
Birmingham Organising Committee for the 2022 Commonwealth Games Ltd

MANAGEMENT AGREEMENT 2019-2020

Last updated: 13 March 2019

Executive Summary

This Management Agreement sets out the framework of accountability within which the Birmingham 2022 Organising Committee (OC) operates. It also sets out the Department for Digital, Culture, Media and Sport's priorities for the OC and the initial indicators that will be used to measure the OC's performance in 2019/20.

This agreement covers the period to 31 March 2020 and will remain in place until it is superseded by a revised agreement. The management agreement is a living document and may be revised at any time by the agreement of both parties. It will normally be reviewed and amended in March of each year.

Key information, such as performance measures and financial delegations, will be considered and may be amended as part of these reviews.

Performance measures for future years will be discussed and agreed by the OC and the Department together with the other Games Partners based on the milestones in the overall Games delivery plan.

Financial delegations will be set annually by the DCMS and are to be proportionate to the financial planning and risk within each year.

Background

The Birmingham Organising Committee together with the signatories of the Host City Contract (the Birmingham City Council, the Commonwealth Games Federation, Commonwealth Games England and the UK Government) are responsible for delivering the Games under the terms of the Host City Contract for the 2022 Commonwealth Games signed on 21 December 2017.

The Birmingham Organising Committee is responsible for the planning and operational delivery of the Games. This includes sport, venue and competition management, ticket sales, all ceremonies and the Queen's Baton Relay.

The Birmingham Organising Committee is established as a Public Limited Company (limited by guarantee) and a Non-Departmental Public Body. The Birmingham Organising Committee will comply with public finance and public appointments rules.

The relationship between the Department for Digital, Culture, Media and Sport ("the Department") and the Birmingham Organising Committee will be governed by this Management Agreement.

This agreement has been drawn up by the Department in consultation with the Birmingham Organising Committee. This document sets out the broad framework within which Birmingham Organising Committee will operate. The document does not convey any legal powers or responsibilities. It is signed and dated by the Department and the Birmingham Organising Committee. Copies of the document will be made available to members of the public on GOV.UK and on the Birmingham Organising Committee's website.

The agreement will remain in place until it is superseded by a new agreement. The agreement must be treated as a living document and reviewed by both sides annually in March. Any changes to ministerial priorities or policy requirements will be made by exchange of letters between the Minister and the Birmingham Organising Committee Chair; all other changes will be made by exchange of letter between the Department's Permanent Secretary and the Birmingham Organising Committee Chief Executive.

Legislative changes will take precedence over any part of this document.

Part A: Birmingham Organising Committee for the 2022 Commonwealth Games Ltd Priorities, Funding and Engagement

1. Secretary of State's Priorities

1.1. In line with the Department's objectives, as set out in the Single Departmental Plan, the Secretary of State's priorities for the Birmingham Organising Committee are:

- To deliver a highly successful major multi-sport event that demonstrates the very best of Global Britain to the world
- To deliver a Games which inspire and support delivery of positive long term, sustainable legacies locally, regionally and nationally.

1.2. The Birmingham Organising Committee will have a set of strategic priorities set out in its Business Plan, which will be completed following the budget approval in 2019/20 and in advance of the start of each financial year going forward.

2. Financial Allocation

2.1. The Birmingham Organising Committee financial settlement for the period 2019 - 2020 is as agreed with the Department.

3. Performance Measures

3.1. For 2019-20, the delivery of the following will be used to measure organisational performance:

- **Delivery:**
The OC will be required to deliver against the games partner agreed integrated project plan and the OC specific project plan with any material changes to the baselined plan agreed through the

formal change control process. Regular performance reports will be provided to the CEO group, OC Board and monthly DCMS Management Agreement meetings.

- **Expenditure:**
The OC will deliver within the budget agreed by Treasury and DCMS through the Major Project Review Group (MPRG) process for 2019/20. Any proposed changes to the budget including movements between budget lines or drawdowns from contingency will be fully compliant with the OC Governance, Management Agreement conditions and any relevant Cabinet Office controls. Budget reports will be required for each OC Board meeting, CEO group, Audit and Risk Assurance Committee meeting and monthly Management Agreement reporting meeting with DCMS.
- **Workforce:**
The OC should seek to hire in line with the agreed 2019/20 workforce plan as reflected in the 2019/20 budget agreed through the MPRG process. Any changes, material delays or salaries outside of the agreed range should go through the OC workforce change approval process. Recruitment progress should be reported against the workforce plan at each Management Agreement monthly meeting between the OC and DCMS.

Performance measures for future years will be discussed and agreed by the Birmingham Organising Committee and the Department together with the other Games Partners based on the milestones in the overall Games delivery plan and will include specific performance measures on CGFP delivery and spend.

4. Engagement

4.1. The Department and the Birmingham Organising Committee have agreed an engagement calendar as set out below. This contact will be in addition to routine and policy-led contact between the Department and the Birmingham Organising Committee.

<p>The Birmingham Organising Committee must provide monthly reports to the Department covering delivery, spend, risks and workforce.</p>	<p><i>Monthly</i></p> <p><i>on the 25th of each month</i></p> <p><i>Via email to DCMS Sponsor</i></p>
<p>The Birmingham Organising Committee must provide quarterly reports to the Department on:</p> <ul style="list-style-type: none"> ● Spend on contracted resource and consultancy from CGF Partnerships, showing inputs, costs, and outputs delivered ● Sponsorship confirmed (including Value in Kind) by sponsor and category, sponsor income received, and arrangements for any future revenue sharing with future host cities ● Technology contracts entered into including value of commitments, deliverables, spend, and arrangements for any sharing of costs with future host cities 	<p><i>Quarterly</i></p> <p><i>Via email to DCMS Sponsor</i></p>
<p>Bi monthly engagement meetings with the Birmingham Organising Committee and the Department (Director of Commonwealth Games Delivery Unit) and other officials to monitor performance against KPIs (including CGFP delivery and spend).</p>	<p><i>Bi monthly</i></p> <p><i>On the same month as OC Board</i></p> <p><i>Via face to face meeting or teleconference</i></p>
<p>Six monthly meetings with the responsible Minister, the Birmingham Organising Committee Chair and Chief Executive to review objectives and performance.</p>	<p><i>6 monthly</i></p> <p><i>Via face to face meeting</i></p> <p><i>On the same date as the London Strategic Board</i></p>

Part B: FINANCIAL CONTROLS

1. Delegated Financial Limits

1.1 Financial delegations are to be proportionate to the financial planning and risk within each year. They will be set annually by DCMS.

