

BIRMINGHAM CITY COUNCIL

CABINET COMMITTEE – GROUP COMPANY GOVERNANCE

Thursday 18 March 2021 at 1400 hours
via an On-line meeting

Attendance:

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

Also in Attendance:

Alison Jarrett	Assistant Director - Development and Commercial, Finance & Governance
Connie Price	Head of Law – Commercial, Procurement, Privacy & Information
Georgina Dean	Solicitor, Legal Services
Pareen Khamisa	Principal Legal Assistant, Legal Services
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 An apology was submitted on behalf of Councillor Gareth Moore for his inability to attend the meeting.
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DECLARATIONS OF INTERESTS

- 3 The Chair declared she was a Director on some of the companies listed under item 7 - Future Board Appointments (non-pecuniary interest). The same applied to Councillor Chatfield and Councillor Hunt who were present at this meeting.

The Assistant Director, Development and Commercial, Finance & Governance indicated the same applied to her as she was a Director on some of the companies listed (non-pecuniary interests).

PUBLIC NOTES OF THE LAST MEETING – 14 JANUARY 2021

- 4 The public notes of the last meeting were agreed and there were no matters arising.
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COMPANY UPDATE

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

(See document No.1)

The Assistant Director Commercial and Development gave an overview of the latest changes made across the Council's portfolio of companies. The appendix attached to the private agenda contained commercially confidential information.

Since the last Committee in January, only one change had been noted at Companies House. Icknield Port Loop LLP had a termination of appointment of Birmingham City Council as a member. Details around this was provided to Members.

Reference was made to point 3.3 which included information of what the companies had filed on their accounts. There was a specific focus on any audit comments or qualifications however, most of the companies had received an unqualified audit. It was noted some companies were exempt, dormant from the audit therefore there were no audit reports within those accounts. She confirmed companies where no audit reports were produced, these were still looked at. It was noted, all the companies were reviewed on an ongoing basis around Covid-19 impact i.e. business plans, performance etc. This information in contained within the private appendix.

The Assistant Director Commercial and Development assured the Members that if any of the impacts were to become an issue for the Council, this would be reported through the Revenue and Capital reports to Cabinet and it would not wait to be reported to this Committee.

No comments were made by the Members.

RESOLVED: -

- 5 The Committee noted the information provided within the report and at private appendix 1 which contains commercially confidential details concerning associated companies.
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**INFORMING THE AUDIT RISK ASSESSMENT – GROUP COMPANY
GOVERNANCE - PUBLIC**

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

(See document No.2)

The Assistant Director Commercial and Development reminded Members this was an annual report which was shared at this Committee. Following consideration at this Committee, the report would progress to the Audit Committee. An outline to the report was provided.

The larger entities within the overall Council group boundary were asked to provide information through the completion of a questionnaire. This was to allow Members to gain assurance that funds were being used efficiently and effectively. Also, that the information provided in respect of their financial statements may be relied on.

She highlighted the assurance statements were broken down into three main areas:

- Company Environment – looking at the governance arrangements of the company
- The Identification, Mitigation and Reporting of Risk – looking at how the company manages risk
- Financial Statements – looking at factors that may impact on the company's financial health and financial statements.

The Assistant Director Commercial and Development informed Members the company's responses were on the private agenda for this agenda however, these would go into 'public' for Audit Committee as the information would have been confirmed with the companies. She highlighted if any of the companies specifically wanted information to remain in 'private', they would need to explain why this would be the case. Overall, most of the returns would move into the public.

Members were reminded the Audit Committee sign off the Financial Statements which included the group accounts hence why this report goes to the Audit Committee.

The Finance Birmingham/ Frontier Development return was missing due to timing and the send out of documents for this meeting. These would be shared with the Audit Committee in due course. The Assistant Director Commercial and Development confirmed there were no issues to note on these returns.

No comments were made by the Members and there were no concerns to be raised with the Audit Committee on the 'private' appendices. The Chair highlighted the overall concerns for companies across the board were around the impact of Covid-19 and Brexit.

RESOLVED: -

- 6 Members considered the responses from the Council's group companies and noted there were no issues to raise with the Audit Committee.
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FUTURE BOARD APPOINTMENTS

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

(See document No.3)

The Assistant Director Commercial and Development reminded Members the report was an update on the annual process for appointments of Members and Officers to Council interests including companies, charities and trusts.

The draft document containing the appointments had been circulated to all the Directorates and Member groups. This was an opportunity to update the document before it was forwarded to Cabinet 29 June. Previously, the format of the annual appointments had been reviewed by this Committee and the new format will be shared with Cabinet. This Committee had previous conversations to explore if they would like to have a role in the clearance of this report to Cabinet. She suggested the Group Company Governance Committee had a meeting scheduled on 12 May therefore, there was an opportunity for Members to consider the document before it was presented to Cabinet.

The Assistant Director Commercial and Development requested for Members of all parties to remind the group of the discussion at this meeting.

