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2022 Commonwealth Games - Financial Arrangements

EXECUTIVE SUMMARY

1. Background

- 1.1 The Commonwealth Games is an international, multi-sport event involving athletes from the Commonwealth of Nations. The event was first held in 1930 and has taken place every four years ever since. The Games are described as the third largest multi-sport event in the world after the Olympic Games and the Asian Games. The 2022 Games will be the event's XXII edition and will consist of seventeen sports, including seven Para events, will take place at venues across the West Midlands region, plus the Lee Valley VeloPark (in London). 4,300 Athletes are expected to compete in the Games and over one million spectator tickets will be available.
- 1.2 The Games will be held over 12 days between Thursday 28th July and Monday 8th August 2022. The Opening Ceremony will take place on 28th July and will be followed by 11 days of competition with the Closing Ceremony on 8th August. In addition the Queens Baton Relay (QBR) will take place in the preceding 12 months, dates and locations to be confirmed.
- 1.3 The Games will take place throughout each of the 11 competition days. Whilst not necessarily needing a police presence, asset protection and security for the competition and non-competition venue locations, including training facilities, will be required in advance of the Games commencing. There will also be a requirement post Games for security resources as venues are decommissioned. Both pre and post Games and QBR requirements will be incorporated into the Policing and Security Plan.
- 1.4 With the exception of the Aquatic Centre all of the venues in the region are familiar to WMP and the regional police forces. In addition, many are existing venues with in-house security management which are well used to providing security operations there. It is the accumulation of multiple venue use over an extended period, combined with a significant live event programme, higher transport usage and a "substantial" security threat which creates a more significant demand on the security programme.
- 1.5 The 2022 Games will be delivered through a partnership between Birmingham City Council (BCC), West Midlands Combined Authority (WMCA), Local Authorities, and UK

government, the Organising Committee (OC), Commonwealth Games England (CGE), Commonwealth Games Federation (CGF) and the Commonwealth Games Federation Partnerships (CGFP). Information and background on Games partners can be found in the 'Security Strategy' document (Appendix 1), attached below.

2. Funding

2.1 The Birmingham 2022 Commonwealth Games budget has been set at £778m, after taking into account £109m of anticipated commercial income. Based on an adjusted 75%/25% split central government will provide £594m [via the Department of Digital, Culture Media & Sport, (DCMS) and Birmingham City Council (BCC) £184m].

The budget has three major components each led by a different stakeholder:

- Games Delivery, which is the responsibility of the Organising Committee (OC)
- Games Infrastructure, which is the responsibility of BCC
- Security, which is the responsibility of West Midlands Police (WMP).

The budget of £778m is split as follows: £461.1m relates to the Organising Committee; £138.4m relates to the Capital Programme and £178.3m for Security.

The Security Budget is profiled as follows:

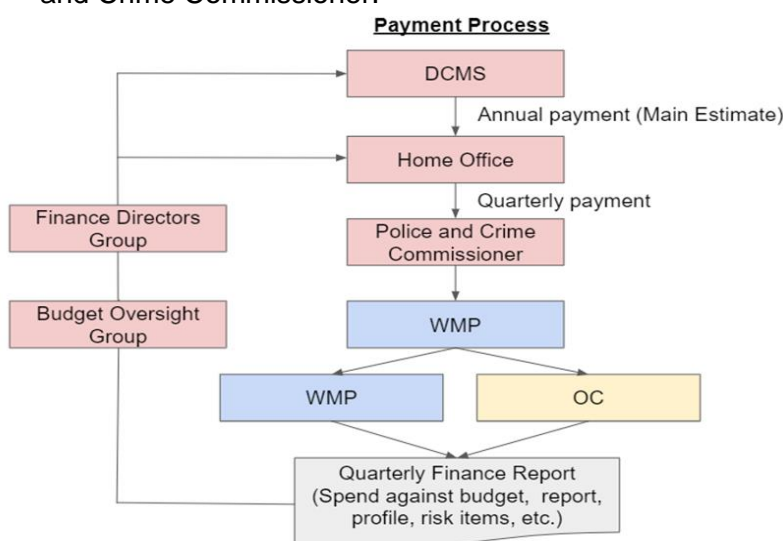
		Games Lifetime Budget Breakdown by Year, £000						
BUDGET AREA		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
Security Budget	Security	-	378	2,391	5,785	24,548	100,501	133,603
	Additional Sports					359	3,231	3,590
	Security Contingency	-	-	-	-	6,168	34,953	41,121
	Total Security Budget	-	378	2,391	5,785	31,075	138,685	178,314

Security Budget by Expenditure Type:

Security Budget Area	£
Contract Security	30,592,781
Security Equipment	30,303,879
Other Security	13,464,888
Police	62,008,770
Military	8,940,445
Efficiency target	-11,706,91
Sub total	133,603,844
Additional Sports	3,589,808
Total	137,193,652
Contingency	41,120,769
Grand Total	178,314,421

2.2 DCMS and HO Ministers have delegated Strategic Command for security and policing to the WMP Chief Constable, effective from March 2018.

