

Public Report

Birmingham City Council

Report to Cabinet Committee – Group Company Governance



14 March 2024

Subject: Acivico Group Ltd - Company Pen Portrait
Report of: Philip Nell, Director Property and Investment
Relevant Cabinet Member: Councillor Sharon Thompson
Relevant O &S Chair(s): Councillor Sir Albert Bore
Report author: David Harris, Assistant Director, Corporate Landlord

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

Acivico Group Ltd is to present to Members on the private agenda. This report provides Members with a pen portrait of the company.

This item will be discussed under 'other urgent business' as the 2024/25 business plan is to be presented on the private agenda. The next meeting of the Committee will be in July by which time the company would need to be well into implementation of the plan.

2 Recommendations

2.1 Members are asked to note the information provided.

3 Background

3.1 Acivico Limited was created as a wholly owned subsidiary of the Council in September 2011. It has 2 subsidiaries - Acivico (Building Consultancy) Ltd and Acivico (Design, Construction and Facilities Management) Ltd. In 2020 following presentation to CCGCG and April 2020 Cabinet approval, the company expanded with a non-Teckal trading arm, APSL Limited, in order to achieve a higher private sector market share and a sustainable future outside of any exclusivity agreements with the Council. The 2 main Acivico subsidiaries continue to operate under Teckal requirements.

3.2 The principal activities of the group of companies are for the provision of building consultancy, design, construction and facilities management within the construction and property industry.

3.3 Acivico undertook a full review of its activities during 2018/19. The council gave an undertaking to the auditors to support the company enabling a going concern opinion to be given and awarded Acivico a new three year contract from 2019/20.

This was prior to Covid, however performance remained positive during this period and the company was able to continue to trade and avoid significant financial impact.

3.4 The company is headed by Group Managing Director, Marina Robertson and the board is chaired by Alison McKinna.

3.5 Key personnel and board members within Acivico are:

Marina Robertson – Group Managing Director

Tom Sadler – Group Finance Director

Marcus Passant - Group Director of People and Governance

Kevin Blunden - Director of Building Consultancy

Darren Quincy - Director Design, Construction & Facilities Management

BCC Board Members

Cllr Ken Wood

Vacancy

NED recruitment to take place

External Board Members

Alison McKinna (Chair)

David Powell

Mark Evans

The Director of Group and Capital Finance (deputy s151 officer) is an observer on the board.

4 Options considered and Recommended Proposal

- 4.1 This report provides information to Members on Acivico Ltd and will assist in the exchanges and discussion on the presentation within the private agenda.
- 4.2 Activity is in train to formalise the contractual arrangement between the parties and the contract will be presented to March 2024 Cabinet.
- 4.3 In parallel officers are in dialogue with Acivico to consider the scope of services to be provided with reference to the changing size and shape of the Council's asset base and the reduction of the associated budgets.
- 4.4 A new rhythm of governance and performance management in respect of the contract is now in place to provide oversight and direction both in terms of escalation of specific issues or trends and informing improvement strategies.
- 4.5 Acivico have commissioned an external report from CIPFA to provide an independent view on performance and value for money, officers are also working on benchmarking in respect of the provision around individual services and respective costs.
- 4.6 The last audited financial position is:

	31 March 2023 - £'000	31 March 2022 - £'000
Turnover	26,379	30,340
Surplus/(loss)	(646)	(78)
Net Assets	(1,084)	(2,141)

5 Consultation

- 5.1 The Chair of the Committee has been consulted on the attendance of Acivico 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 together with a summary of ongoing activity.

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