During the discussion the following points were captured:-

- The Cabinet Member for Finance and Resources noted there were inaccuracies in the document attached and would need to be updated. He noted there were gaps in the process as not all appointments were progressed through the political groups. Some went through Cabinet, Council Business Management etc. Therefore, a single database was required to ensure the information was accurate. He questioned if the new Enterprise Resource Planning (ERP) system would have the facility to capture this work.
- The Assistant Director Commercial and Development highlighted finance, legal and Committee Services all hold separate databases on the companies which will be reviewed as part of the process. It was crucial to have one database producing the reports in order to make this a reliable document. A system had been explored where multiple people could edit the data list (with controls in place).
- The clerks for Cabinet had been updating this report and the information provided to this Committee was not being captured by the relevant clerks/team.
- The Assistant Director Commercial and Development noted there was a gap, and this was the opportunity to ensure the document was up to date before shared with Cabinet. Options of a combined approach with ERP

and other systems could be explored. Legal Services had previously explored options however, the cost was too high.

The Chair noted there were inaccuracies within the document and suggested the following:

- Draw the annual appointments with the appointments that go to full council (as they go to Cabinet and Council (CBM))
- A column to be added to the annual appointments template which states when the individual last completed director training.
- There was an expectation that directors would refresh the training every 4 years (standard election cycle).
- An eventual 'cleanse' of companies on the annual report.
- It was suggested writing to those companies on their document to see if they still want a director.

The Assistant Director Commercial and Development added Committee clerks for Cabinet would have sent this document directly to political groups to update therefore, suggested any amendments should be sent directly back to them. A refresh document would be shared at the 12 May Group Company Governance Committee.

The Head of Law, Commercial, Procurement, Privacy & Information added there was an interactive database available which she would be consulting upon with IT colleagues. Members of this Committee would have access to this document however, at present funding options were being explored.

Training programme

The Head of Law, Commercial, Procurement, Privacy & Information added the training programme could start again as there was a roadmap out of lockdown. Conversations would be taking place with providers although 1 to 1 internal training had continued for new directors through Covid-19.

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RESOLVED: -

- i) The Cabinet Committee Group Company Governance (CC-GCG) received the report to Cabinet on Annual Appointments prior to Cabinet decision on 29th June 2021.
- ii) CC-GCG considered which matters in regard to the Annual Appointments it wishes to recommend for approval by Cabinet.
- iii) Officers consulted on recommendation 2.2 and agreed to report outcome to the 12 May meeting of CC-GCG.

BIRMINGHAM MUSEUMS TRUST – PEN PORTRAIT - PUBLIC

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

(See document No.4)

Cabinet Committee GCG – 18 March 2021

The Assistant Director Commercial and Development informed Members the pen portrait gave an outline to the Birmingham Museums Trust (BMT). Members from the BMT would be in attendance on the private agenda. An overview to the report was given to Members.

It was noted the Trust had a trading subsidiary Birmingham Museums Trading Ltd which contributed £644k to BMT in 2019 and its subsidiary charity, Thinktank Trust. She highlighted Birmingham had the largest civic museum service in England.

Members were notified the collection was stored in 2 locations; BMAG and the Museum Collection Centre (MCC), Dollman Street, Nechells. Both sites would be undergoing refurbishment and improvements to the Council's collection storage facilities in order to continue to comply with the Arts Council's Museums Accreditation Standards. Further details would be shared on the private agenda.

BMAG had explored options to relocating and building a huge purpose built complex outside the City Centre however, this had been postponed until after the Commonwealth Games.

The Assistant Director Commercial and Development highlighted since BMT last attended this Committee, some of the key personnel had changed. The Co-CEO (new personnel) would be in attendance of the private session to introduce themselves and share their direction of travel with the Members. The Chair noted the Chief Executive and the Chair of the Board had changed since the last attendance at Committee.

No further comments were made by the Committee Members.

RESOLVED:-

8 Members noted the information provided.

SCHEDULE OF MEETINGS – MUNICIPAL YEAR 2021/22

- | | |
|------------------------------|-------------------|
| • Wednesday 12 May 2021 | 1400 – 1600 hours |
| • Thursday 15 July 2021 | 1400 – 1600 hours |
| • Thursday 16 September 2021 | 1400 – 1600 hours |
| • Thursday 18 November 2021 | 1400 – 1600 hours |
| • Thursday 13 January 2022 | 1400 – 1600 hours |
| • Thursday 17 March 2022 | 1400 - 1600 hours |

RESOLVED:-

9 Members agreed the dates for Cabinet Committee Group Company Governance 2021/2022.

DATE OF NEXT MEETING

- 10 The next meeting is scheduled to take place on Wednesday 12 May 2021 at 1400 hours via on-line meeting.
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OTHER URGENT BUSINESS

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

RESOLVED:-

- 12 That, in view of the sensitive nature of the discussion due to take place relating to Companies Update and Birmingham Museums Trust (BMT), the public be now excluded from the meeting.
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