

BIRMINGHAM CITY COUNCIL

CABINET COMMITTEE – GROUP COMPANY GOVERNANCE

**Thursday 18 November 2021 at 1400
hours via an On-line informal meeting**

Attendance:

Councillor Brigid Jones, Deputy Leader - Chair
Councillors Jon Hunt and Gareth Moore

Also in Attendance:

Alison Jarrett	Assistant Director - Development and Commercial, Finance & Governance
Connie Price	Head of Law, Commercial, Procurement, Privacy & Information
Georgina Dean	Solicitor, Legal Services
Mandeep Marwaha	Committee Services

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NOTICE OF RECORDING/WEBCAST

The Chair advised and the meeting noted that this meeting would be webcast for live or subsequent broadcast via the Council's 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.

The business of the meeting and all discussions in relation to individual reports was available for public inspection via the web-stream.

The Chair informed the Members and the public, due to last minute isolation issues this meeting would be conducted as an online informal meeting rather than an in-person formal meeting. The online informal meeting was covering business as usual however any formal decisions would be ratified at the next meeting.

The Chair thanked all attendees for adjusting to an online meeting.

APOLOGIES

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Apologies were submitted on behalf Councillor Tristan Chatfield.

DECLARATIONS OF INTERESTS

- 3 In relation to item 8 – Business Improvement Districts, the Chair declared two non-pecuniary interests. She was a Member of the Colmore Business Improvement District and attended the Jewellery Quarter Business Improvement District on behalf of the Council.
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PUBLIC NOTES OF THE LAST MEETING – 15 JULY 2021 & 16 SEPTEMBER 2021

- 4 The public notes of the 15 July were noted at the online informal September meeting.

The public notes of the 16 September were noted at this meeting and there were no matters arising.

Both sets of notes were informally agreed and they would be ratified at the next meeting.

COMPANY UPDATE

The following report of the Assistant Director, Commercial and Development was submitted:-

(See document No. 1)

The Assistant Director Commercial and Development gave an overview of the latest changes made across the Council's portfolio of companies.

She highlighted a number of accounts had been submitted since the last meeting however, there were no audit issues.

Under point 3.2 of the report, the notifications made on the Companies house were listed.

- Reference was made to Birmingham Wheels and compulsory strike off on 07 September 2021 and following this the strike off on the 28 September this had been discontinued. Further details would be shared on the private agenda.
- Birmingham & Solihull Local Enterprise Partnership Limited – There was a change of registered office address from Baskerville House to new serviced offices. Details were contained within the report.

A number of accounts had been submitted since the September meeting. There were no going concern or adverse audit opinions on those that had an audit.

The private appendix highlighted commercially confidential details with associated companies – impact of Covid -19 and Brexit. This also gave a general bimonthly update.

The Assistant Director Commercial and Development highlighted if there were any companies that indicated any specific financial impact, this would be addressed in the monitoring reports.

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RESOLVED: -

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

TRAINING UPDATE

A verbal update on training was provided by the Head of Law, Commercial, Procurement, Privacy & Information

Key points noted;

- A larger formal training schedule would take after the elections in May 2022 as there may be a whole scale change with Directorships.
- In the meantime, training would be provided to Directors as and when required.
- Over the next few weeks, a couple of subject matters group training sessions would take place (e.g., Directors for Finance Companies and Cultural Sector). The training would be tailored according to the type of industry they were.
- Directors of Companies within the Cultural Sector would trained together. This would include companies such as City of Birmingham Symphony Orchestra; B:Music; Birmingham Museums Trust; West Midlands Arts Limited.
- In January 2022, Board Effectiveness Training would be delivered. This would cover areas such as addressing the issue of what Boards were currently doing and were supposed to do.
- 1 -2 Companies identified required greater confidence in knowledge and expertise of the Boards. A few areas of weakness had been identified in which an external provider would address.
- It was expected the Board Effectiveness Training would test and train on matters such as.
 - Risks – financial and reputational.
 - Effectiveness of processes in place to address matters around health and safety.
 - What a board agenda should look like;
 - Standing orders that should be in place;
 - Robust audit processes in place;
 - Audit Committee – what an audit committee should look like and when to trigger Auditors to intervene via the Audit letter.

- Details around what a board pack should look like would be included – previous minutes; agendas; health and safety etc.
- What a business plan should look like and contain – how far back and forward a business plan should be looking - Forecasting.
- Encourage and empower Board Directors to trust their instinct and challenge issues.
- The invitation to the Board Effectiveness training would be extended to Members of the Cabinet Committee Group Company Governance.