1.2 All delegations are subject to the requirement that spending proposals falling within Managing Public Money Annex 2.2, box A.2.2C must be referred to the Department. These are:

- I. Items which are novel, contentious or repercussive, even if within delegated limits;
- II. Items which could exceed the agreed budget and Estimate limits (see Part C section 17), including expenditure funded from the contingency budget;
- III. Contractual commitments to significant spending beyond 31 March 2020 for which plans have not been set;
- IV. Items requiring primary legislation (e.g. to write off NLF debt or PDC);
- V. Any item which could set a potentially expensive precedent;
- VI. where Treasury consent is a specific requirement of legislation.

For the financial year 2019-2020, the following delegated financial limits apply:

1.3 Programme Expenditure

unlimited

1.4 Capital Expenditure

Expenditure on new construction, land, extensions of, and alterations to, existing buildings and the purchase of any other fixed assets (e.g. machinery, plant, and vehicles), art works and additions to the collection with an expected working life of more than one year. Also includes exchanges of fixed assets.	£2m (per project)
Expenditure on the signing of new leases, renewals of existing leases, the non-exercise of lease break options, any new property acquisitions (including those made through a Public Finance Initiative Provider), new build developments, sale and leaseback, and any freehold sales as part of national	£100,000 Approval for leases over £100,000 can

property controls	only be given by the Chief Secretary to the Treasury and must provide value for money for Government as a whole or demonstrate exceptional circumstances.
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1.5 Single Tender Contracts

The delegation for single tender action contracts (where no competition has taken place to select a supplier) is set at **£50,000** (ex VAT) for each contract or requirement. Proposals for awarding single tender action contracts above this delegated limit must have the prior written approval of the Department before any contract is awarded or any spend committed.

1.6 Gifts

Gifts received by Birmingham Organising Committee	Up to £1,000
In a financial year, any one gift or total of gifts by the Birmingham Organising Committee: <ul style="list-style-type: none"> ● to one person/organisation; ● to staff. 	Up to £1,000

The Birmingham Organising Committee must keep a record of gifts given and received and share this with the Department. Proposals for making gifts outside this delegated limit must have the prior approval of the Department (events and hospitality are outside this requirement but the Birmingham Organising Committee must at all times adhere to the principles in 'Managing Public Money', in particular on the use of efficient resources). Details of gifts given or received to one person/organisation must be noted in the annual accounts if individually or collectively, they exceed £1,000.

Value in Kind and Sponsorship will be treated in line with the Value in Kind and Sponsorship policy. This policy will be agreed by DCMS.

1.7 Fraud

No delegation. All cases of attempted, suspected or proven fraud, irrespective of the amount involved, must be reported by the Birmingham Organising Committee to the Department as soon as it is discovered. (See the 'Government Functional Standard, GovS013 Counter Fraud, Oct 2018')

1.8 Non-Statutory Contingent Liabilities

£100,000

1.9 Losses and Special Payments

The write-off of losses or approval of special payments must only be carried out by staff authorised to do so by and on behalf of the Birmingham Organising Committee Accounting Officer. The Birmingham Organising Committee must consult the Department where cases:

- Involve important questions of principle;
- Raise doubts about the effectiveness of existing systems;
- Contain lessons which might be of wider interest;
- Are novel or contentious;
- Might create a precedent for other departments in similar circumstances;
- Arise because of obscure or ambiguous instructions issued centrally.

1.9.1 Classification of Losses

Type	Description	Delegation
A.	Losses	
(i)	<u>Cash losses</u> : Physical losses of cash and its equivalents (e.g. banknotes, credit cards, electronic transfers, payable orders)	£25,000
(ii)	<u>Bookkeeping losses</u> : <ul style="list-style-type: none">● unvouched or incompletely vouched payments, including missing items;● charges to clear inexplicable or erroneous debit balances.	£25,000

(iii)	Exchange rate fluctuations: Losses due to fluctuations in exchange rates or revaluations of currencies.	£25,000
(iv)	<ul style="list-style-type: none"> Losses of pay, allowances and superannuation benefits paid to civil servants, members of the armed forces and NDPB employees: 	£25,000
	<ul style="list-style-type: none"> overpayments due to miscalculation, misinterpretation, or missing information 	£25,000
	<ul style="list-style-type: none"> unauthorised issues, e.g. inadmissible payments 	£25,000
	<ul style="list-style-type: none"> losses arising from other causes, e.g. non-disclosure of full facts by the beneficiary, short of proven fraud. 	£25,000
(v)	Losses arising from overpayments of social security benefits, grant, subsidies, etc. arising from miscalculation, misinterpretation or missing information.	£25,000
(vi)	Losses arising from failure to make adequate charges for the use of public property or services.	£25,000
B.	Stock write offs and impairments: The accounting loss incurred as a result of the reduction of the holding value of stock or inventory to an impaired or nil fair value in accordance with the relevant accounting principles.	£25,000
C.	Losses of accountable stores:	
(i)	because of proven or suspected fraud, theft, arson or sabotage, or any other deliberate act (including repairable damage caused maliciously to buildings, stores; etc. even where a legal claim is not possible).	£25,000
(ii)	losses arising from other causes.	£25,000
D.	Fruitless payments and constructive losses	£25,000
E.	Claims waived or abandoned	£25,000

A record of losses must be maintained and if the total of losses or special payments in the year exceeds £100,000, the annual accounts must include a statement, with any individual losses and special payments exceeding £25,000 specifically identified.

