

BIRMINGHAM CITY COUNCIL

CABINET COMMITTEE - GROUP COMPANY GOVERNANCE

THURSDAY, 16 NOVEMBER 2023 AT 14:00 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 – 21 SEPTEMBER 2023**
Notes of the meeting to be confirmed.
- 11 - 12** 5 **COMMISSIONER'S REVIEW AND COMMENTS ON THE AGENDA**
To note the attached comments from the Commissioner.
- 13 - 24** 6 **REVIEW AND RATIONALISATION OF GROUP COMPANIES
(RESPONSE TO SECTION 114 NOTICE)**
Report of the Director Group & Capital Finance, Deputy s151.
- 25 - 36** 7 **COMPANY UPDATE**
Information update.
- 37 - 80** 8 **BIRMINGHAM CHILDREN'S TRUST – PEN PORTRAIT (PUBLIC)**
Report of Director of Children's Services.
- 9 **DATE OF THE NEXT MEETING**
The next meeting is scheduled on Thursday 25 January 2024 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 **BIRMINGHAM CHILDREN'S TRUST - (PRIVATE)**
Item Description
- 13 **PRIVATE NOTES OF THE LAST MEETING – 21 SEPTEMBER 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

Thursday 21 September 2023 at 1300
hours Committee Room 2, Council
House

Attendance:

Councillors Sharon Thompson (Chair), Liz Clements and Brigid Jones

Observers: Councillor 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

The Chair advised 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.

APOLOGIES

2 There were no apologies submitted.

DECLARATIONS OF INTERESTS

3 Councillor Jones declared she was a Board Director for Birmingham Airport. This was raised later during the private meeting however noted on the public set of notes.

PUBLIC NOTES OF THE LAST MEETING – 12 JULY 2023

4 The public notes of the 12 July 2023 were agreed at this meeting and there were no matters arising.

SECTION 114 NOTICE

The Chair reminded the Committee that the Section 151 Officer, Fiona Greenway, had issued a section 114 notice. A further section 114 notice and section 5 notice had been issued in relation to the Council's finances. City Council was scheduled to meet on the 25 September 2023 to consider the notices issued.

The Chair requested for officers to ensure the companies linked to the council be contacted and notified of anything that they had to take into consideration due to the notices.

The Cabinet Member for Finance & Resources, Councillor Jones sought assurances that contact had been made to the councils group companies as the first section 114 notice referred to the spend controls. This notice specifically related to the group companies and areas where funding was applied for. It was noted, assurances were sought around if companies had been contacted and advised of any legal duties placed upon them.

In response, the Head of Law, Commercial, Procurement, Privacy & Information informed that some of the group companies had already been contacted. Statements and communications were being prepared. There are various categories of companies and letters were being tailored accordingly. The Chair requested for an update to be provided by the next meeting as to the current position of the communications to the companies.

Councillor Moore was disappointed the update on this item was verbal and information around the impact of the section 114 notice on companies had not been shared. He suggested a rapid desktop exercise should be undertaken to get an overview of the financial implications for the organisation. Detailed financial breakdown/information, funding loans, had to be shared with the committee.

The Cabinet Member for Finance and Resources requested details of when each company had been contacted and reasons for any delay to be shared by the next meeting.

The Chair would flag the concerns around communications to group companies with the Chief Executive.

Upon consideration, it was;

5 RESOLVED:-

- (i) Noted the verbal update on the Section 114 Notice;
- (ii) Agreed that Birmingham City Council officers (S151 officer) will contact the Group Companies outlining any obligations that may be placed upon them following the Section 114 Notice;

- (iii) Agreed for information on the financial impact on the Group Companies to be provided to the Committee; and
 - (iv) Agreed for the Committee to be informed via email that recommendation (ii) had been completed by the Finance and Legal Teams.
-

COMPANY UPDATE

The following report of the Interim Director of Finance, S151 Officer was submitted:-

(See document No. 1 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 seven changes to appointments within companies that had been notified to Companies House since the previous Committee meeting. The private agenda contained the details of confidential updates.

Only a few statutory annual accounts had been submitted. There were companies who were exempt from submitting their accounts or had their accounts audited with unqualified opinions.

Members were notified there were three companies listed with the 'emphasis of matter' within the External Auditors report. This was related to the Schools PFI. However, they did not constitute for a qualification on the accounts but this was drawn to the attention of the council as the shareholder to be mindful of.

Work was being undertaken with the service areas to respond to the concerns raised. These risks were identified as something that 'could' happen but not as something that 'had' happened.

Councillor Moore raised queries around Oracle and the impact of this on the accounts. He queried if there had been a response from the Directors in relation to concerns raised and when would the update and key information be shared with the Committee given the councils wider financial situation.

In response, the Major Development Lead, Group and Capital Finance informed most of the council's subsidiary companies did not use Oracle. Majority of the companies had their own systems with control environments. It was noted that the three companies referred may not have been using Oracle however officers would confirm this for the next meeting. A response from the Directors was being sought and these updates would be provided to the Committee.

No further questions were raised by members.

6 **RESOLVED: -**

- (i) That the 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.

Board Effectiveness Training – Of the 42 invitees which included members and officers, approximately 15 invitees attended. There were several late apologies.

Out of the 15 attendees, it was noted 5 of the attendees were members, 9 were officers and there was an External Director of one of the Companies in attendance. All the attendees indicated the training was helpful and had increased their understanding of Board Effectiveness. 11 of the attendees indicated they would be placing elements of the learning into practice at future Board meetings. Overall, the training was rated as good/excellent by attendees.

Other areas such as pitfalls, looking at real life case studies, going through Business Plans would be useful for future sessions. This had been provided in the past however, not as part of this training session. The Chair had noted feedback and added attendees found this useful. She requested for another session to be arranged for those who could not attend and encouraged all members to participate.

Councillor Jones attended the training session and found this valuable however, there were concerns around the low level of attendees. Company Directors had to understand the serious duties that they had to fulfil. In addition, Company Directors may be unaware the level of risk they were exposing themselves to. Officers would ensure the training session would be repeated.

7 **RESOLVED: -**

- (i) That the Cabinet Committee Group Company Governance Committee noted the verbal update on training.
-

INREACH (BIRMINGHAM) LIMITED – PEN PORTRAIT (PUBLIC)

The following report of the Interim Director of Finance, S151 Officer was submitted:-

(See document No. 2 of the agenda pack)

The Major Development Lead, Group and Capital Finance gave an overview of the report. He informed members he was one of the two Directors of the

company. Further detailed information on the company would be provided on the private agenda.

InReach had one development in Ladywood consisting of a block of 1- and 2-bedroom apartments. This development was very popular and currently at 100% occupancy with very little rent issues.

The Statutory accounts for 31st March 2023 indicated the company made a substantial profit enabling the loan repayments to be made to the Council. No issues or concerns were raised by the Auditors.

Councillor Clements queried in relation to the Ladywood Scheme - Embankment and if these were at market rental. The Committee were informed these properties were at full market rent.

Councillor Moore queried when InReach was set up and if there were any loans from the Council to assist with the delivery and if this had been repaid. He queried the value of the loan.

In response, members were informed, the original funding was based on a loan from the council (Equity Investment) and InReach had commenced the repayments against the loan. It was noted, the loan would not be fully repaid for 35 plus years. The loan was secured to the value of the property which exceeded the amount owed to the council. The loan was for around £12 million.

No further questions were raised.

8 **RESOLVED: -**

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

DATE OF THE NEXT MEETING

- 9 The next meeting is scheduled for Thursday 16 November 2023 at 1400 hours.

10 **OTHER URGENT BUSINESS**

There was no urgent business to consider.

EXCLUSION OF THE PUBLIC

RESOLVED:-

- 11 That, in view of the sensitive nature of the discussion due to take place relating to InReach (Birmingham) Limited and company updates, the public be now excluded from the meeting.

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 Councils 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.

Public Report

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

16 November 2023



Subject: Review and rationalisation of Group Companies
(Response to Section 114 Notice)

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 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 a short presentation at Appendix 1. The appendix sets out the number of company entities that the council is connected to and how that breaks down into categories. The report provides an overview and update for members of the Committee.

2 Recommendations

Members are asked to note the information provided within the report and at appendix 1.

3 Background

- 3.1. The council has a number of companies and separate legal entities that is it associated with, ranging from wholly owned companies to single board member of companies limited by guarantee. The information presented at appendix 1 is intended to refresh members of the Committee on the wider holdings and provide some context for the work of the board.
- 3.2. There is ongoing activity to reduce the list of companies through a removal of dormant companies and a full consideration of the role of the company and its contribution to the council's aims and objectives. Further reports on this work will be brought to the Committee along with recommendations to improve the governance in line with the UK Government Publication, Local Authority Company Review Guidance - A toolkit for undertaking strategic and governance reviews of wholly or partly owned council commercial entities – 2023 edition.

4 Options considered and Recommended Proposal

- 4.1 This report provides information to Members on the group structure and connections with separate legal entities. Members are recommended to note the report and to receive further reports as a full governance review progresses.

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 and will assist in the targeting of further company oversight.

