

BIRMINGHAM CITY COUNCIL

CABINET COMMITTEE - GROUP COMPANY GOVERNANCE

THURSDAY, 21 SEPTEMBER 2023 AT 13:00 HOURS
IN COMMITTEE ROOM 2, COUNCIL HOUSE, VICTORIA SQUARE,
BIRMINGHAM, B1 1BB

A G E N D A

1 **NOTICE OF RECORDING/WEBCAST**

The Chair to advise/meeting to note that this meeting will be webcast for live or subsequent broadcast via the Council's Public-I microsite ([please click this link](#)) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

2 **APOLOGIES**

To receive any apologies.

3 **DECLARATIONS OF INTERESTS**

Members are reminded they must declare all relevant pecuniary and other registerable interests arising from any business to be discussed at this meeting.

If a disclosable pecuniary interest is declared a Member must not participate in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation.

If other registerable interests are declared a Member may speak on the matter only if members of the public are allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation.

If it is a 'sensitive interest', Members do not have to disclose the nature of the interest, just that they have an interest.

Information on the Local Government Association's Model Councillor Code of Conduct is set out via <http://bit.ly/3WtGQnN>. This includes, at Appendix 1, an interests flowchart which provides a simple guide to declaring interests at meetings.

- 5 - 10**
- 4 **PUBLIC NOTES OF THE LAST MEETING – 12 JULY 2023**
Notes of the meetings to be confirmed.
- 5 **SECTION 114 NOTICE**
Verbal update
- 11 - 14**
- 6 **COMPANY UPDATE**
Information update.
- 7 **TRAINING UPDATE**
Verbal update
- 15 - 18**
- 8 **INREACH (BIRMINGHAM) LIMITED – PEN PORTRAIT (PUBLIC)**
Report of Director Group & Capital Finance, Deputy s151
- 9 **DATE OF THE NEXT MEETING**
The next Meeting is scheduled on Thursday 16 November 2023 at 1400 hours
- 10 **OTHER URGENT BUSINESS**
To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chair are matters of urgency.
- 11 **EXCLUSION OF THE PUBLIC**
That in view of the nature of the business to be transacted which includes exempt information of the category indicated the public be now excluded from the meeting:-
Exempt Paragraph 3

PRIVATE AGENDA

- 12 **INREACH (BIRMINGHAM) LIMITED – (PRIVATE)**
Item Description
- 13 **PRIVATE NOTES OF THE LAST MEETING – 12 JULY 2023**
Item Description

14 **COMPANY UPDATE - PRIVATE**

Item Description

15 **OTHER URGENT BUSINESS (EXEMPT INFORMATION)**

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chair are matters of urgency.

BIRMINGHAM CITY COUNCIL

CABINET COMMITTEE – GROUP COMPANY GOVERNANCE

Wednesday 12 July 2023 at 1500 hours
Committee Room 2, Council House

Attendance:

Councillors Sharon Thompson (Chair) and Brigid Jones

Observers: Councillors Morriam Jan and Gareth Moore

Also in Attendance:

Guy Olivant	Major Development Lead, Group and Capital Finance
Connie Price	Head of Law, Commercial, Procurement, Privacy & Information
Georgina Dean	Solicitor, Legal Services
Mandeep Marwaha	Committee Services

1 NOTICE OF RECORDING/WEBCAST

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APOLOGIES

2 Apologies were submitted by Councillor Liz Clements for her inability to attend the meeting.

Councillor Roger Harmer (observer) submitted his apologies and Councillor Morriam Jan was in attendance as his substitute.

DECLARATIONS OF INTERESTS

3 Councillor Jones declared she was a Board Director for Birmingham Airport.

MEMBERSHIP OF THE COMMITTEE

4 **RESOLVED:-**

That the membership of the committee was noted.

Labour Group (3):-

Councillor Sharon Thompson (Deputy Leader) (Chair),
Councillor Brigid Jones (Cabinet Member),
Councillor Liz Clements (Cabinet Member)

Observers (no voting rights)

Conservative Group (1):-

Councillor Gareth Moore

Liberal Democrat Group (1):-

Councillor Roger Harmer

TERMS OF REFERENCE

The following schedule was submitted:-

(See document No. 1 of the agenda pack)

5 **RESOLVED:-**

That the terms of reference for the Committee was noted.