1.9.2 Special Payments

Special severance payments: There is no delegation for special severance payments (payments made to the employee outside their statutory or contractual entitlement upon termination of their employment contract). Each payment, regardless of value, will require HM Treasury approval before an offer can be made.

Redundancy payments: All redundancy payments outside contractual terms require permission from the Department and Cabinet Office in all cases.

	Special payments:	
(i)	extra-contractual and ex gratia payments to contractors;	£25,000
(ii)	other ex gratia payments;	£25,000
(iii)	compensation payments;	£25,000
(iv)	extra-statutory and extra-regulatory payments.	£25,000
(v)	consolatory payments: A special payment to address an inconvenience or hardship to a third party, arising from administrative failures i.e. where the organisation has not acted properly or provided a poor service. These can include: wrong advice, discourtesy, mistakes and delays.	£25,000

1.9.3 Disposal of Assets

A policy regarding the disposal of assets must be agreed with the Department before assets can be disposed of. This includes the transfer and disposal of general and sport related goods and equipment purchased from operational budgets.

1.10 Insurance

All expenditure in commercial insurance policies requires prior approval by the Department.

2. Spend controls

- 2.1 The Birmingham Organising Committee is subject to the latest Cabinet Office spend controls set out at <https://www.gov.uk/government/publications/cabinet-office-controls> and the thresholds for spend controls, as set out in the latest [DCMS Spend Control Guidance](#).
- 2.2 All Cabinet Office spend controls apply to the Birmingham Organising Committee, except where the Department confirms that exemptions to those controls have been agreed.
- 2.3 In the areas that Cabinet Office controls do apply, the Department will work with and will provide support to the Birmingham Organising Committee to help ensure the Cabinet Office controls process operates as smoothly as possible while supporting value for money, including taking account of the Birmingham Organising Committee's revenue targets, and recognising the delivery timelines for the Games.
- 2.4. All spend control approval requests must be submitted to controls@culture.gov.uk including supporting documentation.

3. Procurement

- 3.1 The Birmingham Organising Committee must comply with the Public Contracts Regulations 2015 (PCR) (as amended) in its procurement activity. For the purposes of the PCR, the Birmingham Organising Committee is a Sub Central Contracting Authority. As such, the Birmingham Organising Committee shall comply with the relevant thresholds for procurement activity that apply from time to time¹.

3. 2 The Birmingham Organising Committee shall:

¹ <https://www.ojec.com/Thresholds.aspx>

- Acquire goods and services (above £50k) through fair and open competition, using LEAN methodology where appropriate, delivering value for money through procurement, and operating in line with European and UK law, including restrictions on state aids.
- Apply current best practice in its procurement activity, including complying with [Procurement Policy Note \(PPN\)s](#) as applicable.
- Comply with current requirements on additional [spend controls](#), delegated authorities and authorisations on procurement and leases as notified to them by the Department.
- Support collaborative procurement and commercial efforts across the Department and its arm's length bodies (ALBs).
- Develop and apply a Value in Kind and Sponsorship policy and process. This will be agreed with DCMS.

3.3 In circumstances where the Birmingham Organising Committee finds itself having oversight and assurance of other public bodies or the procurement activities of private bodies spending public money the Birmingham Organising Committee shall ensure, as far is reasonably practicable, and in so far as it has legal authority to do so, that all such parties adhere to the principles of Managing Public Money including the encouragement of transparent and robust practices and compliance with any applicable law.

4. Management Information

4.1 The table below sets out the management information that the Department requires the Birmingham Organising Committee to provide. The Department may add or change the management information required depending on future information requirements.

Timescale ²	What	How	Purpose
Monthly (9th working day of each month)	Grant-in-Aid requests	Via Finance Partnership Webpage	To get the ALB's latest forecast income and expenditure for

² Reporting to be carried out in line with financial reporting timetable. Financial year to run 1 April - 31 March

			reporting to Board and HM Treasury and cash drawdown
Quarterly	Consultancy ³ return (including nil returns)	By e-mail to CGDU Finance	To enable Cabinet Office to keep track of the number of public sector consultancy contracts.
Monthly	Gift and hospitality register	By email to CGDU Finance	To ensure transparency of payments
Monthly	Spend over £25,000	By email to CGDU Finance And in addition: Publish tenders and contract details on Contracts Finder and on the Birmingham Organising Committee's website.	Transparency: to inform public how public money is spent and enable suppliers to find out about tender opportunities
Quarterly	Key metrics (total procurement spend, spend with SMEs and the Voluntary, Community and Social Enterprise sector)	By e-mail to CGDU Finance	Benchmarking of procurement spend and provision of data on economic effect of spend by Departments and ALBs
Quarterly	Exchequer funds held in commercial bank accounts	By e-mail to CGDU Finance	To supply HM Treasury with details of how much government funding is held outside GBS
Quarterly	Medium Term Financial Model	By e-mail to CGDU Finance	To get the ALB's latest capital profiles for

³ The provision to management of objective advice relating to strategy, structure, management or operations of an organisation, in pursuit of its purposes and objectives.

