indicators and methodologies set out in the Games Evaluation Framework. These will be formalised through the WMCA's Single Assurance Framework (SAF) process during Stage 3. N.B. The SAF is a set of systems, processes and protocols designed to provide a consistent approach for appraisal, assurance, risk management and performance throughout the lifecycle of WMCA projects and programmes.
29. It is intended that delivery programmes will deliver outcomes related primarily to their relevant pillar, however, through the appraisal process an assessment should be about the extent to which any given activity might contribute to wider outcomes in the framework.
30. The appraisal process will also consider the extent to which delivery programmes conform to social value and carbon reduction (as part of the WMCA's wider Inclusive Growth Framework), and also demonstrate value for money.

Next steps

31. It was agreed at December Board that the relevant WMCA Executive Directors, working closely with relevant Portfolio Leads, will bring forward more detailed proposals about the allocations for each delivery programme within their pillar. This will include specifications for commissioned programmes and services against each pillar, including procurement arrangements for each delivery programme and procedures for delegated decision-making at Stage 3.
32. If the WMCA Board agrees to the recommendations in this report, this will then enable progression to Stage 3 whereby programmes are developed and approved through the SAF process. This stage will need to proceed during the pre-election and election period, and as such requires a particular pathway through our governance and assurance processes in order to remain SAF-compliant while ensuring that we have full and proper cover from the WMCA Board to proceed.
33. SAF-compliant business cases for the programmes are being developed for approval at June Investment Board, although the business case for the Community Green Grants Programme extension has been able to progress more swiftly and so will go to April Investment Board.

Financial Implications

Grant agreement with DCMS

34. The terms and conditions of the grant funding agreement with DCMS are still under discussion. Acceptance of funding will be subject to suitable terms and conditions being agreed. In light of the very recent ministerial reshuffle, there are ongoing discussions both within DCMS and between DCMS/WMCA to confirm the approach which has led to delays in finalising the agreement and the submission of the programme business case to DCMS and HMT for sign off before funding is released to WMCA. The funding commitment by government for these monies to flow to the region remains.
35. As outlined in the December paper, WMCA will be the accountable body for this fund with delegated authority to manage the overall CWGLEF programme, and all funding needs will need to be spent over the next two financial years (2023/24 and 2024/25).

WMCA Single Assurance Framework (SAF) process and spend decisions

36. The CWGLEF will be managed in line with the SAF. Following Board approval of the pillar programme allocations and agreement of the final funding agreement with DCMS, delivery bodies will be able to spend at risk in advance of business case approval by the June Investment Board to support mobilisation of programmes given the short timeframe for delivery. The decision to spend at risk will need to be taken by each body's Finance Director/S151 Officer.
37. Consideration is also being given to a reserve list of programmes to be maintained in the event of slippage across the whole programme to ensure maximisation of use and benefit to the region. Any such changes would be done in line with WMCA's change control process, enabled by the Single Assurance Framework, and signed off by the relevant governance boards of the WMCA.

Legal Implications

38. The WMCA will be acting as Accountable Body to DCMS in respect of the funding and, it will be necessary for the parties to enter into a formal legal agreement setting out the terms and under conditions governing the use of the funds.
39. At this first level of transfer of funds from DCMS to the WMCA there are no considerations in respect of subsidy control as there is unlikely to be any aid. However, DCMS will require the WMCA to ensure it is compliant and remains compliant in the passing down of the funds to beneficiaries.
40. To protect the WMCA's interest and minimise the potential risk of financial and reputational loss, the WMCA must enter into back-to-back legal agreements with grant recipients to ensure all appropriate obligations are passed down the chain, including the requirement to remain compliant in respect of subsidy control principles in the delivery of services.
41. All programmes within the four pillars will be assessed to ensure compliance with the Subsidy Control Act 2022 and other relevant legislation and legal requirements.

42. Unless otherwise agreed in writing no funding will be released to grant recipients unless and until such time as formal grant agreements have been signed between the parties.
43. The WMCA is subject to Freedom of Information Act requests therefore, it is important that all decisions are in accordance with the law, with WMCA's policies/procedures and, that proper audit trails are maintained.

Equalities Implications

44. A key objective of the CWG Legacy Fund is to create an inclusive legacy for CWG across the West Midlands. We anticipate that the fund will have positive equalities implications and will conduct more detailed assessments for each programme as they are developed.

Inclusive Growth Implications

45. The prioritisation for the CWG Legacy Fund around the four pillars will contribute to the region's inclusive growth framework fundamentals in the following ways:
 - **Economy, trade and tourism pillar:** in line with our inclusive economy priority to ensure economic prosperity reaches into the homes across the WMCA area, and improving training and skills in line the education and learning fundamental;
 - **Inclusive communities pillar:** development of an inclusive communities strategy and community-led activities will help achieve our power, influence, and participation fundamental;
 - **Culture and heritage pillar:** strengthen investments in our cultural and heritage infrastructure will increase pride in place, in line with our power, influence and participation fundamental; and
 - **Wellbeing and sustainability pillar:** physical activity programme and green grants will help reduce health inequalities in line with the health and wellbeing fundamental.

Geographical Area of Report's Implications

46. This report relates in to the seven constituent authorities of the WMCA plus its non-constituent local authorities.

Other Implications

47. N/A

Schedule of Background Papers

48. WMCA Board paper of 16 December 2022 on the Commonwealth Games Legacy Fund.