

Birmingham City Council

Cabinet Committee – Group Company Governance

16 November 2023



Commissioner Review

Local Partnerships publish a very useful statement and checklist of best practice on the justification for and management of local authority companies. It is clear that the Council does not fully comply with this. The Committee should require a report to its next meeting on a company by company basis setting out how it is recommended to comply with this guidance. In particular, the Committee will need to carefully consider conflicts of interest issues which will require replacements of both members and officer Directors.

The Committee should also require a review of each company with a view to striking off or liquidating dormant and non viable companies so as to reduce the management and financial risks.

The Children's Trust business plan, in particular, suggests that they will want to have access to the Council's capital programme. It is clearly not possible at the current moment to give any undertaking that such an allocation will be forthcoming. Until there is clarity about the Council's ability to deliver a balanced budget in February next year there can be no guarantee that any capital programme schemes, not funded 100% by external sources, can be included.