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

9 Appendices

Appendix 1 Birmingham City Council Group and Company Interests

BIRMINGHAM CITY COUNCIL GROUP OVERVIEW

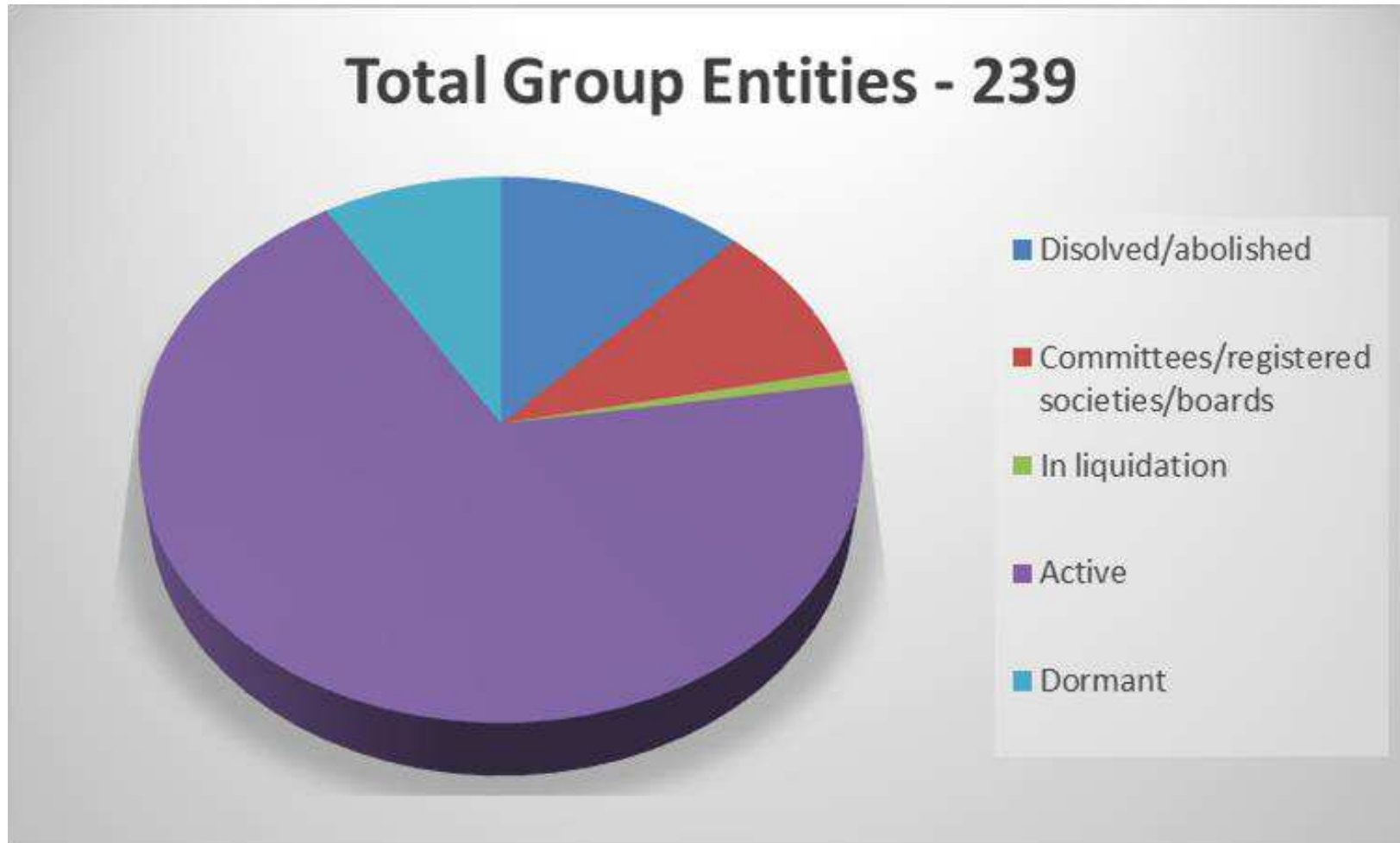
Alison Jarrett

Director Group & Capital Finance, Deputy s151

31 October 2023

Group and related entities – total 239

However....



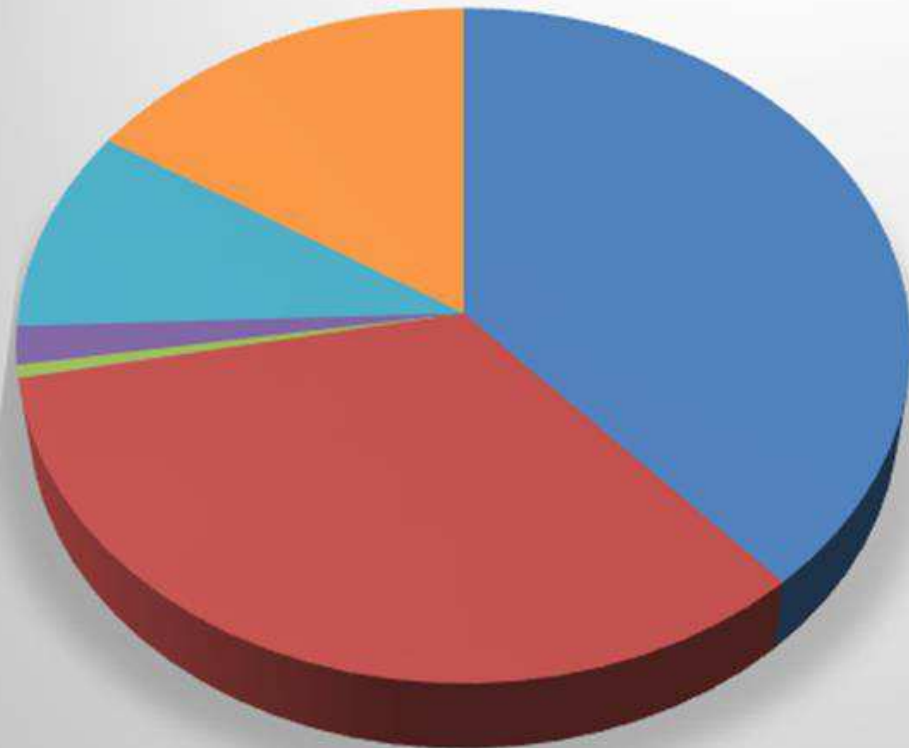
Actively Trading or Operating Companies - 164

Number of companies where there is a financial stake i.e companies limited by shares, Plc and LLP = 59

Within this there are 8 separate group structures accounting for 40 of these

- Acivico Group – 4
- Investment portfolio – 11
- Paradise – 1 (4 dormant)
- NEC residual (pensions) – 5
- Birmingham Airport Holdings Ltd – 10
- Schools LEP – 5
- B:Music - 2
- Birmingham Museums and Think Tank – 2

Active Companies



- Company limited by guarantee/BIDs/CIC
- Company limited by shares
- Public Limited Company
- Limited partnership (corporate JV)
- Charities
- Others - Committees, Boards, TMOs

Active companies with a financial connection (shares/assets) – and number in the group

Acivico	– 4	Birmingham Conservation Trust – trading
Arden Cross	- 1	Birmingham Hippodrome Trust
Investment portfolio	– 11	Birmingham Reparatory Theatre
InReach		Schools LEP
Paradise	– 5	B:Music
NEC residual (pensions)	– 5	Bham Research Park – Global – grant
Finance Birmingham Ltd		Unique Ventures Bham
Birmingham Airport Holdings Ltd		Birmingham Museums and Think Tank – 2
	– 10	Other – 5
Birmingham CAB		* Birmingham Children’s Trust
Birmingham Wholesale Markets		
PropCo Birmingham Ltd		

Companies – significant interest >20%

Company	Shareholding	Net Assets/Liab* £m	In-yr perf £m	Accounting Date	Type of Entity
Acivvico	100%	£2.14 L	£0.078 L	31/03/2022	Service delivery
Arden Cross	33.30%	£3.07L	£1.17 L	31/03/2022	Land/property development
Bham City PropCo	100%	£9.63	£0.62	31/03/2022	Property management
Bham Venture Capital	100%	£0.02	£0.061 L	31/03/2022	T/A Digital Mail
Birmingham Wheels	100%	in liquidation			
Bham Wholesale Markets	50%	£0.02	£0.044 L	30/09/2022	Market service delivery
Central Technology Belt	20%	£0.13	£0.00	31/03/2022	Business support - Bham/Worcs
Creative Advantage WM	100%	£0.15	0	31/03/2023	Fund manager (BVC Group)
Finance Birmingham	100%	£0.27	£0.01	31/03/2023	Fund manager
InReach Birmingham	100%	£3.27	£0.243 L	31/03/2023	Private rental housing
NEC Developments Ltd Plc	100%	£5.08	£0.978 L	31/03/2022	Holding Co - stock maturity - £73m
Paradise Circus Group	50%				Development delivery - EZ funding
B:Music	100%	£14.49	£0.650 L	31/03/2023	Arts - guarantee - £2.3m unrestricted funds
PETPS - 3 companies	100%	£1.00	£0.024 L	31/03/2022	NEC Pension fund £205m defined obligation
* latest published accounts					

Companies – significant interest <20% (see spreadsheet)

	Shareholding	Net Assets/Liab* £m	In-yr perf £m	
Business Equity Fund				
Vision Technologies Ltd	6.64%	£0.331	£0.021	Software platform for smart glasses for the visually impaired.
Eyoto Group Limited (previously known as Aston Eyetech Limited)	3.10%	£5.600m L	£0.441 L	Developer of low cost portable eye testing equipment.
Crowd Technologies Limited	5.35%	£0.022	£0.328 L	Web based social media software platform that assists organisations of various sizes to manage the risks of social media. BCC has rights to variable returns from its involvement with the company.
Auctus Management Group Limited	12.20%	£3.032m	£0.968	A range of services to support and maintain the UK's Infrastructure
Other				
UK Municipal Bonds Agency PLC	3.00%	£1.30 L	£0.156 L	Primary aim to reduce local authority finance costs. Backed by 56 LAs & LGA
Lighting Reality Ltd	22.00%	£0.520	£0.143	Held via BVS & CAF Grp
Unique Venues Birmingham Ltd *	0% - Contractual JV			Room hire and events management based on meeting spaces at the Rep and Library of Birmingham (LoB) buildings
Birmingham Museums Trading Ltd	100% indirect	£0.055	£0.324	Subidiary of Birmingham Museums Trust Ltd, commercial activities via events and sales - profits are distributed to the Birmingham Museums Trust through gift aid.
School LEP				
Birmingham Schools SPC Holdings Phase 1A Ltd	9.00%	£0.300	£0.124 L	A Holding Company for Birmingham Schools SPC Phase 1a Limited, whose own purposes are to design, construct and provide new schools at Holte, Mayfield, Lozells and Stockland Green Schools in Birmingham under a concession agreement with the BCC.
Birmingham Schools SPC Holdings Phase 1B Ltd	9.00%	£0.213	£0.89 L	A Holding Company for Birmingham Schools SPC Phase 1b Limited, whose own purposes are to design, construct and provide new schools at Waverley School in Birmingham under a concession agreement with the BCC.
Birmingham LEP Company Ltd	10.00%	£0.034	£0.032	The company was formed to deliver the Government's Building School for the Future (BSF) programme in Birmingham. However, since the BSF programme was cancelled in 2010, the focus has been on completing the building contracts that had been signed at that date. Given the cancellation of the BSF programme, the company's strategy is now the reduce as many of its activities as possible whilst still carrying out any remaining obligations. These obligations exist until 2026, at which point the company will be wound up.

Public Report

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

16 November 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 together with a summary report from each major company on their current performance and issues.