PUBLIC NOTES OF THE LAST MEETING – 21 MARCH 2023 & 18 MAY 2023

6 The public notes of the 21 March and 18 May 2023 were agreed at this meeting and there were no matters arising.

COMPANY UPDATE

The following report of the Major Development Lead, Group and Capital Finance was submitted:-

(See document No. 2 of the agenda pack)

The Major Development Lead, Group and Capital Finance gave an overview of the latest changes made across the Council's portfolio of companies since the last meeting. There were no major changes to appointments relating to companies that have been notified to Companies House since the previous

Committee meeting. The private agenda contains the details of confidential updates.

No further questions were raised by members.

7

RESOLVED: -

- (i) Cabinet Committee Group Company Governance Committee noted the information provided within the report and at private appendix 1 which contained commercially confidential details concerning associated companies.

TRAINING UPDATE

The Head of Law, Commercial, Procurement, Privacy & Information provided a verbal update on training.

Key points made:

- Full Training for current Directors and aspiring Directors – This would be scheduled later this year. The Directors would receive training on their statutory roles and responsibilities, practical advice, tools to carry out their duties safely i.e., conflicts of interests etc. This training will be available for all members and officers who are serving as Directors or want to become Directors. A law firm would be delivering the training free of charge.
- Board Effectiveness Training – Taking place immediately after this Committee meeting (12th July 2023). This training is available for Committee Members as well as Directors of trading companies as well as some non-Birmingham City Council (BCC) Directors (i.e., where the company had 50/50 joint venture with BCC).

John Hanley would be providing the training as he has vast experience in Executive and Non-Executive Board Director roles. John has provided lectures on Board Performance for a variety of institutions. In addition, John was a Director for Finance Birmingham which is one of BCC's Companies.

Councillor Moore suggested the dates for the full training to be shared in advance as this would require several hours commitment from Board Directors. In addition, this would ensure there was high attendance. Officers to share agreed dates as soon as possible.

The Chair queried the amount of interest and proposed attendance for the Board Effectiveness Training. It was noted around 80% of the Directors from the trading companies had shown an interest to attend the training session.

8 **RESOLVED: -**

- (i) Members noted the verbal training update.
-

ANNUAL APPOINTMENTS 2023-2024

The following report of the Major Development Lead, Group and Capital Finance was submitted:-

(See document No. 3 of the agenda pack)

Members were informed the annual appointments for 2023-24 was reported and agreed by Cabinet on 27 June 2023. This was noted by the Committee.

9 **RESOLVED: -**

- (i) Cabinet Committee Group Company Governance Committee noted the Annual Appointments 2023-2024 report.
-

ACIVICO LIMITED - PEN PORTRAIT (PUBLIC)

The following report of the Major Development Lead, Group and Capital Finance was submitted:-

(See document No. 4 of the agenda pack)

An overview of the report was provided by the Major Development Lead, Group and Capital Finance. This report was a high-level summary of Acivico Limited.

10 **RESOLVED: -**

- (i) Cabinet Committee Group Company Governance Committee noted the information on Acivico Limited provided within the report.
-

11 **SCHEDULE OF MEETINGS – MUNICIPAL YEAR 2023/24**

Members agreed the updates to the Committee meeting dates during 2023/24.

2023

Wednesday 21 July at 1500 - 1700 hours
Thursday 21 September at 1300 – 1500 hours
Thursday 16 November at 1400 – 1600 hours

2024

Thursday 25 January at 1400 – 1600 hours

Thursday 14 March at 1400 – 1600 hours

12

OTHER URGENT BUSINESS

There was no urgent business to consider.

EXCLUSION OF THE PUBLIC

RESOLVED:-

13

That, in view of the sensitive nature of the discussion due to take place relating to Acivico Limited and company updates, the public be now excluded from the meeting.

Public Report

Birmingham City Council**Report to Cabinet Committee – Group
Company Governance**

21 September 2023



Subject: Company Update

Report of: Fiona Greenway, Interim Director of Finance, s151 Officer

Relevant Cabinet Member: Councillor Brigid Jones

Relevant O &S Chair(s): Councillor Akhlaq Ahmed

Report author: Alison Jarrett Director Group & Capital Finance

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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential : Appendix of Company updates giving personal or commercially confidential information		

1 Executive Summary

This report provides Members with an update on changes within entities that fall within the Council's group structure.

