

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