	returns		internal management and reporting to Finance Committee
Annually	Input to Group accounts / Whole of Government Accounts (WGA)	Provide a complete consolidation pack, WGA transactions and balances exercise as directed by the Department	Alignment: to consolidate the ALB's resource accounts within the Department's resource accounts WGA: to gather counter-party details for consolidation.
Annually	Sustainability data	By e-mail to CGDU Finance	To meet HM Treasury requirement to supply the centre with sustainability data
Annually - Mid August	Country and Regional analysis data	By e-mail to CGDU Finance	HM Treasury requirement - feeds into the Core Tables for the Annual Report and Accounts
Six-monthly	Publication of senior salaries and organograms	On the ALB's website or hosted on the Department's website	Transparency: to inform public how public money is spent
Annually	Pay remit and pay remit outturn	By e-mail to ALB Team	To ensure spend on pay is aligned across Government
Annually	Publication of salaries over £150k	By e-mail to ALB Team (for publication on Cabinet Office website)	Transparency: to inform public how public money is spent
Annually	Sharing of Strategic Risk Register as per paragraph 13.1 of the Governance	At annual performance meeting	Enable timely and appropriate response to risk

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Ad hoc immediate as required	Completion and updating of e-Pims™ database	Directly into e-Pims™ system	To ensure accurate property and estate information is maintained at all times
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On request	Sharing of audit strategy, periodic audit plans and annual audit report, including the Head of Internal Audit's opinion on risk management, control and governance.	With Finance and Head of Internal Audit on request	Assurance of financial management
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Part C: Birmingham Organising Committee Governance Framework

1. Governance and accountability

- 1.1 The duties of the Birmingham Organising Committee derive principally from the Host City Contract and this Management Agreement. The Secretary of State and other members of the Department's ministerial team will account for Birmingham Organising Committee's business in Parliament.
- 1.2 The respective responsibilities of the Principal Accounting Officer and Accounting Officers for Non-Departmental Public Bodies and other arm's length bodies are set out in Chapter 3 of Managing Public Money which is sent separately to the Accounting Officers on appointment and summarised below.
- 1.3 The terms of appointment of the Chair and Board members are as set out in the appointment letters. Where such appointments are made by Ministers, they will comply with the Code of Practice of the Commissioner for Public Appointments.
- 1.4 In line with the Host City Contract (Annex 2), and, where applicable, the 'Corporate Governance in Central Government Departments: code of practice, April 2017', the Board will consist of a Chair and a Deputy Chair, together with 12 other members. The Chair and five Non-Executive Directors (including the Deputy Chair) shall be appointed through the public appointments process. The remaining members of the Board shall be appointed directly by the Games Partners as set out in the Host City Contract. The Board shall have a quorum of at least seven members, including either the Chair or Deputy Chair.
- 1.5 The Chief Executive is appointed by the Chair of the Birmingham Organising Committee following discussion with the Permanent Secretary of the Department for Digital, Culture, Media and Sport. They report to the Board on the day-to-day running of the organisation and its performance against objectives. In addition to this, they will be the Accounting Officer for the Birmingham Organising Committee and will

have specific duties in this regard, which are set out in Part C section 3 below.

2. Principal Accounting Officer's responsibilities

2.1 The Department's Permanent Secretary, as Principal Accounting Officer for the Department's arm's length bodies, is accountable to Parliament for the issue of any grant-in-aid to the Birmingham Organising Committee and is also responsible for ensuring arrangements are in place to:

- monitor the Birmingham Organising Committee's activities on a continuous basis;
- address significant problems in the Birmingham Organising Committee, making such interventions as are judged necessary;
- periodically carry out an assessment of the risks both to the Department and Birmingham Organising Committee objectives and activities;
- inform the Birmingham Organising Committee of relevant government policy in a timely manner; and,
- bring concerns about the activities of the body to the full Birmingham Organising Committee Board; requiring explanations and assurances that appropriate action has been taken.

2.2 The Department's Director of Sport, Commonwealth Games and Gambling is the primary contact for the Birmingham Organising Committee within the Department.

3. Birmingham Organising Committee Accounting Officer's responsibilities

3.1 The duties of the Birmingham Organising Committee's Accounting Officer are set out in full in the Chair's appointment letter to him. The Accounting Officer is responsible for accounting to Parliament, the Department, the Birmingham Organising Committee's Board and other stakeholders.

3.2 The Birmingham Organising Committee Accounting Officer is personally responsible for safeguarding the public funds for which he has charge; for ensuring propriety and regularity in the handling of those public funds; and, reporting to the Board of the Birmingham Organising Committee, for the day-to-day operations and management of the Birmingham Organising Committee and the achievement of its strategic aims. In addition, he must ensure that the Birmingham Organising Committee as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 to Managing Public Money (at the time of writing).

3.3 The key accountabilities of the Birmingham Organising Committee Accounting Officer are:

- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with Treasury guidance and with any directions issued by the Secretary of State;
- signing a Statement of Accounting Officer's responsibilities, for inclusion in the annual report and accounts;
- signing a Governance Statement concerning the organisation's management and control of resources during the year and setting out how risk has been managed, for inclusion in the annual report and accounts;
- ensuring that effective procedures for handling complaints about the Birmingham Organising Committee are established and made widely known within the body;
- acting in accordance with the terms of this document, Managing Public Money and other instructions and guidance issued from time to time by the Department, the Treasury and the Cabinet Office;
- giving evidence, normally with the Accounting Officer of the Sponsor Department, when summoned before the Public Accounts Committee on the Birmingham Organising Committee's stewardship of public funds.

3.4 Particular responsibilities to the Department are:

- informing the Department of progress in helping to achieve the Department's policy objectives as defined in the single Departmental

plan and in demonstrating how resources are being used to achieve those objectives;

- ensuring that timely forecasts and monitoring information on performance and finance are provided to the Department; that the Department is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems, whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the Department in a timely fashion; and
- to work collectively with the Department and other members of the Department's arm's length bodies in support of each other and the group as a whole.