- 2.3 DCMS will draw down the allocated Government funding, including the contingency, from HMT on the Main Estimate in each financial year. DCMS will administer the transfer of funds to the OC as Grant-In-Aid (GIA) on a monthly basis.
- 2.4 DCMS will allocate funding to the WMPCC through a budget transfer via the Home Office for the financial years 2019/20 to 2021/22 and for the financial year 2022/23, WMPCC will receive funding from both Central Government and BCC, based on the totals contained in the WMP financial reporting and forecasting.
- 2.5 Funding agreements (MOA/MOU/Grant as appropriate) will be agreed with Games Partners. These will set out the terms upon which funding has been granted, including any ring-fencing, reporting requirements and management of risk. The Home Office is in the process of drafting the grant agreement between WMPCC and themselves.
- 2.6 Payment will then be made quarterly in advance by the HO to the Police and Crime Commissioner (PCC), based on a Quarterly Report, via Special Grant. The full Games budget will be transferred by HO to WMPCC every year based on committed spend accruals.
- 2.7 The funding for each following quarter will be released upon completion of a quarterly report to the Budget Oversight and Finance Directors groups detailing actual spend in quarter and planned spend in the following quarter. Once these groups are satisfied that the request for funding for the following quarter is acceptable they will recommend to the Home Office that funding is released for each new quarter.
- 2.8 WMP will be responsible for making quarterly payments to the OC, for their portion of the security games budget in advance, based on the forecast spend on an accruals basis, as projected in the Quarterly Report. WMP will be responsible for reporting on the entire security budget, including both WMP and OC elements to DCMS and HO. The OC will provide any data and information to WMP that it requires to prepare submissions and reports, and WMP may invite them to attend any meetings of the relevant finance groups.
- 2.9 Birmingham City Council will transfer funds to WMP in 2022/23 only, via the Police and Crime Commissioner.



- 2.10 All grant agreements relating to the CWG required the authorisation of the PCC or their representative.
- 2.11 Once this decision has been authorised there will be a requirement for further PCC decisions each time there is a transfer of funds from the PCC to the OC. This should be undertaken at the appropriate time and intervals. Once approval is obtained from the PCC, the OC and WMP are able to transfer security funding between each other up to £1m without approval from the Security Board. Transfers between the OC and WMP of above £1m will need to be approved by the Security Governance.

Further details are provided in the Funding Principles document (Appendix 2); Cross Partner Financial Control Framework (Appendix 3); and B2022 Security Funding Framework (Appendix 4), attached below.

3. Financial Outturn

3.1 The security expenditure to date for **2020/21** is as follows:

<i>2020-21 CWG security budget summary</i>	2020-21			
	annual budget	actuals to date	current forecast	variance to budget
	£000s	£000s	£000s	£000s
Programme related costs	994	380	942	(52)
Games Operation costs	1,657	1,041	1,735	78
Co-ordination and Readiness costs	2,793	994	2,767	(26)
Total West Midlands Police security budget	5,444	2,415	5,444	-
Contract Security	100	79	94	(6)
Other Security	837	9	349	(488)
Total Organising Committee security budget	937	88	443	(494)
Total Games security budget	6,381	2,503	5,887	(494)

4. Responsibilities of each Partner

- 4.1 The responsibilities of DCMS, Home Office, the PCC, West Midlands Police, The Organising Committee and Birmingham City Council are set out in the Security Memorandum of Responsibilities and Commonwealth Games funding principles

documents. These are summarised below with more detail provided in Appendix 4 B2022 Security Funding Framework.

West Midlands Police and Crime Commissioner

4.2 Approver of resources allocated to the WMP and the OC.

West Midlands Police

4.3 Together, DCMS and HO Ministers have delegated strategic command of the safety and security operation to the Chief Constable of WMP, effective from March 2018.

This includes:

- Overall responsibility for the successful delivery of the safety and security operation;
- Budget control for the entire safety and security budget, including meeting all CGDU and HO reporting and forecasting requirements (as set out below);
- The relationship with the Organising Committee (OC) security function, including providing direction to the OC security function to engage with the market to procure equipment, systems, and services in-line with the security strategy and requirements of the security operation;

The Organising Committee

4.4 The OC, whilst under the direction of the Chief Constable in respect of security operation, will be responsible for the management and delivery of the OC elements of the security budget.