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 VOLUNTARY SERVICE COUNCIL (00421688) 18-Sep-23 - Appointment of Councillor Ken William Wood as a director on 25 July 2023

3.3 Annual accounts have been submitted for the following companies:

Company		unqualified audit (where applicable)
CSR CITY LIMITED (09734006) - 04-Sep-23	Accounts for a dormant company made up to 31 August 2023	N/A
STOCKFIELD COMMUNITY ASSOCIATION (02588109) - 05-Sep-23	Accounts for a small company made up to 31 December 2022	Y
STOCKFIELD COMMUNITY ASSOCIATION (SUBSIDIARY) LIMITED (02624455) - 06-Sep-23	Accounts for a small company made up to 31 December 2022	Y
BRIDGE STREET MANAGEMENT LIMITED (02286322) - 19-Sep-23	Total exemption full accounts made up to 31 December 2022	N/A
BIRMINGHAM SCHOOLS SPC HOLDINGS PHASE 1B LIMITED (07597941) - 27-Sep-23 per Sept	Group of companies' accounts made up to 31 December 2022	Y*
ST BASIL'S (03964376) - 02-Oct-23	Full accounts made up to 31 March 2023	Y
BIRMINGHAM WHEELS (01991870) - 03-Oct-23	Unaudited abridged accounts made up to 30 September 2022	Y
BIRMINGHAM AIRPORT (FINANCE) PLC (04061664) - 06-Oct-23	Full accounts made up to 31 March 2023	Y
BIRMINGHAM AIRPORT LIMITED (02078273) - 07-Oct-23	Full accounts made up to 31 March 2023	Y

BIRMINGHAM AIRPORT HOLDINGS LIMITED (03312673) - 11-Oct-23	Group of companies' accounts made up to 31 March 2023	Y
BIRMINGHAM AIRPORT PENSION TRUSTEES LIMITED (08462219) - 16-Oct-23	Accounts for a dormant company made up to 31 March 2023	N/A
BIRMINGHAM AIRPORT OPERATIONS LIMITED (09915844) - 17-Oct-23	Consolidated accounts of parent company for subsidiary company period ending 31/03/23	Y
BHX (SCOTLAND) LIMITED (SC445279) - 17-Oct-23	Unaudited abridged accounts made up to 31 March 2023	N/A
BHX FIRE AND RESCUE LIMITED (05997636) - 25-Oct-23	Consolidated accounts of parent company for subsidiary company period ending 31/03/23	Y
FIRST CASTLE DEVELOPMENTS LIMITED (02783202) 25-Oct-23	Consolidated accounts of parent company for subsidiary company period ending 31/03/23	Y
EURO-HUB (BIRMINGHAM) LIMITED (02403252) - 25-Oct-23	Consolidated accounts of parent company for subsidiary company period ending 31/03/23	Y
BIRMINGHAM AIRPORT SERVICES LIMITED (08203043) - 26-Oct-23	Consolidated accounts of parent company for subsidiary company period ending 31/03/23	Y
BIRMINGHAM AIRPORT DEVELOPMENTS LIMITED (02295119) - 26-Oct-23	Consolidated accounts of parent company for subsidiary company period ending 31/03/23	Y
BIRMINGHAM AIRPORT AIR TRAFFIC LIMITED (08201487) - 26-Oct-23	Consolidated accounts of parent company for subsidiary company period ending 31/03/23	Y

Y* - For Birmingham Schools SPC Phase 1B Ltd, as reported at the previous meeting of this Committee for the other companies within this group, the audit report identified a heightened fraud risk in relation to management override of controls and revenue recognition. The Council's director appointment was asked to comment on the companies' responses to this. The audit report did not amount to a qualification. The council's director appointment reports that the key concerns from the external auditors of the companies that they drew attention to, rather than being a qualification of the accounts, centred around risks of conflicts of interest. This may arise because of the dual role of Council officers also acting as Directors of the companies. The director set out for Group & Capital Finance officers the way in which this is managed and has provided assurance that all interests are declared, there is the use of expert advisors and abstention from certain discussions and

decisions. Further work is scheduled for this financial year regarding the appointment of officers and members to companies and in particular with regard to Conflict of Interest. A report will be presented to Cabinet Committee Group Company Governance with recommendations for future company support and appointments.

3.4 Company Performance

A review of the material group company interests of the council is an ongoing process to understand current impacts, including 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 in appendix 1 and in the exempt agenda where the detail is considered commercially sensitive. The content of these reports will be reviewed to ensure they meet the needs of the Committee's terms of reference. As part of 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 under company specific 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

9 Appendices

Appendix 1 Company Update

Exempt Appendix Company Update – commercially sensitive information

Item 7

Major Trading Companies Update - PUBLIC

Cabinet Committee Group Company Governance 16th November 2023

Company	Company operations	BCC Directors	Share interest	
Acivico Limited (Subsidiary Companies: Acivico (Building Consultancy) Limited & Acivico (Design, Construction & Facilities Management) Limited)	A multi-disciplinary consultancy company operating in the built environment. Provides the statutory service for Building Control and public safety, design, consultancy and asset and facilities management, along with a range of services that align to the Carbon Zero strategy and following the Grenfell disaster, the Building Safety Bill 2022. Providing programme and Project Management of major capital build programmes, engineering facilities management and a range of complimentary professional and technical consulting services. Major client is BCC	Cllr Ken Wood Vacant (Labour Cllr TBC) Vacant (External NED recruitment)	100% of Acivico Limited	The update contains commercially sensitive information and is contained within the private appendix.
Arden Cross Limited	A joint venture company between the three major landowners of a site within Solihull MB, adjacent to the NEC, Birmingham Airport and Birmingham International Station. The objective of the company is to maximise the commercial potential of the site.	Ian Macleod (Alternate: Kathryn James)	33% shares and voting rights	The update contains commercially sensitive information and is contained within the private appendix.
B: Music Limited (formerly Performances Birmingham Limited)	Provision, management, and administration of venues for performances at Birmingham Town Hall and Symphony Hall.	Cllr Albert Bore Cllr Ewan Mackey	Sole Member (Limited by Guarantee)	General Update B:Music is now deep into Q3, the busiest trading period of the year with both Town Hall and Symphony Hall running at a high level of occupancy. Sell out shows on the horizon include Robert Plant, Eddie Izzard, Billy Bragg, Lang Lang and Russell Howard. The programme of free and low-priced events continues in Symphony Hall's foyer spaces and a new cohort of young musicians has joined B:And Together, the charity's talent development programme.

				<p>B:Music is now developing a refurbishment plan for Town Hall which will include re-seating, a refreshed heritage interpretation and access and sustainability improvements. Heritage Lottery Fund is likely to be a key component in the funding package.</p> <p>Financial position Cooper Parry have just completed their audit of the 2022-23 financial year. The audit confirms a trading loss of £27k for the year compared to a budgeted loss of £208k, a very favourable improvement. B:Music is now concluding a 6-month reforecast for the current year and it is likely that the budgeted deficit of £275k for the year will be comfortably improved. There is however still considerable risk in attendance for the autumn programme even if key metrics such as utilities and payroll remain stable.</p> <p>The reserves position remains strong enough to absorb what is still likely to be a second year of deficit, but that may mean re-designating some reserves and pushing back long-term maintenance projects. Clearly however, continuing to absorb this level of loss is unsustainable.</p> <p>Risks and Challenges</p> <ol style="list-style-type: none"> 1. Access to Town Hall for production vehicles remains compromised by the Paradise development. This causes difficulties with load-ins and associated reputational damage with clients. 2. The previously reported risk regarding an unresolved dispute between NEC Group and BCC over service charges at the ICC remains.
Birmingham Airport Holdings Limited	Commercial and Domestic Air travel	<p>Cllr Brigid Jones</p> <p>Cllr Paul Tilsley CBE</p>	18.68%	<p>General Update Passengers are forecast to increase from 10.5m in 2022/23 to around 12million in 2023/24.</p> <p>1.2 million passengers travelled through Birmingham Airport in September 2023, with the top 3 routes being Dublin, Palma and Dubai.</p> <ul style="list-style-type: none"> • Emirates - A380 returned July 1- twice daily to Dubai. • Saudia - Started July 2 Jeddah- 3 per week. • Qatar - Returned July 6- daily Doha. • EasyJet - Basing 3 aircraft at Birmingham from March 2024. • Aegean - returned in March. • Air India - 3 per week Amritsar, 3 per week Delhi. • Sun Express - 12 per week summer 2023, doubling capacity summer 2024. • Jet2 - 14th based aircraft. • Ryanair – 6th based aircraft and 7th in 2024. • Turkish airlines - twice daily Istanbul year round. • Tui - Just opened three new shops in the West Midlands. <p>Timeline of key milestones</p> <ul style="list-style-type: none"> • 2022, net economic impact including catalytic effects in the West Midlands region £1.5billion GVA (Gross Value Added), and 30,900 jobs. • 2024, Next Generation Security Hall completed. • 2025, Upgraded aircraft stands. • 2033, net economic impact including catalytic effects in the West Midlands region £2.1billion GVA (Gross Value Added), and 34,400 jobs. • 2033, around 18m customers each year. • 2033, Net zero carbon airport.

Birmingham Children's Trust Community Interest Company	Provision of Children's services	Richard Brooks	Trust (100%)	<p>General Update The Trust continues to thrive. Whist under significant pressure, we continue to drive improvement in services and outcomes for children. Key issues include:</p> <ul style="list-style-type: none"> • Preparation for the impending leadership changes: the current Chair of the Trust Board retires in December 2023 and I will move from Chief Executive to Chair. James Thomas will join in December 2023 as the new Chief Executive. James and I are meeting regularly, sharing papers and documents, so he is able as far as possible to 'hit the ground running' in December. We have reorganised using existing capacity to cover all key roles without external recruitment at this stage, and the transition has been smooth. The incoming Chief Executive will want to determine a structure and lead recruitment to any vacant senior roles. • Our work with Solihull is established. We provided a detailed 'diagnostic' and initial work plan, which was well received and aligned with Ofsted findings there at a recent monitoring visit. Our support has been welcomed. • We will be bidding to join the Sector-Led Improvement Partner process, whereby DfE will commission the Trust to support other struggling children's services. • High levels of demand in most areas of our work continue. • The number of children in care has risen in line with our projections and national trends. Care costs have risen steeply, a consequence of a broken market, insufficiency, the impact of regulation and, critically, an increase in the complexity of need. • Numbers of unaccompanied asylum-seeking children arriving in Birmingham have also impacted upon children in care and care leaver volume, and have continued to rise. In the last year we have seen an increase of almost 100 unaccompanied young people in our care. • Recruitment and retention remains a challenge, placing pressure on agency numbers and caseloads. <p>Despite the challenges we face, performance remains strong, as does the quality of practice, the range of services we offer has grown, and we remain optimistic about our work, our partnerships and our impact on children, young people and families.</p> <p>Finance Update The Council's S.151 Officer, on 5 September, issued a S.114 Notice. In response we are taking steps that mirror those in the Council to address all spend decisions and to cease spend that does not support frontline practice. The Trust is working closely with the Council in relation to the immediate and longer-term budget challenges it faces, and is managing its own spend control. In addition, the Trust's Director of Finance is supporting the Council's S.151 Officer in their spend control activity in the Council.</p> <p>We continue to work hard to manage and mitigate the financial pressure arising from increasing demand for services, growing numbers in care, complexity of need and risk, absence of appropriate care placements, and rising numbers of unaccompanied asylum-seeking young people. We have more fully aligned our budget recovery planning with that of the Council in the context of the most recent serious financial challenges facing the Council and, like most Children's Services Authorities nationally, the Trust is working to mitigate an in-year pressure in 2023/24. Our focus is on diversion and prevention, enabling children to stay in their families, aligning our resources better to support this intent, and ensuring our commissioning and market engagement help us achieve best value.</p> <p>Risks or Areas of Concern The Trust continues to be a key part of system leadership across the city, and will want to play a full role in the Year of Change for Children. There are some key partnership challenges that we need to address in the coming year. Successful progress will impact positively on demand for Trust services as well as promoting better outcomes through different and earlier responses. Examples include:</p> <ul style="list-style-type: none"> • the Council's financial position: this clearly represents a new and significant risk to the Children's Trust. We will, of course, continue to work closely with the Council and, as necessary the Commissioners to support their work. We continue to experience increasing demand for our services, and the Trust delivers some critical services without secure revenue funding in place from the Council (Early Help).
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				<ul style="list-style-type: none"> responding to the challenge of domestic abuse and homelessness for women and children – this continues to drive a substantial amount of work in the Trust. The absence of any perpetrator programmes in the city is a particular concern, and one noted by Ofsted. children's and parental mental ill health: increasing amounts of Trust resources used as a consequence of delivery and definitional issues around mental health. A better joint, and joined-up, response is required. Birmingham's CAMH services have recently been inspected and judged 'Inadequate' by the CQC. This might offer an opportunity to collaborate over a different and more integrated and collaborative service offer. contextual and transitional safeguarding: increasing the strength of the partner response to safeguarding risks outside of the family and across the life course. early intervention and prevention: the work in the Council is progressing and there are real opportunities to build greater prevention into the role of universal services in the city. The Trust is eager to ensure that, in policy and practice, effective links are made across Early Intervention and Prevention, our Early Help service and the emerging Family Hubs programme. The Trust Early Help offer certainly reduces demand for statutory services, yet we see that demand continue to rise nevertheless. working with the newly-appointed Commissioners to build confidence in the governance, effectiveness and efficiency of the Trust. <p>We are well-placed to continue to rise to these challenges and maintain the trajectory of improvement we have set hitherto, maintaining effective collaboration with the Council and all of our partners.</p> <p>The Trust continues to work with the Council and other partners to develop a coherent response to the cost of living crisis. We are concerned to ensure that family poverty is addressed and supported rather than referred to the Trust as a type of neglect. We are working with BVSC and the Council to ensure that the Household Support Fund is delivered quickly and efficiently to young people and families experiencing hardship. This summer we have run a range of schemes under the Holiday Activity with Food programme, targeting families from vulnerable communities. We will be providing a fully sponsored Winter Wonderland offer to thousands of children over the holiday season. It continues to be the case that financial hardship in communities is driving demand for Trust services.</p> <p>Through our charity, Bfriends, we are forging some new and exciting partnerships with commercial and other organisations across the city that will bring in significant funds and support for our most vulnerable.</p>
Birmingham City Propco Limited	Management and Leasing of Commercial Property	Alison Jarrett Simon Delahunty-Forrest	100%	<p>General Update Propco continues to manage the Council's NEC based hotels; Hilton Metropole and Crowne Plaza. Cabinet approved a report on 27th July 2021 to further invest in Propco, however no further plans have been made to expand the portfolio.</p> <p>Finance Summary</p> <ul style="list-style-type: none"> Propco made a profit before taxation of £0.697m in 2021/22. The accounts for 2022/23 are still in the process of being compiled due to delays in obtaining key pieces of information such as valuations and supplemental rental information for Crowne Plaza. Notwithstanding the outcome of the NEC estate road service charge dispute (shown in Risks section) profits should be similar to previous years. The Council invoices the hotels on behalf of Propco for rent and service charges and collects the income. This support has been adversely affected by the implementation of Oracle and invoicing has not commenced for 2023/24 yet, which will delay payment of the half year loan repayment from Propco to the Council. Propco paid its loan interest payment for 2022/23 of £1.076m to the Council at the start of October 2023 following delays in identifying income paid from the two hotel companies. Loan principal payments starting at £0.394m p.a. are due in 2023/24 which will reduce profitability significantly in future years. <p>Risks or Areas of Concern</p> <ol style="list-style-type: none"> A dispute between Propco and the NEC Group regarding a substantial increase in estate road service charges is progressing.

