

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