

BIRMINGHAM CITY COUNCIL

CABINET COMMITTEE – GROUP COMPANY GOVERNANCE

Thursday 21 March 2023 at 1400 hours
Committee Room 2, Council House

Attendance:

Councillor Brigid Jones (Chair), Jon Hunt, Gareth Moore, and Yvonne Mosquito

Also in Attendance:

Alison Jarrett	Director Group & Capital Finance, Deputy s151, Finance & Governance (online via MS Teams)
Connie Price	Head of Law, Commercial, Procurement, Privacy & Information
Georgina Dean	Solicitor, Legal Services
Mandeep Marwaha	Committee Services

1

CHAIRS ANNOUNCEMENT

The Chair informed attendees, this was the reconvened meeting. The meeting was scheduled to take place early March however, due to severe weather conditions (snow), a decision was made to postpone the meeting. This also had an impact to the quoracy of the Committee therefore unable to proceed.

Reminder: Quoracy for this Cabinet Committee Group Company Governance is two Cabinet Members and one opposition member.

The Chair advised that and the Committee noted that this meeting would be webcast for live or subsequent broadcast via the Council's meeting You Tube site (www.youtube.com/channel/UCT2kT7ZRPFCXq6_5dnVnYlw) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

APOLOGIES

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No apologies were submitted.

It was noted Councillor Hunt would need to leave the meeting early.

DECLARATIONS OF INTERESTS

- 3 Councillor Gareth Moore declared that he was mentioned under item 5 - Company Update paper.

The Chair declared that she was on the Board of the Birmingham Airport which may be mentioned as part of item 8 – The National Exhibitions Centre (Developments) PLC discussions.

PUBLIC NOTES OF THE LAST MEETING – 17 NOVEMBER 2022 & ONLINE INFORMAL 18 NOVEMBER 2021 & INFORMAL 26 JANUARY 2023

- 4 The public notes of the 17 November 2022, the online informal notes for 18 November 2021 and 26 January 2023 notes were agreed and noted at this meeting and there were no matters arising.
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COMPANY UPDATE

The following report of the Director Group & Capital Finance, Deputy s151 was submitted:-

(See document No. 1)

The Director Group & Capital Finance gave an overview of the latest changes made across the Council's portfolio of companies since the last meeting. The private agenda contains the details of confidential updates.

It was noted there was one company change since the last meeting and this was listed under 3.2 of the report. A summary of these changes was provided.

The change was related to Birmingham Citizens Advice Bureau Limited. Companies House did not have the details of the change however, following contact with Councillor Moore, it was noted and confirmed that the change was in relation to a change of address. No accounts had been submitted since the last meeting therefore there were no audit reports to check.

The private appendix highlighted commercially confidential details associated with the companies. This gave a snapshot of the business position which is reported to each meeting of the Group Company Governance Committee on the private agenda. On the private agenda, there was a notification of a private company that would be closing.

No further questions were raised by members.

- 5 **RESOLVED: -**

- (i) The Committee noted the information provided within the report and at private appendix 1 which contains commercially confidential details concerning associated companies.

GROUP COMPANY GOVERNANCE – INFORMING THE AUDIT RISK ASSESSMENT 2022 - 2023

The following report of the Director for Council Management was submitted:-

(See document No. 2)

The Director Group & Capital Finance, Deputy s151 informed members this report is presented to the Committee annually before this is presented to Audit Committee. Any comments for Audit Committee to consider, would be noted at this meeting and forwarded through.

The Finance department undertake an exercise each year to determine the “Group Boundary”, that is to define which subsidiaries, associates and joint ventures are consolidated with the Council’s financial statements to produce Group Accounts. The larger entities within the overall Council group boundary have been asked to provide information through the completion of a questionnaire to allow Members to gain assurance that funds are being used efficiently and effectively and that information provided in respect of their financial statements may be relied on. The assurance statements have been broken down into three main areas:

- Company Environment – looking at the governance arrangements of the company
- The Identification, Mitigation and Reporting of Risk – looking at how the company manages risk
- Financial Statements – looking at factors that may impact on the company’s financial health and financial statements.

In response to members comments the following points were noted:

- Following this meeting the documents would be channelled to Audit Committee on 28 March.
- Companies that were close to the threshold were also included in the document.
- The Boards of the companies had been helpful in preparing the responses to the questionnaires. All the returns to the questionnaires had now been received.
- It was recognised this was an important role of governance the Council and this Committee had. This annual review would highlight any gaps in the governance process.

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RESOLVED: -

- (i) The Committee considered the responses from the Council’s Group Companies and no issues were identified. This would be advised to the Audit Committee.
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PETPS COMPANIES – PEN PORTRAIT (PUBLIC)

The following report of the Director Group & Capital Finance, Deputy s151 was submitted:-

(See document No. 3)

An overview of the report was provided by the Director Group & Capital Finance, Deputy s151.

It was noted the Directors listed in the report were all the Board Directors. These were vehicles/ companies which had been set up for financial reasons and structures therefore the only Directors listed on these were BCC officers.

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RESOLVED: -

Members noted the information provided within the report.

THE NATIONAL EXHIBITION CENTRE (DEVELOPMENTS) PLC – PEN PORTRAIT (PUBLIC)

The following report of the Director Group & Capital Finance, Deputy s151 was submitted:-

(See document No. 4)

An overview of the report was provided by the Director Group & Capital Finance, Deputy s151.

This was set up in order to fund the NEC halls therefore bonds were issued by the company and the Council funds the bonds repayment in 2027 through that company.

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RESOLVED: -

Members noted the information provided within the report.

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SCHEDULE OF MEETINGS – MUNICIPAL YEAR 2023/24

Members agreed the following dates for 2023/24:

Thursday 06 July 2023	1400 – 1600 hours
Thursday 21 September 2023	1500 – 1700 hours
Thursday 16 November 2023	1400 – 1600 hours
Thursday 25 January 2024	1400 – 1600 hours
Thursday 14 March 2024	1400 – 1600 hours

10 **OTHER URGENT BUSINESS**

There was no urgent business to consider.

Note: An additional meeting will be taking place on 6th June to discuss the Annual Appointments for 2023 -2024 as well as arranging some training for the Committee on Board Effectiveness.

11 **DATE OF THE NEXT MEETING**

The next meeting is scheduled on Thursday 06 July 2023 at 1400 hours.

EXCLUSION OF THE PUBLIC

RESOLVED:-

12 That, in view of the sensitive nature of the discussion due to take place relating to the PETPS Companies, The National Exhibition Centre (Developments) PLC and company updates, the public be now excluded from the meeting.