				<p>2. Propco's financial model anticipated rental growth through periodic uplifts as well as turnover related supplemental income. However, rental growth has been stifled in recent years and the current cash forecast shows that with loan principal repayments commencing in 2023/24, there will be insufficient turnover to cover loan repayments and management costs, which would require a reprofiling of the Council's loan.</p> <p>3. Propco receives support services from the Council which includes legal, property and financial. Property Services support includes rent and service charge invoicing and cash posting which continues to be adversely affected by the implementation of Oracle, which has led to delay in raising invoices and cash posting for 2023/24.</p> <p>4. The production of the 2022/23 accounts has commenced and remains on target for filing at Companies House by 31st December 2023 despite delays.</p>
Birmingham Museum Trust	Provision of museum services	Cllr Robert Alden Cllr Philip Davis	100% (Trust)	<p>General Update</p> <ul style="list-style-type: none"> • Museum visits are strong for the year to date with a small dip in the summer due to the hot weather • School visits are 25% above target • BMT is focused on delivering public benefit and ensuring financial stability • BMT has in-year spending controls to meet budget which are not sustainable medium term • Rewiring and major grant repairs at Birmingham Museum & Art Gallery (BMAG) drawing to a close <p>Finance Update</p> <ul style="list-style-type: none"> • 2023-24 forecast showing approx. £200,000 deficit due to rising costs of supplies and services which is an improvement from the original budget set at £569k • £250,000 grant secured from FCC towards reopening Birmingham Museum & Art Gallery • £250,000 grant secured from National Heritage Lottery Fund (NHLF) for resilient programme to help with a more sustainable business model <p>Risks or Area of Concern</p> <ul style="list-style-type: none"> • Section 114 may have serious implications for Birmingham Museums Trust. The BCC investment represents 45% of our annual revenue funding. • BMT has a four year funding agreement which should be honoured as per S114 information • Reopening of Birmingham Museum & Art Gallery is critical to the sustainability of BMT • 2023-24 BCC service fee had no uplift for inflation which is in affect a cut to BMT • Our estate is continuing to deteriorate so a joint approach is needed for a long term strategy (like 10+ years) • Arts Council England are a major stakeholder and they have increased our risk profile to very high in light of S114
Birmingham Wholesale Market Limited	Corporate Joint Venture to run the Wholesale Market Hub	Ian Chaplin Kathryn James Paul Kitson	50%	No further update
InReach (Birmingham) Limited	Construction and management of private rental properties	Guy Olivant Colette McCann	100%	<p>General Update</p> <p>The Embankment development continues to operate well, with strong demand for any apartments that do become vacant, with the relet time in September being only 3.5 days (reflecting the time required to undertake any minor works required between lettings). InReach continues to perform well in financial terms, with total net income over the first 6 months of the year slightly in excess of budgeted performance. This positive performance is anticipated to continue for the remainder of the financial year.</p> <p>Discussions are continuing with Council colleagues to progress the proposals for InReach to take a short term lease for part of the Perry Barr development (for which fitout is anticipated to be completed in early 2024). Good progress is being made, with negotiations anticipated to be concluded in the coming weeks.</p>

Paradise Circus Partnership Limited	The main vehicle for the redevelopment of Paradise Circus	Kathryn James Guy Olivant	50/50 joint venture	<p>General Update</p> <p>The Paradise Circus development continues to progress well, with very strong demand for the high quality office accommodation being provided. Work is currently under way to bring forward the next phases of the development (with support being sought through the Enterprise Zone, as with previous phases) – a draft business case for the EZ funding has been prepared and is currently being evaluated.</p> <p>PCLP's working capital position continues to be tight and require careful management through the JV partners, with options being considered for approaches that may alleviate the current pressures and allow an accelerated repayment of working capital borrowing facilities.</p>
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Public Report

Birmingham City Council

Report to Cabinet Committee – Group Company Governance

16 November 2023



Subject: Birmingham Children’s Trust CIC – Pen Portrait
Report of: Sue Harrison, Director of Children’s Services
Relevant Cabinet Members: Councillor Sharon Thompson, Deputy Leader
 Councillor Karen McCarthy, Children, Young People and Families
Relevant O&S Chair: Councillor Kerry Jenkins, Education, Children and Young People Overview and Scrutiny Committee
Report author: Debdatta Dobe, Head of Commissioning, Vulnerable Children.

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: N/A		

1. Executive Summary

- 1.1. This report sets out summary information in respect of Birmingham Children's Trust CIC as background information to the company's business plan in the private section of the agenda.

2. Recommendations

- 2.1. Members are recommended to:

- 2.1.1. note the information in this report.
- 2.1.2. note the information contained within the Pen Portrait at Appendix 1
- 2.1.3. review and endorse the Business Plan for the Birmingham Children's Trust CIC as attached at Appendix 2

3. Background

- 3.1. Birmingham Children's Trust CIC was created as a company limited by guarantee without share capital with the Council as sole member. The company was created in May 2017 and launched formally in April 2018. It became a Community Interest Company in October 2018.
- 3.2. The company has been created as an asset locked company so that on any future dissolution, the assets of the company will not come back to the Council but will go to a similar type of entity.
- 3.3. The company was created to provide all elements of children's safeguarding and social care services, including the Youth Offending Service and other preventative services to children, young people and their families.
- 3.4. Relationship between BCT and BCC

There are essentially three strands to the relationship between the Council and the Trust: these are set out below:

The Council owns the company (the Trust)

The Trust reports to the BCC Cabinet Committee, Group Company Governance, which discharges the function as owner of the Trust as wholly owned CIC by approving the Trust's annual business plan.

The Council commissions the Trust

The Trust and Council meet monthly at the Operational Commissioning Group, where Trust service and financial performance is scrutinised (focus on the key performance indicators in the contract) and where services the Trust 'buys back' from BCC are monitored, and areas where we share co-dependency are examined and monitored (for example: the Trust relies on BCC to provide appropriate school places for children with whom the Trust is working).

The Trust and the Council are strategic partners

The Trust and the Council share a responsibility to work together, and with other key partners – in Police, NHS, schools, third sector etc. – to support vulnerable families, to safeguard children and to promote life chances and better outcomes for children in our care and care leavers.

The Council continues to be responsible as Corporate Parent to our children in care and care leavers.

These shared responsibilities are transacted through a range of partnership systems, including:

- * The Children's Partnership
- * The Safeguarding Children Partnership
- * The YOS Partnership Board
- * The Community Safety Partnership
- * The Early Help Partnership Board
- * The SEND Improvement Board
- * The Partnership Operations Group

The relationship between Council and Trust is pivotal in driving improvements in services and outcomes, both in terms of the key issues that sit between us (SEND, school places, alternative provision, Elective Home Education etc), and in working together to drive change and improvement across the wider partnership working with children and families.

The Trust and the Council officers work together:

- * The Chief Executive and DCS are both members of the council's corporate leadership team.
- * BCT's Director of Practice is a member of the council's Children and Families leadership team.
BCC's Director of Thriving Families is a member of BCT's leadership team.
- * The Council's Children and Families directorate is on an improvement journey and is in the process of establishing a practice model which synergises with BCT's model. There will be opportunities for shared staff development to establish a strength-based, team around the child approach.
- * Now the council has established a permanent Children and Families leadership team, regular joint leadership meetings will be held to ensure emerging strategy is co-produced and performance across all children's services is overseen and discussed.

4. Options considered and Recommended Proposal

- 4.1. This report provides information to Members on Birmingham Children's Trust CIC.
- 4.2. The recommendations are set out at 2.1.1-2.1.3.

5. Consultation

- 5.1. The Chair of the Committee has been consulted on this paper.

