

BIRMINGHAM CITY COUNCIL

CABINET COMMITTEE – GROUP COMPANY GOVERNANCE

Wednesday 15 July 2020 at 1300 hours
via an On-line meeting

Attendance:

Councillor Brigid Jones, Deputy Leader - Chair
Councillors Tristan Chatfield, Gareth Moore, Jon Hunt

Also in Attendance:

Connie Price	Head of Law – (Commercial, Procurement, Privacy & Information) – Legal
Alison Jarrett	Assistant Director - Development and Commercial, Finance & Governance
Georgina Dean	Solicitor, Legal Services
Councillor Jayne Francis	Cabinet Member, Education, Skills & Culture
Symon Easton	Head of Cultural Development (BCC)
Richard Paterson	Director of Finance, Birmingham Museums Trust (BMT)
Mandeep Marwaha	Committee Services

1 **NOTICE OF RECORDING/WEBCAST**

The Chairman advised and the meeting noted that this meeting would be webcast for live or subsequent broadcast via the Council's Internet site (www.civico.net/birmingham) and members of the press/public could record and take photographs except where there were confidential or exempt items.

The business of the meeting and all discussions in relation to individual reports was available for public inspection via the web-stream.

APOLOGIES

- 2 There were no apologies noted from Members. Rebecca Hellard sent in her apologies for her inability to attend the meeting.
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DECLARATIONS OF INTERESTS

- 3 There were no declarations of interest on the public agenda.
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PUBLIC NOTES OF THE LAST MEETING – 20 FEBRUARY & 12 MARCH 2020

- 4 Councillor Gareth Moore referred to the Company Update on the 20 February minutes (page 6 of the document pack). He queried which company was referred to as being dormant? This point required further clarity. The minutes that he was referring to were the 12 March as there were 2 sets of minutes being approved.

Minutes 12th March 2020 stated:

“Connie Price added this company was dormant and conversations had been had in relation to dissolving it, however the company was retained to secure the name. Retaining a dormant company only costs £13 per year to hold”.

Alison Jarrett informed the Committee this referred to GBS Finance Limited which was a company set up at the same time as GBSLEP as it was felt there might be a need for a finance company alongside GBSLEP. The company was not required, however the name of the company was retained. This point was not related to Finance Birmingham. Connie Price confirmed the point was related to GBSLEP.

The amendment was noted and would be referenced in the original minutes. There were no matters arising from the minutes therefore, the public notes of the last meetings were agreed.

COMPANY UPDATE

The following report of the Interim Chief Finance Officer was submitted:-

(See document No.1) – (Page 11 of the document pack)

Alison Jarret, Assistant Director, Commercial and Development informed Members this was a regular report that comes to the Committee and details the company updates that comes through Companies House or information that they have been made aware of. Notices are flagged through Companies House when details of the companies are logged. Notification is received every time anything is amended on the Companies House website.

Point 3.2 of the report was a list of company changes that had happened since the last time the Committee had met. The information was related to changes for Birmingham City Council companies or changes to Member or Officers of a Board. Alison referred to the paper and went through the list of companies' updates.

Additional key points noted:

- Acivico Limited – Statement of capital following an allotment of shares on 1 April 2020. Cabinet approved £1.1 million which was noted at Companies House.

- Birmingham Municipal Housing Limited – Previous accounting period extended from 30 September 2019 to 31 March 2020. It was noted when companies are first set up, they are set with an accounting period for 12 months from when the company had been created. It was normal practice to extend the accounting period to March in order to align with Council records. By doing this it helps for consolidation and reporting purposes.
- Birmingham Museums Trading Limited - Termination of appointment of Ellen McAdam as a director on 1 June 2020. Birmingham Museums Trust scheduled for discussion at this Committee.
- GBSLEP – (The Greater Birmingham & Solihull Local Enterprise Partnership Limited) – Termination of appointment of Clive Heaphy as a secretary on 4 June 2020.
- In addition to this, Clive Heaphy's appointment as a director was also terminated for Frontier Development Holdings Limited on 31 March 2020. It was noted Alison Jarrett has been appointed as the replacement director on 31 March 2020 and notification as a person with significant control on 31 March 2020.
- Birmingham Wholesale Market Company Limited - Termination of appointment of Jacqueline Kennedy as a director on 30 June 2020.