2 Recommendations

2.1 Members are asked to note the information provided within the report and at private appendix 1 which contains commercially confidential details concerning group and associated companies.

3 Background

3.1 This report details Companies House reportable changes to companies that fall within the Council's group structure, reviews published accounts for audit assurance and details any material items for discussion, disclosure or recommended decision in relation to the Council's group of companies.

3.2 Company Changes

Details of changes in companies notified to Companies House since the previous Committee meeting are set out below, where a termination or appointment is made that is not a BCC member, officer or associate it is not noted.

1. BIRMINGHAM WHOLESALE MARKET COMPANY LIMITED (09621110) - 04-May-23 - Appointment of Mr Paul John Kitson as a director on 1 May 2023
2. THE GREATER BIRMINGHAM AND SOLIHULL LOCAL ENTERPRISE PARTNERSHIP LIMITED (07635395) - 30-May-23 - Termination of appointment of Ian Antony Ward as a director on 30 May 2023
3. THE GREATER BIRMINGHAM AND SOLIHULL LOCAL ENTERPRISE PARTNERSHIP LIMITED (07635395) - 08-Jun-23 - Appointment of Mr John Leslie Barton Cotton as a director on 8 June 2023
4. RETAIL BIRMINGHAM LIMITED (06181225) - 15-Jun-23 - Appointment of Mrs Mariam Khan as a director on 25 January 2023
5. THE GREATER BIRMINGHAM AND SOLIHULL LOCAL ENTERPRISE PARTNERSHIP LIMITED (07635395) - 21-Jun-23 - Termination of appointment of Brigid Jones as a director on 21 June 2023
6. THE GREATER BIRMINGHAM AND SOLIHULL LOCAL ENTERPRISE PARTNERSHIP LIMITED (07635395) - 04-Jul-23 - Appointment of Miss Sharon Anne-Marie Thompson as a director on 21 June 2023
7. BIRMINGHAM MUSEUMS TRUST (07737797) - 12-Aug-23 - Appointment of Jess Rose Phillips as a director on 26 July 2023

3.3 Annual accounts have been submitted for the following companies:

Company		unqualified audit (where applicable)
HARBORNE VILLAGE BID LTD (11123874) - 27-Apr-23	Micro company accounts made up to 31 December 2022	N/A
BIRMINGHAM GLOBAL LIMITED (01884230) - 03-May-23	Full accounts made up to 31 July 2022	Y
BIRMINGHAM DISABILITY RESOURCE CENTRE (02897250) - 24-May-23	Amended accounts for a small company made up to 31 March 2022	Y

BIRMINGHAM WHOLESALE MARKET COMPANY LIMITED (09621110) - 09-Jun-23	Total exemption full accounts made up to 30 September 2022	N/A
FINANCE BIRMINGHAM LIMITED (07423867) - 14-Jun-23	Total exemption full accounts made up to 31 March 2023	N/A
BIRMINGHAM CHARITIES LIMITED (10392574) - 23-Jun-23	Accounts for a dormant company made up to 30 September 2022	N/A
CREATIVE ADVANTAGE WEST MIDLANDS LIMITED (03914725) - 08-Jul-23	Total exemption full accounts made up to 31 March 2023	N/A
BIRMINGHAM SCHOOLS SPC PHASE 1B LIMITED (07598247) - 14-Jul-23	Full accounts made up to 31 December 2022	Y*
BIRMINGHAM SCHOOLS SPC PHASE 1A LIMITED (06915837) - 14-Jul-23	Full accounts made up to 31 December 2022	Y*
BIRMINGHAM SCHOOLS SPC HOLDINGS PHASE 1A LTD (06915570) - 14-Jul-23	Group of companies' accounts made up to 31 December 2022	Y*
BIRMINGHAM VENTURE CAPITAL LIMITED (01977205)- 03-Aug-23	Total exemption full accounts made up to 31 March 2023	N/A
INREACH (BIRMINGHAM) LIMITED (09352102) - 29-Aug-23	Accounts for a small company made up to 31 March 2023	Y

Y* - For Birmingham Schools SPC Phase 1A Ltd, Phase 1B Ltd and Group, the audit report identified a heightened fraud risk in relation to management override of controls and revenue recognition. The Council's director appointment has been asked to comment on the companies' responses to this. The audit report did not amount to a qualification. A further report will be brought to CC-GCG.