3.5 The duties of the Accounting Officer with respect to the Board of the Birmingham Organising Committee are:

- advising the Board on the discharge of its responsibilities as set out in the Management Agreement and in any other relevant instructions and guidance that may be issued from time to time;
- advising the Board on the Birmingham Organising Committee's performance compared with its aims and objectives;
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed;
- taking action as set out in paragraphs 3.8.5 and 3.8.6 of Managing Public Money if the Board, or its Chair, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, questionable feasibility, or is unethical.

4 The Birmingham Organising Committee Board

4.1 The Board must ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control. The Board is expected to assure itself of the effectiveness of the internal control and risk management systems.

- 4.2 The Board's Audit and Risk Assurance Committee must support the Board and Accounting Officer by providing advice and assurance on risk management, governance and internal control.
- 4.3 Where the Birmingham Organising Committee proposes any remuneration arrangements for senior appointments outside of the Treasury approved remuneration strategy, then these will be considered by the Board for onward approval by Treasury / the Department.
- 4.4 The Board is specifically responsible for:
- ensuring that the Birmingham Organising Committee fulfills the aims and objectives set out in the Management Agreement and within the wider policy and resource requirements and guidance as determined by the Secretary of State;
 - determining the steps necessary to deal with any developments which are likely to affect the Birmingham Organising Committee's ability to fulfil its aims and objectives and keeping the Department informed if any such developments arise;
 - ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority, within the resource requirements and guidance as determined by the Secretary of State and any delegated authority agreed with the Department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by the Department;
 - ensuring that the Board receives and reviews regular financial information concerning the management of the Birmingham Organising Committee; is informed in a timely manner about any concerns about the activities of the Birmingham Organising Committee; and provides positive assurance to the Department that appropriate action has been taken on such concerns;
 - demonstrating high standards of corporate governance at all times, including using its Audit and Risk Assurance Committee to help the Board to address key financial and other risks;
 - in consultation with the Department, set remuneration terms linked to performance against objectives for the Chief Executive;
 - ensuring that any public functions of the Birmingham Organising Committee are carried out in compliance with statutory duties.

5 The Birmingham Organising Committee Chair's responsibilities

- 5.1 The Chair is responsible to the Secretary of State for ensuring that the Birmingham Organising Committee fulfills its duties as set out in the Management Agreement, that where appropriate the Birmingham Organising Committee's policies are consistent with those of the Secretary of State, and that the Birmingham Organising Committee's affairs are conducted with probity. The Chair is also responsible for good governance and for ensuring that the principles set out in the 'Department's *Guidance on Board Appraisal Processes for ALBs*' (see attached as ANNEX B) are followed.
- 5.2 In addition, the Chair has the following leadership responsibilities:
- formulating the Board's strategy for discharging its statutory duties;
 - ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the responsible minister or the Department;
 - ensuring that the Board, in reaching decisions, takes proper account of the requirements of charity law;
 - supporting the Accounting Officer in promoting the efficient and effective use of staff and other resources;
 - supporting the Accounting Officer in delivering high standards of regularity and propriety; and
 - representing the views of the Board to the general public.
- 5.3 The Chair also has an obligation to ensure that:
- the performance of the Board and its individual members are reviewed annually and operate effectively and to instigate remedial action should this not be the case;
 - the Board has a balance of skills appropriate to directing the Birmingham Organising Committee business, as set out in the [Corporate Governance in Central Government Departments: code of practice, April 2017](#)⁴;

⁴ <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>

- Board members are fully briefed and understand their terms of appointment, duties, rights and responsibilities; in line with the Board's code of practice;
- when required, he or she, together with the other Board members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- the responsible minister is advised of Birmingham Organising Committee needs when Board vacancies arise;
- he or she assesses the performance of individual Board members when being considered for re-appointment;

5.4 Deputy Chair responsibilities:

- The Chair will delegate the above responsibilities to the Deputy Chair as and when needed.

6. Individual Board members' responsibilities

6.1 Individual Board members must:

- comply at all times with the Board Members' Code of Practice and with the rules relating to the use of public funds and to conflicts of interest⁵ and the acceptance of gifts and hospitality;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- act in good faith and in the best interests of the Birmingham Organising Committee.

7. Publications and information strategy

7.1 The Birmingham Organising Committee will have responsibility for contributing to the Government's system of democratic accountability by

5

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/742189/Managing_Public_Money_MPM_with_annexes_2018.pdf

making information available to the public on the quality and productivity of its services, value for money, performance and progress on delivery.

7.2 The Birmingham Organising Committee will:

- provide timely and accurate information required for Parliamentary Questions, responses by Chief Executives to Parliamentary Questions, and contributions to Ministerial and public correspondence. The Birmingham Organising Committee will be responsible for responding to requests under the Freedom of Information Act within the statutory time limit;
- publish, or cause to be published, an annual report of its activities together with its audited resource accounts after the end of each financial year. The Birmingham Organising Committee shall provide the Department with its finalised (audited) accounts in accordance with the annual guidance produced by the Department (see Part B section 4);
- publish other information as required by the Department in the interests of transparency and as communicated from time to time (see Part B section 4);

7.3 The annual report must:

- cover any corporate, subsidiary or joint ventures under its control;
- comply with the Treasury's Financial Reporting Manual (FReM) contain a governance statement, setting out the ways in which the Accounting Officer has managed and controlled the resources used in the organisation during the course of the year, demonstrating how well the organisation is managing risks to the achievement of its aims and objectives;
- outline main activities and performance during the previous financial year and set out in summary form forward plans.