The Assistant Director Commercial and Development notified the Committee, a contact officers had been identified against each Board. She suggested these officers to be included in the training cohort. It was noted an officer who worked with the Business Improvement Districts had already expressed an interest in Director training and the Board Effectiveness would be picked up accordingly.

No comments were made by the Members.

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RESOLVED: -

The Committee noted the verbal update on training.

GOVERNANCE REVIEW UPDATE

The following report of the Assistant Director, Commercial and Development was submitted:-

(See document No. 2)

The Assistant Director Commercial and Development notified members this was an update to the discussions which took place in July and September's meetings. The Improvement Plan was discussed at the September meeting. The actions were not ratified at the previous meeting however, progress on the work had taken place. The decisions would be ratified at the next formal meeting.

An update was provided on the actions in which the appendix gave the detail.

Key points noted;

- One action was due for completion by November 2021 – Review of all the appointments – the intention was to take a paper to Corporate Leadership Team (CLT) which would be shared in the near future as the budget for the Council had taken priority.
- There was a shortage of officers being appointed to Boards where appropriate. CLT would decide what training was required for each cohort across the council and ensure appropriate appointments were being made and add value to the companies.
- Officers would be identified and appointed via the Council's Management Team Directorate, and this would be ratified via the CLT report.

- Each company would have a named officer, and this was currently being updated with a protocol being put in place to ensure support and training were in place.
- The rest of the actions were in various stages and progress.
- Arrangements were taking place for an informal discussion to ensure all areas related to companies covered between Audit Committee and Cabinet Committee Group Company Governance and there were no gaps.

Members response;

- Councillor Moore requested for the final appointments document to be shared with the political groups as soon as it was agreed so that work could take place immediately ahead of the new municipal year.
- The Assistant Director Commercial and Development would share the detail of the companies and appointments required by January 2022.
- The Chair suggested to review the 'need' to have an appointment for a particular Board and their relevance as due to the reduced number of Councillors within Birmingham (from 120 Councillors to the current 101 Councillors), it was difficult to assign them to Company Boards.
- Officers to review the following; if it was relevant to have a board members on the company board; purpose to BCC to have an appointment; was it an invite from the company; historic arrangement that was not relevant anymore; was there a better way to have a relationship with the company etc
- The Chair referred to her place at the Jewellery Quarter Board, where she was a Council Nominee/ guest – Council liaison. This would be captured whilst working through the requirements for each of the companies.
- The Trust and Charities was another area where appointments were being made and this was a separate area to the Company appointments.
- The Chair suggested an informal meeting with the Chair and relevant officers for the Trust and Charities Committee as well as Audit Committee to ensure there were no gaps between the Committees.
- Non-companies spreadsheet including Trust and Charities to be shared at the January 2022 meeting.
- An update to the Governance Review be provided at the next meeting.

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RESOLVED: -

That the Committee;

- (i) Noted the information provided within the report and the improvement plan at appendix 1.
- (ii) Noted the actions and target implementation dates that refer to CC-GCG members. This would be confirmed at the next formal meeting.

- (iii) Noted to receive updates on governance process enhancements in line with target implementation dates, including an updated Group Company risk register.
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BUSINESS IMPROVEMENT DISTRICTS

The following report of the Assistant Director, Commercial and Development was submitted:-

(See document No. 3)

The Chair made introductory comments around the Business Improvement Districts as a whole and the governance arrangements and the role of the council.

The Assistant Director Commercial and Development highlighted there were 12 BIDs set up as not-for-profit companies in Birmingham. Business Improvement Districts were business led partnerships which were created through a ballot process to deliver additional services to local businesses. A Business Improvement District was a defined area in which a levy is charged on all business rate payers in addition to the business rates bill. This levy is used to develop projects, opportunities which will benefit businesses in the local geographical areas. Further details would be provided on the private agenda.

The Chair noted the information within this area can be commercially sensitive therefore discussions would continue in private.

No comments were made by the Members.

8 **RESOLVED: -**

Members noted the information provided in the Business Improvement Districts report.

DATE OF NEXT MEETING

- 9 The next meeting is scheduled to take place on Thursday 13 January 2022 at 1400hours.
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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 the Business Improvement Districts and the Birmingham Wheels Limited update, the public be now excluded from the meeting.
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