3.4 Company Performance

A review of the material group company interests of the council is an ongoing process to understand current impacts, including pandemic recovery, supply chain costs, inflation and recession on their business plans and performance. A snapshot of the business position is reported to each meeting of the Group Company Governance Committee on the private agenda. The content of these reports will be reviewed to ensure they meet the needs of the Committee's terms of reference. As these updates contain commercially sensitive information that may impact on performance were it to be made public, they will remain on the private agenda however company information is reported on Companies House website as required. Where it is indicated that there is a risk of a financial impact to the council then that will be reported within the regular revenue and capital monitoring reports to Cabinet.

4 Options considered and Recommended Proposal

4.1 This report provides information to Members on changes to organisations that fall within the Council's group structure. Further reports will be provided to future meetings of this committee.

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 information on external organisations associated with the Council.

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 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) The Council needs to consider whether any of the changes in the company group structure has a financial impact on or increases the financial risks to the Council.
b) There are no direct financial implications arising from consideration of this report and the recommendations contained within it.

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

Public Report

Birmingham City Council**Report to Cabinet Committee – Group
Company Governance**

21 September 2023



Subject: InReach (Birmingham) Ltd - Company Pen Portrait

Report of: Guy Olivant, Major Development Lead, Group & Capital Finance

Relevant Cabinet Member: Councillor Sharon Thompson

Relevant O &S Chair(s): Councillor Sir Albert Bore

Report author: Guy Olivant

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

InReach (Birmingham) Ltd is to present to Members on the private agenda. This report provides Members with a pen portrait of the company.

2 Recommendations

2.1 Members are asked to note the information provided

3 Background

3.1 InReach (Birmingham) Limited is the Council's wholly owned private sector housing company, established to build, own and manage market rental homes in Birmingham. Its role is to provide new homes of the most appropriate tenure where the Council is not able to undertake this role directly. The approach enables a capital receipt at market value or annual lease payment to the Council, a return to the Council through repayment of lending at a commercial rate, and shareholder dividends over the long term. Wider economic benefits are also achieved in the form of additional Council Tax. As the sole shareholder of INReach, the Council can ensure that the development of sites is brought forward and retains control over assets whilst deriving maximum income from the land and ensuring an appropriate tenure mix.

3.2 InReach (Birmingham) Limited was incorporated in 2014, and currently holds a single scheme in Ladywood (Embankment) comprising 92 1 and 2 bedroom apartments. This scheme was constructed specifically for InReach, and has been operational since 2018.

3.3 Embankment continues to perform well both operationally and financially, and as a result InReach has been making loan repayments to the Council for a number of years. The company's audited accounts for 2022/23 have recently been finalised and are available through Companies House, showing a profit before interest and tax of £545,701 and net assets of £3,268,231.

3.4 Key personnel for InReach are the two directors of the company (both Council officers):

Colette McCann – Head of Housing Development

Guy Olivant - Major Development Lead, Group & Capital Finance

3.5 Various services (including legal / procurement advice and contract management) are also provided by the Council to InReach on a contractual basis, with charges calculated on a passthrough basis.

4 Options considered and Recommended Proposal

4.1 This report provides information to Members on InReach (Birmingham) Ltd and will assist in the exchanges and discussion on the presentation within the private agenda.

5 Consultation

5.1 The Chair of the Committee has been consulted on the attendance of InReach (Birmingham) Ltd.

6 Risk Management

6.1 This report provides an outline of the company and background for discussion of company performance with the company representatives.

7 Compliance Issues:

7.1 **How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

The recommended decision supports the Birmingham City Council Plan 2018-2022, contributing to the priority of Birmingham being an entrepreneurial city to learn, work and invest in.

7.2 Legal Implications

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

There are no financial implications directly arising from this report but Members should consider any questions or considerations arising from this report for discussion during the private agenda.

7.4 Procurement Implications

There are no procurement implications directly arising from this report.

7.5 Human Resources Implications

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

7.6 Public Sector Equality Duty

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

8 Background Documents

None