The OC will be delegated budget for elements of the security programme under its responsibility, and will continue to act as the procurement contracting authority in relation to venue security.

Birmingham City Council

4.5 Birmingham City Council (BCC) will be responsible for provision of an element of the 2022/23 funding, in line with the overall funding responsibilities agreed by the Finance Group.

This will see BCC providing funding to WMP directly in 2022/23. This payment will be made directly from BCC to the Police and Crime Commissioner, in line with the arrangements for other Police activities funded by the Council.

DCMS Commonwealth Games Delivery Unit

4.6 This body sits within DCMS and is responsible for consolidating the financial information from the various games partners. They will work with WMP to ensure the smooth delivery of the safety and security operation, and relationships with partners across the Games and across Government.

Home Office

4.7 The Home Office will Review financial reports from WMP, and provide necessary scrutiny with regards to WMP costs. They will make quarterly payment to WMPCC via the Special Grant arrangements in a timely fashion and in line with the agreed budget profile.

5. Contracts procurement

5.1 As outlined in Section 2 of this Report, the overall Security budget for the Games exceeds £178m. However, the vast majority of this budget shall be used to establish necessary goods and services for the OC. For such arrangements, the OC shall act as the contracting authority, shall run procurement processes in conjunction with WMP's Chief Constable.

5.2 In regards to the portion of the Security budget that shall be utilised in securing goods and services for the Force, this shall represent circa £5m of the overall circa £178m.

5.3 For the Security related contracts required specifically for the Force, it is intended that contracts shall be procured in collaboration with the OC and other partners of the Games where possible. To this end, the Force (acting on behalf of the PCC) may lead on such collaborative procurement activity, or shall see contracts let on our behalf by the OC or other partners. As follows is a breakdown of the proposed contracts for the Force that shall be let in support of the policing of the Games, along with an indication of which party shall act as the procurement lead and contracting authority:-

Procurement Category	Procurement Lead	Indicative WMP Budget	Desired Contract Award Dates
Residential Accommodation (Universities and Hotels)	OC	£2,126,952*	Q1 2021
Briefing & Feeding Sites	WMP	£242,203*	Q1 2021 (all sites)
Catering	TBC	£1,053,154*	Q2 2021
Bus Transportation	OC	£1,208,915**	Q1 2021
Total		£4,631,224	

*From October 2020 budget, all subject to further review and change including additional categories

**Independent calculation undertaken in February 2020 as this was not a specific line item in the October 2019 budget (it was part of the overall transportation budget line)

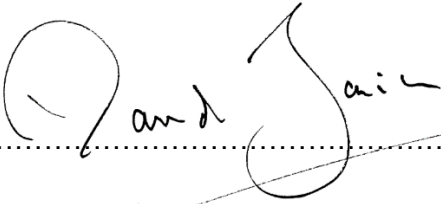
- 5.4 In accordance with the standard approach routinely taken for collaborative procurement matters, it is recognised that procurement protocols and practices of the lead contracting authority for each contract area shall be adhered to. In practice, this shall mean that standards, governance etc. of the procurement lead shall be followed for each contract. In the instances where the OC or another partner act as the procurement lead for a contract on behalf of the Force, despite such contract awards not being subject to full force and PCC contract award governance, regular updates on progress shall still be provided to the Contracts Review and Approval Board (CRAB).
- 5.5 For contracts let either by the Force or contracts let on the Force's behalf that the Force will access (i.e. those within the circa £5m security expenditure that the force shall be party to), the standard requirements of the Living Wage Foundation's rates of pay and wider social value considerations will still be obligated.
- 5.6 In summary, contracts for the Games directly related to the Force, the regular Force procurement standards, practices and policies as agreed with the PCC shall be maintained.

DECISION

I authorise the financial arrangements outlined in this document relating to the security aspects of the Commonwealth Games.

Police and Crime Commissioner for the West Midlands

I confirm that I do not have any disclosable pecuniary interests in this decision and take the decision in compliance with the Code of Conduct for the Police and Crime Commissioner of the West Midlands. Any interests are indicated below.

Signature.....

Date: 08.02.2021

- Appendix 1: Security Strategy



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- Appendix 2: Funding Principles



Appendix 2.docx

- Appendix 3: Cross Partner Financial Control Framework



appendix 3.docx

- Appendix 4: DRAFT B2022 Security Funding Framework v5.0



Appendix 4.docx

Please note that some of these documents are draft and will continue to be refreshed as and when changes are agreed and games plans are finalised.