6. Risk Management

6.1. This report provides information for Members and there are no risk management issues arising.

7. Compliance Issues:

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

7.1.1. The Council has created companies to support the delivery of services.

7.2. Legal Implications

7.2.1. There are no legal implications associated with this report.

7.3. Financial Implications

7.3.1. There are no financial implications directly arising from this report.

7.4. Procurement Implications

7.4.1. There are no procurement implications directly arising from this report.

7.5. Human Resources Implications

7.5.1. There are no Human Resource implications directly arising from this report.

7.6. Public Sector Equality Duty

7.6.1. There are no specific Equality Duty or Equality Analysis issues relating to the proposals set out in this report.

8. Background Documents

Appendix 1 – Pen portrait Birmingham Children's Trust CIC

Appendix 2 - Business Plan

Birmingham Children's Trust Community Interest CompanyCompany N^o: 10762047

Subsidiary Companies None

Directors

Andrew Christie
Ama Agbeze
Amrick Singh Ubhi
Brian Carr
Colin Horwath
Elizabeth Stafford
Professor Jonathan Glasby
Ruth Harker
Richard Brooks
Andy Couldrick
David Stringfellow
Lee Yale-Helms
Lisa Jamieson

Company Purpose Birmingham Children's Trust CIC was set up as a wholly owned company of Birmingham City Council on 7 May 2017 and launched from 1 April 2018. The objects of the Company are to provide all elements of social care, youth offending, family support and other related services to children, young people and their families.

Financial Year End 31 March
Filing Date 31 December

Financial Information 2022/23	£m
Initial contract sum Payment 2022/23	£225.2m
In year changes agreed	£35.3m
Final 2022/23 contract sum	£260.5m



BUSINESS PLAN 2023-28

July 2023



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Foreword from the Birmingham Children in Care Council and Care Leavers Forum

As children and young people in care and with care experience, having a sense of belonging and identity is important. Our groups meet regularly throughout the year and all our groups come together in the school holidays as well. We decided to come up with a name for all our groups. We split into smaller groups and came up with some great ideas; we all chose the one we thought was best. We decided on: **U&U - United and Unique 'Empowering minds of the future'**

Our goal is to:

- Educate people about our experiences
- Make change
- Provide for everyone
- Empower those who feel isolated
- Improve mental health
- Boost people's confidence
- Give them experiences they'll never forget

Why do we attend?

There are lots of reasons we attend our groups:

"It's nice to talk to people who get it...people in the same situation as you and not be judged. Outside they might judge you, but not here"

When we are together at the participation meetings, we feel listened to, we are around other people, with similar experiences and we can share our views. It's good to have a voice and to feel that we each make a difference and make change together.

Children & young people making change

We have a great relationship with the Practice Academy and key people in the Trust. They enjoy working with us and really listen to what we say and we feel like changes happen. Our groups are recognised by so many people and organisations who now come to us and we have shared our views about LOADS of different topics, making lots of change.

We make change in lots of different ways and we look at what things are most important to change and these become **Our Campaigns**. Professional honesty is one of these. We know you think you are protecting us but it's our life and we want and need to know. We have also done lots of work to improve children's experience of coming into care.

We have done a huge amount of **Co-Production**, where the Trust and other organisations want children to work on specific things. We have influenced the Trust's Practice Standards, designed the animation for the Practice Model (one of us even went to the studio and did the voice over!) and influenced the Child's Journey work. We have a Children's Rights Officer who knows what we want and who sits on working groups for us and keeps our views central.

Our young parents have done so much work and have co-produced the Perinatal Pathway work with the NHS. This is making sure young parents get the right support they need both before and after pregnancy. There is still work being done, which includes developing training videos for midwives.

We have done lots of work on health and mental health, which is something that we are all really passionate about. We have helped in the design of the new Mental Health and Emotional Wellbeing Hub (a single point of access to all services) as well as the new TESS therapy space and 18+ drop-in service. We are working with the NHS to design their new Priority Card for care experienced young people which gives them access to a better level of service and encourages 'trauma informed' thinking.

On top of this we have done loads of **Consultation**, where we are supported to share our experiences so that people see things from our shoes. We have helped with the new fostering service welcome into care pack, introduction profiles for foster carers and social workers, introduction video for the IRO service, the Local and Regional Care Leavers Offer, Annual health reviews for the children in care nurses and so much more!!

We have continued **interviewing** for lots of positions from social workers to senior managers. We have also had impact through our **training** offer. This takes our voices and experiences (through in person, video and audio clips) and directly challenges how attendees think and work. Oh, and we even presented to **Ofsted** on all the work we have done, we think they were left impressed!

The year ahead

We work on all these things, knowing that we are making a difference and that the Trust really listens and works hard to make the changes that we say we need. There is so much more to come for this year, one of the campaigns we have just started is on Transitions and when we leave care. We have two 'Takeover Boards a year at the Corporate Parenting Board and this will be something we hold our corporate parents responsible for!

Signed on behalf of all our children and young people's groups and forums



Section 1

Introduction

1. Introduction

This is the sixth annual business plan produced by Birmingham Children's Trust. It is written in a very different context than that of previous editions.

In March 2023 the Trust was inspected by Ofsted and as a result social care services in Birmingham are now judged to be Good. This comes after a decade of 'Inadequate' judgements up to 2018. In effect, services have improved to Good in a five-year, single inspection cycle. That two of these five years were spent in unprecedented circumstances of pandemic, lockdown and post-pandemic readjustment, the achievement is all the more noteworthy.

In March 2023 Birmingham City Council decided that rather than enact the second five-year term of our contract they would instead agree a new 10 year contract term. This reflects the confidence that has built in the Trust over its first five years of life, as well as the depth of relationship with the Council, across both elected members and officers.

In May 2023 the DfE revoked the statutory direction meaning that children's social care and family support services are no longer subject to Government intervention.

None of these developments would have been possible without some exemplary leadership and management, and without the commitment of every single member of the Trust team. The feedback we received from inspectors about the commitment, dedication and skill of the people in the Trust with whom they met was remarkable and consistent, and as Chair and Chief Executive we could not be more proud of everyone.

And, of course, the work continues! The minute we think 'we're done', we go backwards. So this business plan sets out our next set of challenges and priorities as we continue to drive ourselves to be the best we can be. Our focus on quality of practice is unremitting, and we will of course respond to the recommendations Ofsted give us. In addition, we must complete our work on the Child's Journey programme, using the intelligence we have gathered to shape the organisation for its next phase to deliver maximum effectiveness, efficiency and value for money.

The improving quality of relationship between the Council and the Trust was recognised by Ofsted, and we want to further deepen this critical strategic partnership, as well as with other key partners, across the public and third sector, to cement and drive improving service and outcomes for the city's most vulnerable children, young people and families. The Year of Change for Children is a key opportunity to promote this.

We have reached an important milestone as an organisation. We can be pleased, and proud, but no less determined to push on, to be the best we can be as we continue our journey.

The coming year brings much change for the Trust: a new contract with the Council, the DfE Improvement Direction lifted, our formal Regional Partnership support to Solihull, and significant leadership changes, as Andrew retires, Andy moves from Chief Executive to Chair, and as we look to recruit both a new Chief Executive and a new Director of

Practice. This report, we hope, sets out a firm and confident base for the Trust that enables us to embark on these new challenges and opportunities with confidence.

Thank you

Andrew Christie
Chair

Andy Couldrick
Chief Executive



Section 2

2023: Our Vision and Values

2. Birmingham Children's Trust 2023: Our Vision and Values

Our vision is to build a Trust that provides excellent social work and family support for and with the city's most vulnerable children, young people and families.

We will do this:

- with compassion and with care.
- through positive relationships, building on strengths.
- in collaboration with children, young people, families and partners.
- by listening, involving and including.
- in ways that are efficient and deliver value for money.

Success will mean significant progress towards these outcomes:

- healthy, happy, resilient children living in families.
- families able to make positive changes.
- children able to attend, learn and achieve at school.
- young people ready for and contributing to adult life.
- children and young people safe from harm.

BIRMINGHAM CHILDREN'S
ONE **T**TEAM
ACCOUNTABLE AND **R**RESPONSIBLE
Q**U**ALITY
RELATION**S**SHIPS
HIGH SUPPORT**T** HIGH CHALLENGE

These values are reflected in the model that underpins our practice right across the Trust:

- **Relationship-based:** practice invested in relationships with child and family; understanding of relationships and attachments and their importance in assessments and plans. Built on the idea of 'High Support, High Challenge'.
- **Contextual:** understanding the context in which people with whom we are working are: family; economic; social; school; employment. Understanding context is pivotal to learning how we can help.
- **Trauma-informed:** practice based on an understanding of the impact of past adverse events and experiences, that is sensitive to trauma and focused on the means of moving beyond trauma, for children and young people and for families, building resilience and confidence.

Our Practice Model, 'Connections Count' reflects these values and equips staff with knowledge and tools to practice in this way. We know we have grown a culture across the Trust that supports this.



Section 3

Key Developments 2023/24

3. Key Developments 2023/24

Birmingham Children's Trust faces an exciting year ahead.

With an improved Ofsted rating under our belts we will now work hard to make all of our systems and processes, our organisational shape and structure the most effective and efficient we can, building on the established platform of value for money that we have demonstrated to date. The 'Child's Journey' programme will support this work.

We will work with partners in the Council and the NHS to explore opportunities for greater local integration of services, making them easier for citizens to navigate and engage, under the auspices of the Children's Plan and Partnership, and the Integrated Care Board (NHS).

We are pleased that much of what we have sought to establish and implement since our establishment has borne fruit and was evident in the inspection. The organisational culture we have built shone through; the improved quality of practice was evident, as was the skill and dedication of our social workers; staff felt well-managed and supported; the new services we have established to support children to remain safely with their families were shown to be effective. We will use this as our springboard for further improvement and we hope the Trust will increasingly and more widely be seen as an excellent environment in which to do good social work and family support with children, young people and families

The Year of Change for Children will afford opportunities for the Trust, working with partners, to celebrate the importance of children in our city, and the importance of effective services, universal, targeted, Trust and partner, and to demonstrate our progress and showcase some of the great work we do. Our partnership with the Council is strong and growing. We have great relationships with the NHS locally, with West Midlands Police and with the voluntary and community sector organisations working with families. We will build on these to deliver increasingly effective and strong services.

We have been asked formally to support Solihull Council as they seek to improve their services following a difficult period and a critical Ofsted inspection. That we have been asked is a positive acknowledgement of our progress and our improvement capacity, and we will share expertise and learning to build greater strength across the region. This work has been commissioned and supported by the DfE.

2023-24 will see some transition in the Children's Trust at Executive and Board level and we will ensure this is managed well so that our momentum is not upset and our continued improvement is not jeopardised.

Of course, as we enter this new period, some of the priorities we had previously continue to be important:

- recruitment and retention of social workers, residential and family support workers: the market remains difficult. We will refresh and improve our marketing to reinforce the message that Birmingham Children's Trust is a great place to work.
- similarly our relentless search for more carers, foster and adoptive, will continue as we seek to provide loving homes for the children we care for who need them, locally.
- our drive to be an anti-racist organisation will continue and we will ensure all matters of equality, diversity and inclusion, in all its forms, are addressed by the Trust as a service provider and as an employer.



Section 4

Strategic Context for the Children's Trust

4. Strategic Context for the Children's Trust

The Children's Trust is well-established as an important service provider and public service provider in Birmingham. We have built a brand and a reputation. We are a trusted partner.

This matters because the scale of challenge faced by children, young people and families in the city continues to grow. The cost of living crisis has highlighted and exacerbated existing inequalities. The rise of serious youth violence, knife crime and exploitation pose real challenges, and the rise in demand for all of our services, from Early Help through to social care illustrate the need for agencies to collaborate to have the greatest positive impact.