Point 3.3 of the report outlines the monitoring of the accounts that are presented through Companies House for Birmingham City Council Companies. There was a focus on the audit opinions. Those companies that had an audit, no qualifications had been made on them therefore clear. Officers will be monitoring the full list of the companies to ensure their accounts were present over a 1-year period.

At the March Committee, a snapshot of the early days of Covid impact was shared. This document was continually monitored and would be shared on the private agenda. Company details, commercial information and update would be shared with Members of the Committee.

The Chair thanked officers for the work that had been undertaken during unprecedented international pandemic especially as it was the closedown of the financial year. It was recognised there was extra difficulty in preparing the updates and receiving the feedback, underlying work during this period. The Members were reminded a private appendix accompanied with the covering report that contains commercially confidential details would be discussed on the private agenda.

Councillor Hunt queried around the discontinuation and strike offs of Birmingham Wheels & Birmingham Asian Resource Centre and if Companies House took this action. It was noted this could be discussed on the private agenda. Normally it would be the company or the company's auditors or creditors who make the initial action.

RESOLVED:-

The Committee noted the information provided within the report. Appendix 1 which contains commercially confidential details concerning associated companies would be discussed on the private agenda.

BIRMINGHAM MUSEUMS TRUST - PEN PORTRAIT - PUBLIC

The following report of the Assistant Director, Commercial and Development was submitted:-

(See document No.2) – (Page 17 of the document pack)

Alison Jarrett, Assistant Director Commercial and Development, reminded Members the Birmingham Museums Trust visited the Committee earlier in the year. They return to the Committee with a business plan which would be shared on the private agenda.

A brief outline and background to the Birmingham Museums Trust was shared in the document. The trust was set up in 2012 as a registered charity. It had a trading subsidiary Birmingham Museums Trading Limited which contributes income to Birmingham Museums Trust. The impact of Covid-19 would be shared with the Members in private.

The Members were informed the collections are stored and displayed in 9 venues including the Museum and Art Gallery which was the head office. There were over a million artefacts that were designated by the Arts Council England (ACE) as being of national importance and many collections are of international significance. Only 1% is on display or on loan at any one time. The collection was stored in 2 locations; BMAG and the Museum Collection Centre (MCC), Dollman Street, Nechells.

The charitable objectives, aims, principles were outlined. The company received a fixed fee payment for services from BCC of £3.183m in 2019 and 2018 plus a variable performance-based fee of £2.0m in 2019 (£2.1m 2018); Thinktank Trust has received loan finance of £11.5m and a grant of £1.4m to assist with property lease payments. This had a complex financial structure within those companies.

It was noted during 2019 the Trust employed an average FTE of 179 together with the services of over a thousand volunteers and would be interesting to see how this had been impacted by Covid-19.

The relocation of the BMAG and its stores during proposed refurbishment works within the Council House complex was currently on hold and would be reconsidered after the Commonwealth Games have been held in 2022.

The resignation of Ellen McAdam was noted and the appointment of Neils De Vos as the interim Director of Birmingham Museums Trust.

The Chair referred to the departure of Ellen McAdam who gave years of service to Birmingham Museums Trust as a Board Member, Chief Executive. The Committee thanked Ellen McAdam for all her work and wished her well for her retirement.

Councillor Jayne Francis, Cabinet Member Education, Skills and Culture added she wanted to announce Ellen's retirement, departure at City Council 14 July however there wasn't enough time to share this. She was hoping to share this at the next Council meeting to note as a public record to thank Ellen for the contribution that has been made.

Currently, Councillor Francis was involved in the recruitment process for the new Director. A letter and flowers have been sent to Ellen on behalf of the Council.

The Chair noted Covid-19 would have impacted on many of Birmingham City Council companies and the Committee would be appraising on this on the private agenda as most of the information is commercially confidential at present. The Committee would receive updates between now and next meeting in September if necessary.

6 **RESOLVED:-**

The Committee noted the information provided.

DATE OF NEXT MEETING

- 7 The next meeting is scheduled to take place on Thursday 17 September 2020 at 1400 hours via on-line meeting.
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OTHER URGENT BUSINESS

- 8 There was no urgent business to consider.
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EXCLUSION OF THE PUBLIC

RESOLVED:-

- 9 That, in view of the sensitive nature of the discussion due to take place relating to Birmingham Museums Trust, the public be now excluded from the meeting.
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