

## Birmingham City Council

### Report to Cabinet Committee – Group Company Governance

9<sup>th</sup> March 2023



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**Subject:** PETPS (Birmingham) Ltd - Company Pen Portrait  
**Report of:** Alison Jarrett, Director Group & Capital Finance  
**Relevant Cabinet Member:** Councillor Brigid Jones  
**Relevant O &S Chair(s):** Councillor Akhlaq Ahmed  
**Report author:** Alison Jarrett

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

PETPS (Birmingham) Ltd is to present to Members on the private agenda. This report provides Members with a pen portrait of the company.

#### 2 Recommendations

2.1 Members are asked to note the information provided

### **3 Background**

- 3.1 PETPS was incorporated in November 2014 as a company limited by guarantee. Following completion of the sale of the National Exhibition Centre Ltd (NEC) by Birmingham City Council (BCC) in May 2015, the NEC was replaced as principal employer by PETPS Ltd, which is a wholly owned subsidiary of the council. PETPS then assumed the ongoing obligation of the NEC Pension Fund and the NEC Executive Pension Scheme with the agreement of the pension trustees. At the same time, the City gave guarantees to meet the current and future contingent funding obligations that may arise in respect of the liabilities.
- 3.2 In June 2020 the City implemented an asset backed funding structure in order to allow the City to finance payments to the Fund. As part of this structure the City set up wholly owned companies PETPS (Birmingham) Capital Limited and PETPS (Birmingham) General Partner Limited which established a Scottish Limited Partnership (SLP) called PETPS (Birmingham) Pension Funding SLP. This partnership was capitalised with £17.2m cash which has been loaned back to BCC. NEC Pension Trustee Company No2 which is the Trustee of the fund and a subsidiary of the company received an interest in the Partnership in 2017. Payments will be made by the City to the Partnership under the loan and the Partnership will make payments to the trustee of the Fund in accordance with an agreed distribution schedule.

#### **3.9 Board Directors are:**

Guy Olivant      - Business Partner – Group and Capital Finance  
Clare Sandland – Finance Business Partner CYP

### **4 Options considered and Recommended Proposal**

- 4.1 This report provides information to Members on NECD Ltd and will assist in the exchanges and discussion on the presentation within the private agenda.

### **5 Consultation**

- 5.1 The Chair of the Committee has been consulted on the attendance of NECD Ltd.

### **6 Risk Management**

- 6.1 This report provides an outline of the company and background for discussion of company performance with the company representatives.

## **7 Compliance Issues:**

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

The Council provides services to community through a number of different vehicles. This report provides information on Propco.

The recommended decision supports the Birmingham City Council Plan 2022, priority 1 - Prosperous: through continued economic growth, tackling unemployment, attracting inward investment and infrastructure, and maximising the opportunity of the Commonwealth Games

### **7.2 Legal Implications**

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

### **7.3 Financial Implications**

There are no financial implications directly arising from this report but Members should consider any questions or considerations arising from this report for discussion during the private agenda.

### **7.4 Procurement Implications**

There are no procurement implications directly arising from this report.

### **7.5 Human Resources Implications**

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

### **7.6 Public Sector Equality Duty**

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

## **8 Background Documents**

none