Funding for social care remains a significant issue: the Care Review identified the need for investment to the tune of £2.6bn. The cost of care rises above inflation, and the national shortage of available qualified social workers, all pose an ongoing threat to which we must respond.

The Government's response to the Care Review will, we hope, create opportunities for us to explore new models, new ways of doing things. Proposed restrictions on agency social work recruitment will help us over time, but there are no immediate 'fixes' coming from the centre, so we need to be agile, smart and disciplined in how we lead, manage and deliver services so we can have the impact we need to and live within our means.

We begin the year with a new, longer contract with the City Council, and with an improved Ofsted rating: firm foundations from which to rise to the challenges we face.



Section 5

Trust Priorities 2023/24 and Beyond

5. Trust Priorities 2023/24 and Beyond

BETTER OUTCOMES



Responding to Ofsted's recommendations



Implementing the Child's Journey redesign



Driving collaboration and accountability with partners



Deepening our strategic partnership with the council



Developing our Improvement Support Offer



Managing succession and transition in the Trust

ENABLERS



Equality, diversity and wellbeing



Recruitment and retention



Digital and data



Strategic and operational financial management



Placement sufficiency



Participation and Engagement

Priorities for 2023/24

Strategic Priority	Impact/Benefits
<ul style="list-style-type: none"> Responding to Ofsted's recommendations following inspection 	<ul style="list-style-type: none"> Services further strengthened in line with Ofsted's findings Compliance with 'best practice'
<ul style="list-style-type: none"> Responding to HMIP's recommendations following inspection 	<ul style="list-style-type: none"> Further improvements in our Youth Justice service
<ul style="list-style-type: none"> Completing the work on the 'Child's Journey' programme, leading to a changed shape of organisation geared toward further improving our effectiveness and our efficiency, and enabling us to respond to the implementation of national changes following the Care Review 	<ul style="list-style-type: none"> Services organised to deliver great value for money, effectiveness and efficiency Design built on feedback from children, young people, parents, carers, Trust staff and partners Strengthened leadership, management and professional development
<ul style="list-style-type: none"> Working within the key partnerships to drive system improvement and accountability 	<ul style="list-style-type: none"> Achievement of the ambitions of the new Children's Partnership and Plan Improved opportunities and outcomes for children as part of the 'Year of Change for Children' led by the Children's Partnership Support real accountability for services and outcomes: Trust and partners Support stronger joined-up efforts to tackle key issues and risks for children as set out by the Children's Partnership and the Safeguarding Children Partnership
<ul style="list-style-type: none"> Building our relationship as strategic partners with the Council, and demonstrating value for money to our commissioners 	<ul style="list-style-type: none"> Strengthened collaboration on key shared priorities: SEND; Elective Home Education and Children Missing from Education Transparency and partnership in the management of our commissioner/provider relationship

Strategic Priority	Impact/Benefits
<ul style="list-style-type: none"> Establishing a formal Improvement Support partnership with Solihull MBC, ensuring no detriment to Birmingham whilst gaining from the opportunities such a partnership brings 	<ul style="list-style-type: none"> Opportunities for Trust staff and managers to share learning with a neighbouring authority Opportunity for greater collaboration, capitalising on our shared relationships: NHS, Police External financial support to deliver package of support Shared learning opportunities Enhanced reputation for Birmingham and for the Trust
<ul style="list-style-type: none"> Planning and managing some critical transitions in the Trust, in relation to changes in senior leadership and governance 	<ul style="list-style-type: none"> Transitions managed in a carefully planned way so as to minimise disruption within the Trust and between the Trust and its partners
<ul style="list-style-type: none"> Maintaining a focus on Equality, Diversity and Inclusion, as service provider and as employer 	<ul style="list-style-type: none"> Assessments and services that address EDI and its impact on children with whom we work Maintaining progress on our challenge to become an anti-racist employer and service provider Improving our diversity at Board level
<ul style="list-style-type: none"> Continuing to find new and better ways to recruit and retain social workers, residential and family support workers, and carers 	<ul style="list-style-type: none"> Improved brand and marketing 'presence' Reduced reliance on agency workforce More children placed with Trust foster and adoptive carers
<ul style="list-style-type: none"> The Trust, with the Council, will complete a review of the short breaks offer available to children with additional needs 	<ul style="list-style-type: none"> There are two elements to this review: the 'universal offer', which the Council is leading, and the targeted offer the Trust provides to children and families with whom the Trust is working (under section 17 of the Children Act 1989)



Section 6

Performance

6. Performance

The Trust has performed well, in 2022/23, in relation to the contractual performance indicators.

Areas of particularly strong performance in the year have included placement stability for children in care; care leavers living in suitable accommodation; timely reviews for children in care and initial child protection conferences.

Challenges have included:

- timescales for adoption: the indicator measures over a three-year period. Evidence supports that current performance is good and the performance indicator will improve over the course of the coming year as a result.
- agency social workers: this has remained persistently higher than we would want. While we perform better than regional and statistical neighbours, we continue to refine and improve our offer to make the Trust an attractive place to come, and to stay, to build a good social work career.

Summary of Trust performance 2022/23

PI	Measure	Number of months where target met or within tolerances last 12 months	% where target met or within tolerances last 12 months
1	% of all referrals with a decision within 24 hours	11	92%
2	% of re-referrals to children's social care within 12 months	12	100%
3	% assessments completed within 45 working days	11	92%
4	% Initial CP conferences held within 15 working days	12	100%
5	% of children who became the subject of a CP plan for a second or subsequent time within the last 2 years	12	100%
6	% of children (under 16 years) who have been looked after for 2.5 years or more, and in the same placement (or placed for adoption) continuously for 2 years or more	12	100%
7	% children experiencing 3 or more moves in a year	12	100%
8	% of children in care reviews held on time	12	100%
9	% of care leavers who are in education, employment, and training (EET)	12	100%
10	% of care leavers who are living in suitable accommodation (19-21)	12	100%
11	Average time between a child coming into care and being placed with an adoptive family (A2)	0	0%
12	Number of children who have been adopted in year or who leave care	N/A	N/A
13	% of agency social workers (including team managers)	0	0%
14	Average caseload of qualified social workers	12	100%
15	% of social workers who have had supervision (in month)	8	67%

Performance indicators 2023/24

A revised set of key performance indicators for 2023/24 is set out below. Some of these are activity measures (KPIs 4 and 8), some are shared with the Council (KPIs 7a, 7b, 12a and 12b). The rest sit with the Trust.

No.	Indicator	Current performance	2023/24 year-end target
KPI 1	Percentage of re-referrals to children's social care within 12 months	21%	22%
KPI 2	Percentage of assessments completed in 45 working days or less	87%	85%
KPI 3	Percentage of children in need on a plan for more than three months	59%	60%
KPI 4	Rate of section 47 enquiries per 10,000 of the u18 children and young people population	170	N/A
KPI 5	Percentage of initial child protection conferences held within 15 days	78%	85%
KPI 6a	Percentage of child protection plans lasting two years or more	12%	10%
KPI 6b	Percentage of child protection plans for a 2nd or subsequent time in the last 2 years	12%	14%
KPI 7a	Rate of children looked after per 10,000 under 18 population	76	76
KPI 7b	Percentage of children in care living in foster care	70%	70%
KPI 7c	Percentage of children in care living in residential care	18%	18%
KPI 7d	Percentage children in care living with their family networks	8%	8%
KPI 8	Number of children waiting for adoption	202	N/A
KPI 9a	Children in care with 3+ home (placement) moves within 12months	9%	9%
KPI 9b	Children in care in home (placement) for 2.5 years or more	68%	72%
KPI 10	Percentage of children and young people placed within 20 miles of home address	82%	82%
KPI 11a	Percentage of care leavers in employment, education, or training (EET) on their 17th to 18th Birthday	62%	66%
KPI 11b	Percentage of care leavers in employment, education, or training (EET) on their 19th to 21st Birthday	61%	62%
KPI 12a	Care leavers in suitable accommodation aged 19-21 (reported monthly for Q1-4)	93%	95%
KPI 12b	Care leavers in suitable accommodation aged 16-18 (reported monthly for Q1-4)	92%	95%
KPI 13	Average caseload per social worker	18	17
KPI 14	Percentage of agency social workers	22%	12%
KPI 15	Reoffending rate	19	25%



Section 7

Governance Arrangements

7. Governance Arrangements

The Trust is owned by the Council. But its day-to-day operational delivery is controlled by the Trust Executive Team which is accountable to the Trust Board in order to ensure operational independence. The role of the Board is to set the strategic aims of the Trust, oversee the management of the business and hold the Executive Team to account. It is the responsible body for the performance of the Trust in terms of delivering its legal and contractual obligations and achieving outcomes for children in Birmingham.

With the removal in May 2023 of the statutory Direction children's social care and family support services are no longer subject to Government intervention.

The governance arrangements for the Trust are set out in the Articles of Association and its scheme of delegation. The Service Delivery Contract details how the Trust will work with the Council to ensure the priorities and objectives specified within the contract are delivered, how decisions are made and how the Trust is held to account. The Council retains "reserved powers" for certain significant matters including, for example, approval of this Business Plan.

The Trust Board of Directors has a wide portfolio of expertise and knowledge in children's services, commercial, financial and other disciplines. The Board provides support and challenge on the direction and strategy of the Trust. The volume of work generated for Trust NEDs, and a wish to improve the diversity of the Board, has led to initial discussions about increasing by one the number of NEDs supporting the Children's Trust, in agreement with the City Council and DfE.

The Board consists of a chair and 8 non-executive directors, one of whom is appointed by the City Council. Details of current Board members are available on the Trust Website at: https://www.birminghamchildrenstrust.co.uk/who_we_are.