7.4 The report and accounts shall be laid in Parliament and made available on the Birmingham Organising Committee's website and GOV.UK, in accordance with the guidance in the FReM. The Birmingham Organising Committee must submit a draft of the report to the Department in line with the Department's direction (likely in May/early June each year). The final version must be submitted for Ministerial approval at least three weeks before the proposed publication date.

The accounts be prepared in accordance with the relevant statutes and specific accounts direction issued by the Department as well as the FReM].

- 7.5 Additionally, the Birmingham Organising Committee will be required to publish information relating to the delivery of its services and policies. In particular, this must include information that will help the public to: (i) see progress against activity which the Birmingham Organising Committee has made a public commitment to deliver; (ii) judge if the services and/or outputs offer value for money; and (iii) consider whether the way in which the body operates gives rise to any issues around fairness (see Part B section 4).
- 7.6 Where the Birmingham Organising Committee conducts or commissions social or economic research, relevant professional standards must be applied to ensure that research is impartial, of sufficient quality, legal and ethical. The Birmingham Organising Committee must nominate a lead contact for research of this type and share their programme of planned and published research with the Head of the Department's Central Analysis Team for information purposes. Further guidance on conducting research can also be obtained from the Department's Central Analysis Team.

8 Internal Audit

- 8.1 The Birmingham Organising Committee shall:
- establish and maintain arrangements for internal audit in accordance with the Government Internal Audit Standards (GIAS);
 - ensure the Department is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with GIAS;
 - have effective controls to prevent fraud and theft; and
 - report all cases of attempted, suspected or proven fraud, in accordance with Government Functional Standard, GovS013 Counter Fraud, Oct 2018, irrespective of the amount involved, and notify the Department of any unusual, novel or major incidents as soon as they are discovered, irrespective of the amount involved.

- 8.2 The Department's internal audit service has a right of access to all documents prepared by the Birmingham Organising Committee internal auditor, including where the service is contracted out, for the purpose of obtaining assurance as to the Birmingham Organising Committee's handling of public funds and effectiveness of financial controls.

9 External Audit

- 9.1 The Comptroller & Auditor General (C&AG) audits the Birmingham Organising Committee annual accounts. Ministerial approval must be given before the C&AG can sign off the accounts.
- 9.2 In the event that the Birmingham Organising Committee has set up and controls subsidiary companies:
- where HM Treasury determines that the subsidiary company is non-profit making, it will be (or will have been) included in a GRAA Order, which will make (or will have made) the C&AG its statutory auditor. The subsidiary company must appoint the C&AG as auditor by agreement until such time as the GRAA Order is issued.

10 Right of access

- 10.1 Subject to any overriding legal rights or obligations, the Birmingham Organising Committee will provide access to the Department to all the Birmingham Organising Committee's records and personnel for all purposes including, for example, operational investigations.

11. Managing Public Money and other government-wide corporate guidance and instructions

- 11.1 Unless agreed by the Department and (as necessary) HM Treasury, the Birmingham Organising Committee shall follow the principles, rules, guidance and advice in Managing Public Money as set out in Parts B and C. This includes compliance with Cabinet Office Spending Controls unless exemptions have been granted.

12. Risk management

- 12.1 The Birmingham Organising Committee shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with Treasury guidance. It must adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the 'Government Functional Standard, GovS013 Counter Fraud, Oct 2018'. It must also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.

13. Business Planning

- 13.1 To operate its business effectively, the Birmingham Organising Committee must produce management planning and information documents covering the period to the end of 2022/2023. These may take the form of strategic or corporate plans (for four years ahead), and must include a business plan (one year ahead). The first year of the planning document can include the business plan incorporated as a single document.
- 13.2 The Department must be sent copies of each of the completed planning documents. These plans should be made available to the public, via the OC's website if possible.
- 13.3 The business plan must include a forecast of income and expenditure suitably classified by activity and key objectives, taking account of guidance on resource assumptions and policies provided by the Department at the beginning of the planning round. These forecasts must represent the Birmingham Organising Committee's best estimate of its available income, including any grant or grant in aid or any other funding within the Birmingham Organising Committee.

14. Birmingham Organising Committee staff

- 14.1. Within the arrangements approved by the Department (and if necessary HMT and Cabinet Office) the Birmingham Organising Committee will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:
- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit: there is no discrimination on grounds of sex, gender reassignment, marital status, sexual orientation, race, colour, ethnic or national origin, religion or belief, disability, community background, pregnancy and maternity or age;
 - the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;
 - the working environment and contractual conditions encourage all staff to remain until the end of their contract recognising the critical nature of having the full team in place at Games time.
- 14.2. Any proposal by the Birmingham Organising Committee to pay any redundancy or compensation for loss of office under the Civil Service Compensation Scheme or an analogous scheme, requires the prior approval of the Cabinet Office. Proposals on severance must comply with the rules in chapter 4 of Managing Public Money and will require Treasury approval (see also Part B section 1.9.2).
- 14.3. Birmingham Organising Committee staff are subject to the levels of remuneration terms and conditions of service (including pensions) that are agreed and approved by the Department. These terms and conditions will be subject to an agreed annual pay negotiating remit that must be in line with the current Public Sector pay policy guidelines issued by the Treasury. The Birmingham Organising Committee has no delegated power to amend the Public Sector pay policy guidelines.
- 14.4. The Birmingham Organising Committee shall operate pay restraint, particularly in terms of senior salaries. The Birmingham Organising Committee shall be subject to the terms issued each year by the Cabinet Office and the Review Body on Senior Salaries. For senior pay

and bonuses above the thresholds set out in the '[Guidance for Approval of Senior Pay](#)', the Birmingham Organising Committee must seek approval from the Secretary of State and the Chief Secretary of the Treasury.

