

2022 BIRMINGHAM COMMONWEALTH GAMES

Progress Report

[Abstract](#)

Points to consider towards Hamilton's proposed hosting of the Commonwealth Games.

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August 16, 2020

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Overview

- Initial estimated cost to host (2018) \$1.3 billion.
- Current estimated cost to host (2019) \$1.4 billion.
- Municipal level contribution (2019) \$319 million.

Background

A City of Hamilton Staff Report indicated that - *"The Hamilton 100 group has utilized the 2022 Birmingham Commonwealth Games budget as a baseline in calculating the estimated costs of hosting the 2030 Commonwealth Games"*.

- The initial estimated cost for security services is \$353 million.
- The initial estimated contingency amount is \$251 million.
- Birmingham City Council borrows \$88 million over 40 years to cover the cost of the Games.
- Birmingham City Council cuts \$8.7 million dollars in community programs and services in order to manage their municipal budget. Most of these programs provide services to at-risk populations.
- Birmingham City Council utilizes a \$202 million dollar emergency reserve fund to manage municipal budget deficits.
- 2018 news report that Birmingham City Council was almost bankrupt due to current financial position and there were serious concerns with potential Games cost over-runs.
- As of 2020 there is a \$47.6 million dollar shortfall in private sector contributions and significant cost over runs related to security services and housing development.
- Birmingham City Council implements public tax increases over the next four years to address cost over-runs including the introduction of a new hotel tax.
- Birmingham City Council reduces number of Games events, size of housing complex, downsizing and redistribution of venues to reduce costs.

Venues

Cllr Ian Ward, Leader of Birmingham City Council and chair of the Birmingham 2022 bid team, states, *"Our proposal to bring the Games to Birmingham had a number of key strengths, including our outstanding track record of staging major sporting events, and having almost all of the competition venues in place"*.

Aquatics Center

- There was a 20% cost increase from the original estimate (\$104 million) to the current total of \$126.7 million (2019) being attributed to increasing construction costs.

Athlete's Village (Perry Barr)

- *"The transformation of north-west Birmingham will be significantly accelerated thanks to the housing legacy from the Birmingham 2022 Commonwealth Games."*
- Up to 6,500 competitors and officials will be housed in approximately 1,000 new homes in the Village, consisting of a mix of one and two-bed apartments as well as three and four-bed town houses.
- After the Games, the Village accommodation will be converted and become available as a mixture of homes for sale and market rent as well as for social and affordable rent (through the city council's Birmingham Municipal Housing Trust and In-Reach rental initiative).
- The Village will act as a catalyst for significant housing growth in Perry Barr as the first phase of a wider programme to deliver up to 3,000 new homes in the area.
- This wider programme will also make a crucial contribution to the city's housing needs as outlined in the city council's Birmingham Development Plan - which has the headline requirement for 50,000 new homes within the city's boundaries by 2031.
- *"The development of the Village is therefore the largest new-build element of the Games - and will help rejuvenate Perry Barr and the wider surrounding area, meaning there will be a meaningful and lasting legacy for the people of Birmingham, in particular those living near the heart of the action in 2022"*.
- *"We have a desperate need for high-quality housing in the city and it would have been much trickier to meet that demand if we had not been successful in our bid to host the Games"*.
- Cllr Jon Hunt, local councillor for the Perry Barr ward and Liberal Democrat group leader on Birmingham City Council, states: *"This part of Birmingham faces a number of challenges linked to housing, employment and deprivation, so in addition a Birmingham Commonwealth Games offers the chance to kick start the regeneration of Perry Barr"*.

Athlete's Village (Parry Barr) *Update

- In 2018, the contract is awarded to build Athletes' Village (Parry Barr) which will house 6,500 athletes and officials in 1,400 new homes at a cost of \$607.3 million dollars.
- In 2019, there is a revised cost estimate for the Athletes' Village development totalling \$861 million dollars.
- **In 2020, the host group assesses that the \$861 million-dollar revised cost estimate is not achievable, the Athletes' Village development is suspended until after the 2022 Games.**
- The alternative housing plan for the athletes and officials includes using local hotels and university residences.
- Other contributing factors include rising costs associated with the COVID outbreak, increasing market inflation, labour shortages and as a priority, the need to ensure that the Games competition venues are ready on time.

Hosting Fees

- *"Birmingham paid \$43.4 million to host the 2022 Commonwealth Games"* - Duncan MacKay, inside the games, The inside track on world sport, March 2018. Included within this *"hosting fee"*, is a mandatory \$8.7 million towards a *"Commonwealth Development Grant"*.
- This was \$17.4 million more than the original hosting cost charged to Durban, South Africa who were stripped of the games thereby creating *"financial problems"* for the Commonwealth Games Federation with one official stating - *"Our cash flow challenges were severely advanced"*.
- This burden was alleviated through Birmingham *"stepping up"* and provided the opportunity for the Commonwealth Games Federation to build a *"sustainable financial future"*.
- Commonwealth Games Federation reports that they are establishing a \$26 million dollar *"war chest"* by 2026/27 so it can ensure it can survive a full quadrennial without a host city.
- **This new *"host city fee"* will also apply to the cities awarded the 2026 and 2030 Commonwealth Games!**