The Trust Board has established the following committees:

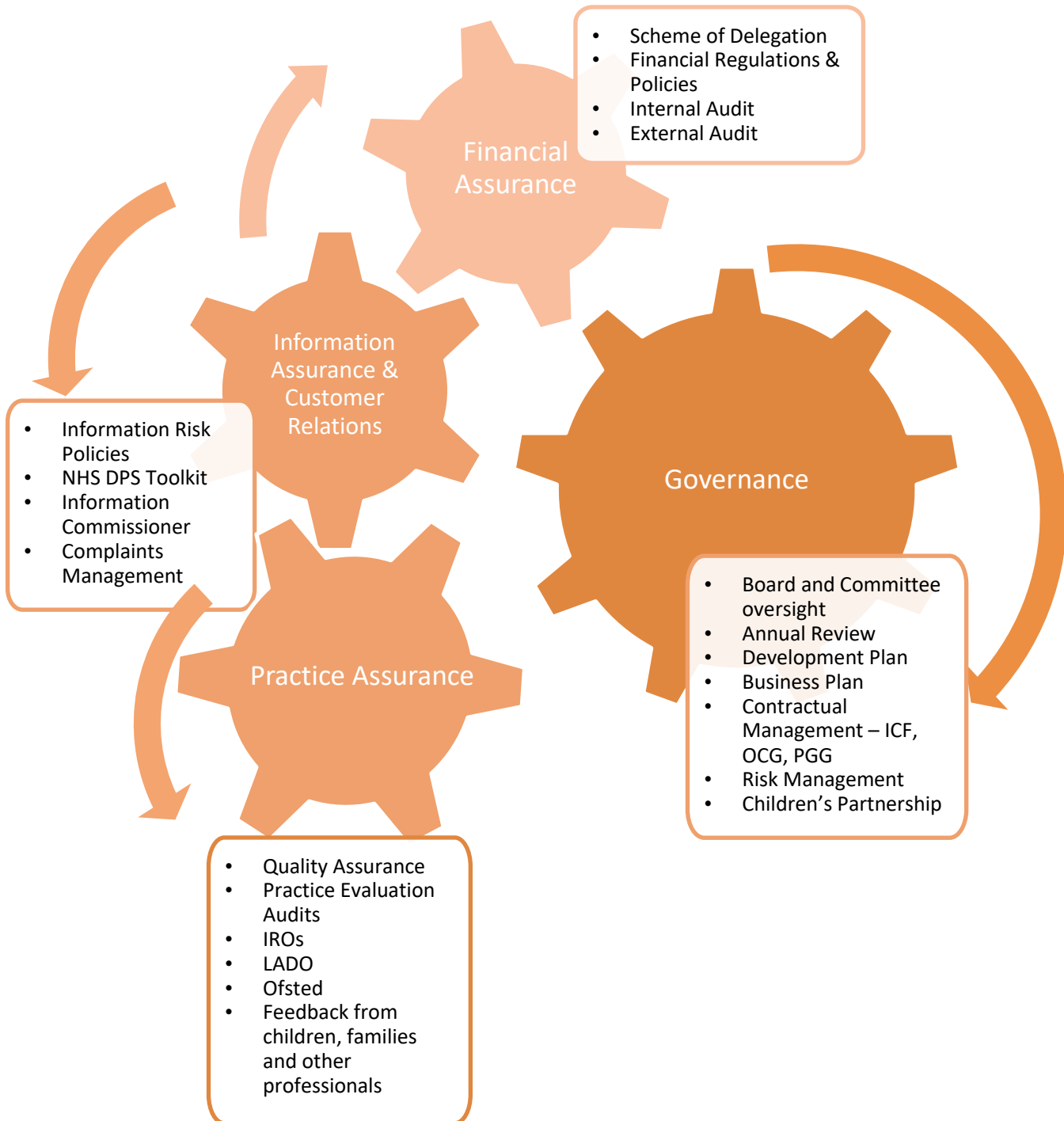
- Finance and Resources.
- Performance and Quality Assurance.
- Workforce.
- Nominations and Remuneration.

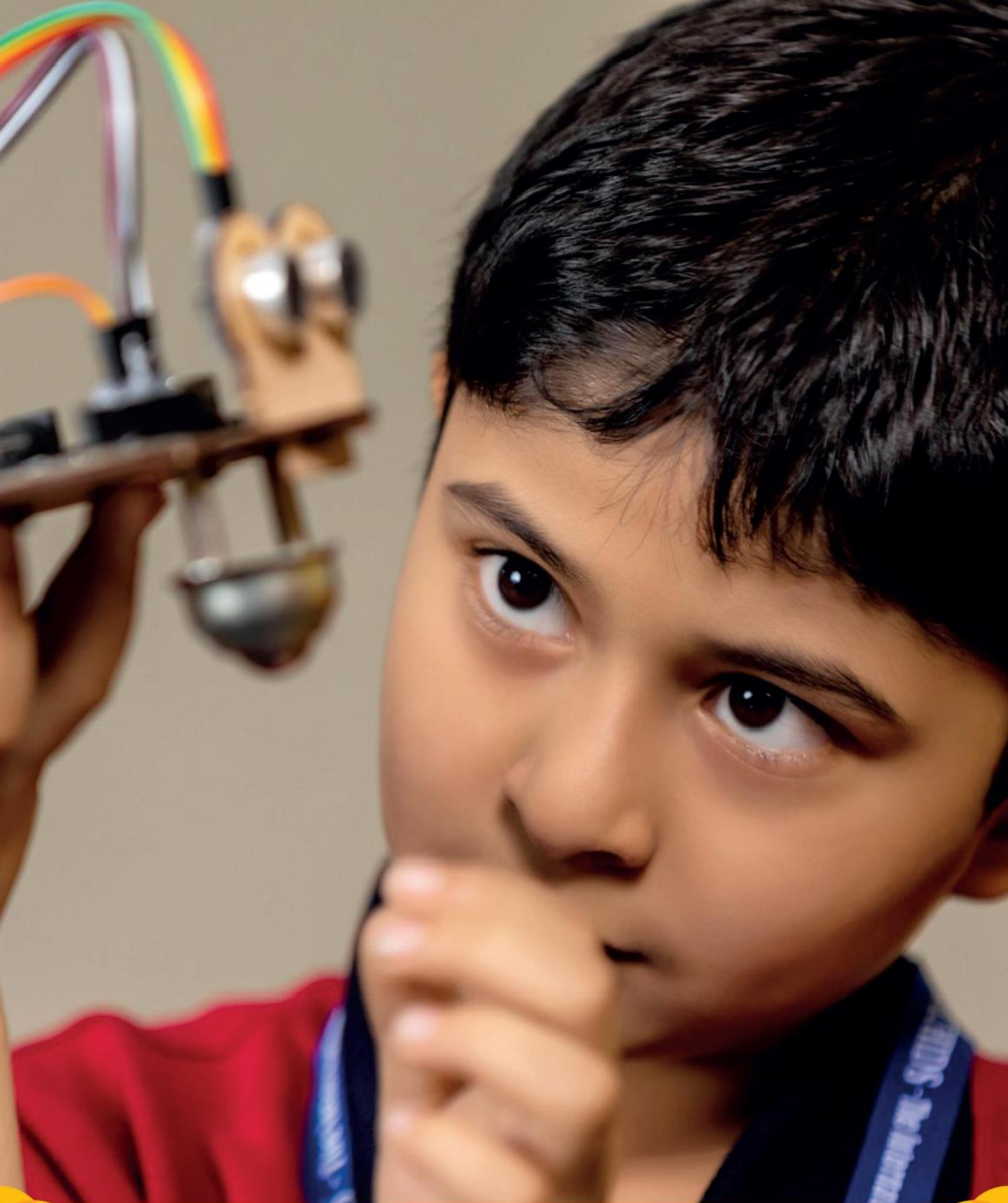
The governance arrangements between the Council, Trust and DfE, have worked effectively during the Trust's first five years. The framework of Operational Commissioning Group, Trust Partnership Governance Group and routine engagement at Overview and Scrutiny, alongside regular meetings between the Trust Chief Executive and the Council Chief Executive, Director of Children's Services and Lead Member, have together proved successful in ensuring that the Council is well informed, and the Trust held accountable for delivering the right results and the necessary improvements.

The Trust's Executive Directors consist of the Chief Executive, the Director of Practice, the Director of Commissioning & Corporate Parenting and the Director of Finance & Resources. The Executive provides management oversight of operational activities of the Trust under a scheme of delegation approved by the Trust Board.

Quality Assurance Framework

The framework below sets out how the Trust assures itself about performance, governance and other key matters.





Section 8

Trust Services

8. Trust Services

The Trust is commissioned by the Council to provide the following services:

- Early Help Services
- Families Together
- CASS and MASH
- Social Work Teams
- Contextual Safeguarding Hub EmpowerU
- Services for Disabled Children: social work; short breaks
- Adoption (Regional Adoption Agency) and Fostering
- Residential Care
- Unaccompanied Asylum-Seeking Children, No Recourse to Public Funds, Homelessness service, Edge of Care, Family Group Conference service
- Care Leavers' Service
- Youth Offending Service
- Family Drug and Alcohol Court
- Independent Review and Child Protection Chairs
- Support Services (including Finance, Legal Services, Commissioning, ICT, HR and Business Services & Support, Customer Relations)
- Business support to the Birmingham Safeguarding Children Partnership

A pen portrait of our children and our service is appended.



Section 9

Our People

9. Our People

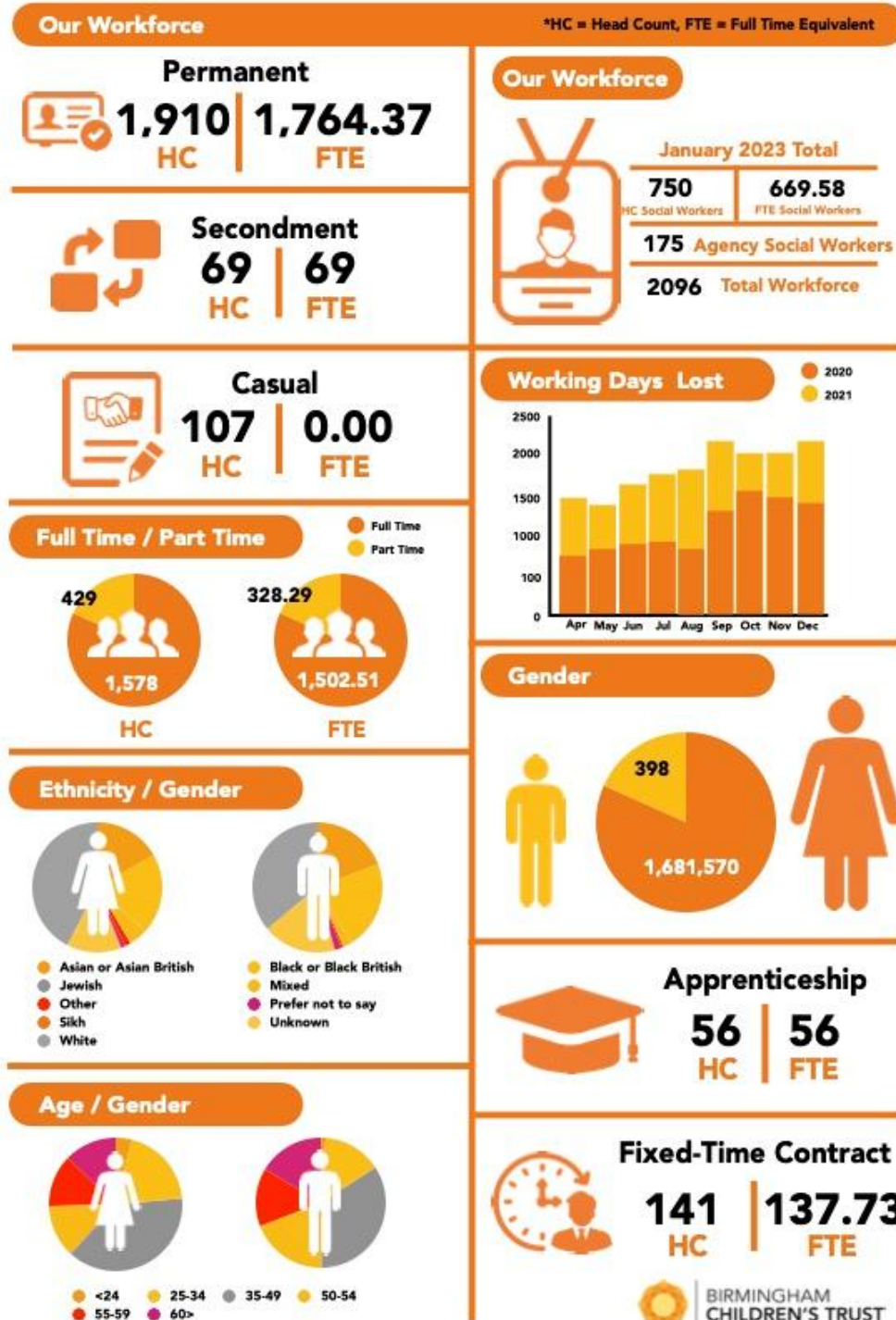
The Trust is committed to the development of our staff both in terms of how we invest in their learning and continuous professional development and in how we recognise and reward our workforce so that we are attractive as a potential employer and our retention levels are high. This is all encapsulated in our Trust workforce development plan.