- 14.5 The Birmingham Organising Committee is subject to the [Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees](#), and any guidance that may supersede it. The Birmingham Organising Committee shall not remunerate employees via special purpose companies or by means of any other tax avoidance devices. Senior staff with significant financial responsibility must be on the payroll, unless there are exceptional circumstances, which must be agreed by the Birmingham Organising Committee Accounting Officer. The Birmingham Organising Committee is also responsible for ensuring that any temporary off-payroll workers employed are meeting their tax obligations.

15. Review

- 15.1. The Birmingham Organising Committee may be reviewed periodically, by the Department in accordance with:

- the business needs of the Department and of the Birmingham Organising Committee;

16. Birmingham Organising Committee's wind up arrangements

- 16.1 The Birmingham Organising Committee will be required to wind up its affairs post Games (no later than 31/03/2023).

- 16.2 The Birmingham Organising Committee must prepare a plan in advance of its closure and agree this with the Department. The plan must include arrangements to:

- discharge all remaining financial commitments and other obligations to the Commonwealth Games Federation as set out in the Host City Contract;

- hand over its residual business and assets and liabilities to the Department as the successor organisation (or an organisation of the Department's choosing in line with the agreed plan); and
- once its closing financial accounts are finalised, transfer all its remaining assets and rights to Commonwealth Games England {in accordance with the Companies Articles of Association}.

16.3 To support the closure plan, the Department, in conjunction with the Birmingham Organising Committee, shall:

- ensure that procedures are in place in the Birmingham Organising Committee to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit and that funds are in place to pay for such audits;
- arrange for the most appropriate person to sign the closing accounts. In the event that another ALB takes on the role, responsibilities, assets and liabilities, the succeeding ALB Accounting Officer must sign the closing accounts. In the event that the Department inherits the role, responsibilities, assets and liabilities, the Permanent Secretary must sign.

16.4 The Birmingham Organising Committee must provide the Department with full details of all agreements where the Birmingham Organising Committee or its successors have a right to share in the financial gains of developers. It must also pass to the Department details of any other forms of claw-back due to the Birmingham Organising Committee.

17. Budgets and Grant-in-Aid

17.1 Expenditure against resource and capital budgets must be recorded and monitored by the Birmingham Organising Committee in accordance with the Treasury's Consolidated Budgeting Guidance (or its successor). These are the net expenditure limits for the Birmingham Organising Committee in each year which must be adhered to. Net expenditure

above these limits may not be committed until or unless a revised budget has been agreed in writing by the Department (see Part B).

- 17.2 The Birmingham Organising Committee may not breach the component parts of the capital and resource budgets (e.g. core capital). Approval must be sought in advance and in writing from the Department if the Birmingham Organising Committee wishes to spend more in one category and less in another. In all these matters, the Department may be required to refer a decision to the Treasury before granting approval.
- 17.3 Grant-in-aid funding must not be used for payments that support activity intended to or attempting to influence:
- Parliament, Government or political parties,
 - the awarding or renewal of contracts and grants,
 - legislative or regulatory action.
- 17.4 Both the grant-in-aid provided by the Department and the overall budgets will be voted in the Department's Supply Estimate and be subject to Parliamentary control.
- 17.5 The grant-in-aid will be paid in monthly instalments on the basis of written applications showing evidence of need (see Section B part 4). The Birmingham Organising Committee will comply with the general principle that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of the Birmingham Organising Committee. Grant-in-aid not drawn down by the end of the financial year shall lapse unless approved for Budget Exchange. Subject to approval by Parliament of the relevant Estimates provision, where grant-in-aid is delayed to avoid excess cash balances at the year-end, the Department will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.
- 17.6 As a minimum, the Birmingham Organising Committee must continue to provide the Department with monthly information via its grant in aid claims (see Part B section 4) that will enable the Department satisfactorily to monitor:
- the Birmingham Organising Committee's cash management;

- its draw-down of grant-in-aid;
- forecast outturn;
- other data required for the Treasury's Combined On-line Information System (COINS) or its successor.

18 Reporting performance to the Department

18.1 The Birmingham Organising Committee must operate management information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans. The Birmingham Organising Committee's performance shall be reviewed by the Department periodically in accordance with the engagement strategy (see Part A section 3 and 4, and Part B section 4).

19 Delegated authorities

19.1 The Birmingham Organising Committee must comply with the Delegated Limits set out in Part B. Expenditure outside these limits must have approval from the Department.

19.2 The Department must also be notified prior to the Birmingham Organising Committee:

- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department;
- making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
- carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money.

19.3 The certificate of exemption from Employers' Liability Insurance issued by DCMS remains valid (See Managing Public Money section A4.4.22).

20. Capital projects

- 20.1. All capital projects, whether already under way or initiated following signing of this agreement, are subject to the Department's investment appraisal processes. Any capital expenditure that exceeds the Birmingham Organising Committee's delegated capital limit must be referred to the Department's Finance Committee for approval at three stages of development, as set out in guidance issued by the Department. The figure used in calculating whether the costs exceed the delegated limit is the lifetime cost of the capital project, including non-exchequer funding and any increased running costs ensuing from it.
- 20.2. Where projects are reliant on donations or sponsorship that have yet to be confirmed, demonstration of a staggered approach to completion (i.e. that takes account of the funds secured to date before proceeding with each stage) will be more likely to receive approval to proceed.
- 20.3. When considering the case for capital projects, the Birmingham Organising Committee is expected to use the Treasury's Green Book methodology (or its successor), as modified or enhanced by guidance from the Department. This is the case for evaluating a capital project regardless of whether the project requires the Department's Finance Committee approval. The Department reserves the right to receive copies of business cases for projects below the Birmingham Organising Committee's delegated limit or elements of it, such as the Net Present Value calculation.

