

## Birmingham City Council

### Report to Cabinet Committee – Group Company Governance

17 September 2020



**Subject:** Appointments to Outside Bodies – Process Review  
**Report of:** Rebecca Hellard, Interim Chief Finance Officer  
**Relevant Cabinet Member:** Councillor Brigid Jones  
**Relevant O &S Chair(s):** Councillor Sir Albert Bore  
**Report author:** Alison Jarrett

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		

#### 1 Executive Summary

This report introduces the accompanying report, Appointments to Outside Bodies, which was presented to Cabinet on 8 September 2020. Cabinet Committee Group Company Governance are invited to have an informal discussion over process, presentation and future proposed governance for the decisions contained in the cabinet report. The discussion may take place on the private agenda should detail on specific companies range into commercially confidential areas.

#### 2 Recommendations

2.1 Members are asked to note this report and the broad process, presentation and information contained within the accompanying Cabinet report.

### **3 Background**

- 3.1 Annually Cabinet are requested to approve both member and officer appointments to outside bodies. This will include company directors and board observers but also Trustees, Charitable appointments and council stakeholder organisations. The format of Appendix C to this Cabinet report contains outline information of members and officers appointed but could be improved. Recommendations for new format and additional information will be provided to Committee within the meeting.
- 3.2 Following an internal audit recommendation, each of the council's group companies requires an officer representative who will ensure that directors/board observers are able to obtain advice and support within the council where required, and that officers can in turn obtain company information where required, for example on governance and accounting issues. A proposed protocol for this officer liaison will be tabled for discussion and input from Committee.
- 3.3 The process for the approval of external body appointments culminates in Cabinet approval. Consideration will be given to the role of CCGCG in this process.

### **4 Options considered and Recommended Proposal**

- 4.1 This report provides an opportunity for Committee to consider and shape the content and format of the annual Cabinet report and also to consider the role of the Committee within the approval and decision process.
- 4.2 The alternative to this is to retain the process and level of detail as they are – this would not allow members to consider whether an improvement both to content and governance may be available.

### **5 Consultation**

- 5.1 The Chair of the Committee has been consulted in the preparation of this Report.

### **6 Risk Management**

- 6.1 This report sets out a process and reporting format to be discussed within Committee. Any changes to these would necessarily be to improve risk management of the appointments process and would not be approved if they had a negative impact upon it.

### **7 Compliance Issues:**

- 7.1 **How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**
- a) The Council provides services to community through a number of different vehicles. This report provides information on appointments to the entities associated with the Council through which service delivery is being provided.
- 7.2 **Legal Implications**
- a) The Council's Section 151 Officer has a duty to ensure the proper administration of the Council's financial affairs. The Accounts and Audit Regulations 2015, requires the Council to have effective arrangements for the management of risk.

### **7.3 Financial Implications**

- a) This report has no direct financial impact on the Council. Any improvements to the process and/or presentation may assist in the financial reporting processes and risk management.

### **7.4 Procurement Implications**

- a) There are no procurement implications directly arising from this report.

### **7.5 Human Resources Implications**

- a) There are no human resources implications directly arising from this report.

### **7.6 Public Sector Equality Duty**

- a) There are no equality duty or equality analysis issues relating to the proposals set out in this report.

## **8 Background Documents**

CIPFA Code of Practice on Local Authority Accounting