A key element of the Trust workforce development plan is to promote the Trust as "an employer of choice". Some of the key initiatives include:

- a development of our brand and "value proposition" to attract and retain staff through an improved digital marketing and social media presence and by increasing the Trust's visibility in the job marketplace.
- developing an improved emotional support offer for our people, based on our trauma-informed principles.
- implementation of regular, consistent digital recruitment campaigns across various platforms to target, in particular, regional experienced social workers to increase application rates and interest in our permanent vacancies.
- strategies and processes to streamline our supply of temporary and agency staff that minimises our unfilled vacancies and increases the size of our talent pool.
- continuing our successful social worker ASYE programme and apprenticeship scheme to "grow our own". We have developed our Trust Academy to support their development in the early stages of their social work career.
- investment and support in the career development of unqualified roles eg. Family Support Worker/Social Work Assistant, within our social work teams.
- a training offer aligned to "Knowledge and Skills" for all the workforce.
- Trust-wide access to the benefits of the apprenticeship levy for existing and new staff for a range of professions.
- an established health and wellbeing initiative with a range of diverse support measures.
- a review of our practice operating model and roles in an effort to build clearer and stronger career pathways for experienced social workers.
- improvements to our workforce succession planning, development and progression opportunities across all roles.
- improving employee engagement at all levels, through the creation of workforce specific task groups to include employees in the Trust's decision-making and improvements to enhance their loyalty, inclusion and sense of belonging to the Trust and becoming a regional lead employer of choice.
- a high importance placed on equality and diversity matters for all employees. This is supported by an Equalities Forum and the Equalities and Diversity Manager role that supports the development of this work.
- an ongoing review of our pay and non-pay benefits to ensure they remain competitive and attractive.
- a review of our HR service and functional products to ensure alignment with the business need.
- constant review of Trust HR policies to ensure the organisation's people processes can be managed in the most effective and positive way.

The infographic below sets out the Trust's key human resources analytics, outlining:

- a comparison of full and part-time in terms of total head count and total FTE.
- a comparison of the total working days lost.
- qualified social workers shown against the total Trust workforce.
- ethnicity and gender breakdown.
- age and gender breakdown.
- HC means head-count. FTE means full-time equivalent.



In response to the Council's plans to close buildings out of which the Trust operates, we have reviewed our accommodation requirements and will be acquiring a lease on a new headquarters building, replacing Lancaster Circus, Sutton New Road and New Aston House. This new premises, and Lifford House in the south of the city, will be our key administrative centres, but both buildings will be public-facing and accessible to those using our services. The rental for accommodation will be funded within the current financial envelope.

Our overall footprint will reduce, as we embrace a hybrid, flexible working model which finds the 'sweet spot' between flexible and home-based working that has been largely successful during the pandemic, and the need for staff to maintain human contact and relationships to support their work: with peers and colleagues, with managers, and with partners.



Section 10

Trust Financial Position and Budget

10. Trust Financial Position and Budget

The Trust's financial position for 2022/23 has been very challenging not least as there was no real increase in the core contract sum for 2022/23, thus creating a "baked in" pressure of some £9.8m (5%) being carried forward from 2021/22. The forecast rise in the care population has again proven to be very accurate, however the number of asylum-seeking children has increased significantly and was not planned. This, together with complexity of need and a continued rise in the number of children in high-cost placements, has resulted in a gross cost pressure of £26.7m for 2022/23. Management action and efficiencies delivered across the Trust, together with additional grant from the Household Support Fund and use of the Supporting Families reserve, has provided off-setting savings of £2.7m, reducing the overall deficit to £24.0m (10%).

The additional in-year pressure of a further 5% still compares very favourably with national comparators and the rate of children in care per 10,000 is still the lowest when compared to the West Midlands and Core Cities (confirmed by an independent review of budget sufficiency by the Chartered Institute of Public Finance & Accountancy [CIPFA] commissioned by the Council and published in 2022). Prior to this CIPFA had rated the Trust as having "strong financial management in place" and rating it 3 out of 5 stars.

The Trust recognises the financial challenges faced by the Council and continues to bear down on costs to deliver good Value for Money. While the rate of children in care is rising it remains well below comparator authorities and core cities. We can evidence the avoided costs resulting from our Stronger Families programme, and in the coming year will complete a review of our shape and structure to improve further our efficiency as well as our effectiveness.

With the support of the Council, the Trust has continued to invest in early help and wider intervention and prevention initiatives. A recent independent review highlighted that the cost avoidance from this activity is £17m (excluding early help) and the Trust's own assessment is that early help is delivering cost avoidance of £5m compared per annum cumulatively.

The on-going pressures have formed the basis of the budget negotiations with the Council in respect of the core contract sum for 2023/24. The Trust's Medium-Term Financial Plan (MTFP) includes a real increase in the core contract sum of £23.6m. The agreed contract sum which will form the basis of the Trust's revenue budget for 2023/24 is £272.0m. The breakdown and key assumptions behind this are as follows:

- £232.5m core contract sum carried forward from 2022/3.
- £15.0m provision to cover pay and non-pay inflation – this represents an increase of more than double the previous year's assumption reflecting higher rates of inflation.
- £0.9m towards the continuation of early help for another twelve months.
- £20.0m to reflect a real increase in the cost of placements.
- £3.6m for the continued impact of demography changes.

The Trust's capital proposals approved by the Council at a Cabinet meeting in March 2022 includes capital funding of £1.1m in 2023/24 as part of a five year capital programme of £6.25m as shown in the table below.

	22/23 £m	23/24 £m	24/25 £m	25/26 £m	26/27 £m	Total £m
Capital programme	1.65	1.3	1.1	1.1	1.1	6.25

Key elements of the 2023/24 capital investment will enable the Trust to:

- create new residential facilities for children with the opening of up to four satellite homes to operate alongside the newly opened Bridgelands (former Braymoor) which provides additional capacity to support children with emotional and behavioural difficulties.
- invest further in our existing residential care homes including replacement of outdated kitchens, bathrooms and boilers, etc.
- create an environment which supports our practice model of a relationship-based approach to working with children and families with the opening of a new North Hub to replace Lancaster Circus and refurbishment of Lifford House as the South Hub, both of which include new and improved child protection conference facilities.

Construction inflation has affected the existing five-year capital programme and the Trust has been in discussion with the Council about the need to increase capital funding which will also include a bid to modernise space for restorative work by Youth Offending services in the light of the recent inspection findings.

How we spend our money and how we are funded

A breakdown of how the Trust spends its money and how we are funded is given below for 2023/24.

Spending and funding analysis		2023/24 (£m)
Employees		119.1
Premises		3.4
Transport		1.6
Supplies and services		6.4
Payments to third party providers		143.7
Transfer payments to other public bodies		4.5
Total planned spending		278.7
Funded by:		
	Core contract sum from Birmingham City Council	259.7
	Government grants paid via Birmingham City Council	12.3
	Total contract sum	272.0
	Other grants and contributions received direct by the Trust	6.7
Total funding		278.7



Section 11

The Children's Trust and the Council

11. The Children's Trust and the Council

The Council retains statutory accountability for children's services, and continues to provide and commission all those services for children that are not within the Trust: education support, school safeguarding, special educational needs and disabilities, school admissions and place planning, virtual school for children in care, and early years services.

Improved outcomes for children, young people and families depend upon the Council and the Trust establishing and maintaining strong and effective partnership and joint working arrangements.

These 'dependencies' have been set out in the Service Specification of the Trust Service Delivery Contract. These reflect arrangements and services for children that the Council must put in place to enable the Trust to achieve its priorities and performance targets, and include:

- ensuring all children have a school place.
- ensuring where children are not in school, support is provided to help them return to school.
- ensuring all children have 25 hours education a week.
- where children are excluded, removed from roll or otherwise prevented from attending education full-time, the Council will speedily make alternative arrangements.
- that vulnerable children between the ages of two and four have access to free day nursery provision.
- adequate housing for families in need.
- an improved early support and local offer for children with special educational needs and disabilities: this area needs to improve following most recent Ofsted inspections of SEND.
- provision of the Virtual School for our children in care, ensuring children in care, adopted and 'care experienced' children make the best possible progress and receive appropriate support to enhance their potential in school.
- youth services that can be mobilised to support the city's most vulnerable young people in the community.
- further education, training and access to employment support.



Section 12

Managing Risk

The Trust Board and Executive have agreed nine strategic risks as follows:

- **Relationship between Trust and Council** - a consistent, stable relationship with the Council is critical to the Trust.
- **Workforce** - effective delivery of service relies on maintaining a sufficient, high-performing and motivated workforce.
- **Demand pressure** - a range of factors, including the legacy of covid as lockdowns ended, and children returned to schools and settings, increases beyond current capacity creating delivery and financial pressure and consequences.
- **Significant safeguarding Incident with a child with whom the Trust is working** - a child with whom the Trust is working suffers significant harm that might have been avoided had the Trust acted differently.
- **Regulatory issues** - progress in practice improvement is not sustained or is interrupted by other factors (key staff absent; unprecedented demand etc.) leading to regulators identifying service failure in the Trust.
- **Data intelligence, use of that intelligence** - poor access to, ineffective use of and lack of capacity to cleanse data affects the Trust's understanding of demand/supply, effectiveness of service planning, efficient use of resources and quality of work to improve outcomes for children and young people.
- **Trust Development** - as a relatively new organisation with an ambitious development agenda, the risk is that key developments are not delivered, that unnecessary slippage/delay occurs or that external factors impede development.
- **Placement sufficiency** - there are insufficient regulated placements for children who require them, resulting in placements within unregulated or insecure settings.
- **Oracle (1B)** - Trust Support Service teams have no clear view of how the Oracle system will operate, end to end processes, required resource to undertake new processes and the cultural change required by the Trust to implement the new system.

These events in isolation are considered significant but if they were to impact in parallel, the combination of these would pose a serious threat to the Trust.

These strategic risks form part of the updated Strategic Risk Register which will continue to be regularly reported to the Finance and Resources Committee and the Trust Board.

The Trust Executive will monitor and manage these strategic risks as well as those key operational risks across the various Trust's activities

Appendix - Pen portrait of our children and our service



Pen portrait of our children and our service (31 March 2023)



BIRMINGHAM CHILDREN'S TRUST

Our vision is to build a Trust that provides excellent social work and family support for, and with, the city's most vulnerable children, young people and families. We give our best so young people can achieve their best.



Get in touch: birminghamchildrenstrust.co.uk Twitter @BhamChildTrust Facebook @BirminghamChildrensTrust

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