

Public Report

Birmingham City Council

Report to Cabinet Committee – Group Company Governance

21 September 2023



Subject: Company Update
Report of: Fiona Greenway, Interim Director of Finance, s151 Officer
Relevant Cabinet Member: Councillor Brigid Jones
Relevant O &S Chair(s): Councillor Akhlaq Ahmed
Report author: Alison Jarrett Director Group & Capital Finance

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential : Appendix of Company updates giving personal or commercially confidential information		

1 Executive Summary

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

2 Recommendations

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

3 Background

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

3.2 Company Changes

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

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

3.3 Annual accounts have been submitted for the following companies:

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

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

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

3.4 Company Performance

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

4 Options considered and Recommended Proposal

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

5 Consultation

5.1 The Chair of the Committee has been consulted in the preparation of this Report.

6 Risk Management

6.1 This report sets out information on external organisations associated with the Council.

7 Compliance Issues:

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

a) The Council provides services to community through a number of different vehicles. This report provides information on entities associated with the Council through which service delivery is being provided.

7.2 Legal Implications

a) The Council's Section 151 Officer has a duty to ensure the proper administration of the Council's financial affairs. The Accounts and Audit Regulations 2015, requires the Council to have effective arrangements for the management of risk.

7.3 Financial Implications

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

7.4 Procurement Implications

a) There are no procurement implications directly arising from this report.

7.5 Human Resources Implications

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

7.6 Public Sector Equality Duty

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

8 Background Documents

CIPFA Code of Practice on Local Authority Accounting