21 Compliance with the Equality Act 2010

- 21.1 In exercising public functions the Birmingham Organising Committee is subject to the public sector equality duty in section 149 of the Equality Act 2010, requiring the Birmingham Organising Committee to have due regard to the need to:
- Eliminate unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - Advance equality of opportunity between people who share a relevant protected characteristic (age; disability, gender

reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation) and people who do not; and

- Foster good relations between people who share a relevant protected characteristic and people who do not.

22. Cyber Security

22.1. As part of its approach to risk management and information assurance the Birmingham Organising Committee must ensure the robustness of its cyber security to protect itself against data breaches, service disruption, loss, reputational damage and cyber threat. The level of provision must be proportionate to the Birmingham Organising Committee size and the level of risk it carries in terms of cyber vulnerability. A range of relevant Government advice and guidance can be found at:

<https://www.gov.uk/government/collections/cyber-security-guidance-for-business>.

22.2. As a minimum, the Birmingham Organising Committee must take steps to ensure it has basic cyber security controls in place. These must be at least at the level set out in the Cyber Essentials scheme. Further details of this scheme can be found at:

www.cyberstreetwise.co.uk/cyberessentials. Departmental officials can offer further guidance and support.

22.3. Any IT systems put in place by the Birmingham Organising Committee must comply with the National Cyber Security Centre's (NCSC):

- available at: <https://www.ncsc.gov.uk/>
- Specific guidance for public sector organisations can be found at: <https://www.ncsc.gov.uk/section/information-for/public-sector>

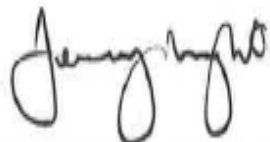
23. Data Management

23.1 The Birmingham Organising Committee shall demonstrate that it will manage and share data as required by the law and to prevent disputes from arising with other parties at a later date. As a minimum this will require the Birmingham Organising Committee to:

- Employ a Data Manager as soon as possible and retain for the lifetime of the project and for such time after the Games as is required to ensure the lawful, safe and orderly retention or disposal of data.
- Have in place a Data Protection Policy and Information Security Policy that will cover the security and classification of all documents, naming conventions, and the process for sharing data with any third parties for both physical and digital files and data and a Record Retention and Archiving Policy.
- Draw up, as soon as possible a data sharing agreement to be signed by the Department, CGF, CGFP, the Birmingham Organising Committee and Birmingham City Council, and subsequently to be signed by any other agencies or games delivery partners with whom the Organising Committee intends to share data. This agreement must as a minimum cover the parties and their roles; the types of data to be generated or used during the project; intended use and methods for sharing data; the approach to and responsibility for data retention or disposal; confidentiality and security of data; and any associated costs.

23.2 Before such time as the legally binding data sharing agreement is in place, the Birmingham Organising Committee must take all due care with regard to the security and management of the data it holds and shares, and ensure its compliance with all relevant legislation, including Data Protection Legislation, the Environmental Information Regulation, Public Records Act, Freedom of Information Act and Limitation Act 1980. It must also ensure that formal agreement is secured on basic principles of the data management approach with key partners.

Signed by:



Secretary of State for Digital, Culture, Media and Sport

Date: 12/4/2019



Chair of Birmingham Organising Committee

Date: 5/4/2019



Accounting Officer of Birmingham Organising Committee

Date 03/4/2019

Annex A: Compliance with guidance and instructions

The Birmingham Organising Committee shall be aware of and, where necessary, comply with the following general guidance documents and instructions:

- Appropriate adaptations of sections of the Corporate Governance Code for Central Government Departments;
http://www.hm-treasury.gov.uk/psr_governance_corporate.htm
- Managing Public Money (MPM);
http://www.hm-treasury.gov.uk/psr_mpm_index.htm
- Consolidated Budgeting Guidance (issued annually);
- **Government Functional Standard, GovS013 Counter Fraud, Oct 2018:**
<https://www.gov.uk/government/groups/counter-fraud-standards-and-profession>
- Government Internal Audit Standards;
<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>
- Appropriate adaptations of the Audit Committee Handbook;
http://www.hm-treasury.gov.uk/audit_committee_handbook.htm
- Management of Risk: Principles and Concepts;
http://www.hm-treasury.gov.uk/d/orange_book.pdf
- Government Financial Reporting Manual (FRoM);
http://www.hm-treasury.gov.uk/frem_index.htm
- Fees and Charges Guide, Chapter 6 of MPM;
http://www.hm-treasury.gov.uk/d/mpm_ch6.pdf
- Banking guidance, annex 5.6 of MPM;
http://www.hm-treasury.gov.uk/d/mpm_annex5.7.pdf
- Relevant Dear Accounting Officer letters;
<https://www.gov.uk/government/collections/dao-letters>
- The Parliamentary Ombudsman's Principles of Good Administration;
<http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples/principles-of-good-administration>
- Relevant Freedom of Information Act guidance and instructions;
<https://ico.org.uk/for-organisations/guide-to-freedom-of-information/>
- Model Code for Staff of Executive Non-departmental Public Bodies: Chapter 5 (Annex A) of Public Bodies: A Guide for Departments (Cabinet Office);

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staffv2_0.pdf

- Guidance on major projects issues by the Major Projects Authority;
<http://www.cabinetoffice.gov.uk/content/major-projects-authority>
- The Statistics and Registration Services Act 2007;
<http://www.legislation.gov.uk/ukpga/2007/18/contents>
- The Code of Practice for Official Statistics;
https://www.statisticsauthority.gov.uk/wp-content/uploads/2015/12/images-codeofpracticeforofficialstatisticsjanuary2009_tcm97-25306.pdf
- Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418726/PPN_08-15_Tax_arrangements_for_public_appointees.pdf
- Recommendations made by the [Public Accounts Committee](#), or by other Parliamentary authority, that have been accepted by the Government and relevant to the ALB.