

Public Report

## Birmingham City Council

### Report to Cabinet Committee – Group Company Governance

12<sup>th</sup> November 2020



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**Subject:** Acivico Group Ltd - Company Pen Portrait  
**Report of:** Alison Jarrett, AD Commercial and Development,  
Finance & Governance  
**Relevant Cabinet Member:** Councillor Brigid Jones  
**Relevant O &S Chair(s):** Councillor Sir Albert Bore  
**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

Acivico Group 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 Acivico Ltd – in 2019/20 filed accounts showing a turnover of £25m giving rise to a profit of £4m (after exceptional/pension settlement gain of £3.5m)
- 3.2 Acivico Limited was created as a wholly owned subsidiary of the Council in September 2011. It has 2 subsidiaries - Acivico (Building Consultancy) Ltd and Acivico (Design, Construction and Facilities Management) Ltd. In 2020 following presentation to CCGCG and April 2020 Cabinet approval the company is expanding with a non-teckal trading arm in order to achieve expansion and a higher private sector market share. Until that point the company will continue to operate solely under Teckal requirements.
- 3.3 The principal activities of the group of companies are for the provision of consultancy, design, construction and facilities management within the construction and property industry.
- 3.4 Acivico has previously been in financial difficulties and as a result undertook a full review of its activities during 2018/19. The council gave an undertaking to the auditors to support the company enabling a going concern opinion to be given and awarded Acivico a new three year contract from 2019/20. By the end of this contract it is expected that Acivico will be a self-financing entity no longer reliant on the council for its main contract/turnover.
- 3.5 The company has recently appointed a new Group Managing Director, Chris Hall who was the former Director of Operations, and has retained and built a strong senior management team in support.

#### 3.5 Key personnel and board members within Acivico are:

Chris Hall – Group Managing Director

Vicki Palazon – Director Finance, IT and Resources

Mark Holden – Strategic Development Director

Ian Moss - Director Organisational Development & HR

#### **BCC Board Members**

Cllr Ken Wood

Cllr Peter Griffiths

Cllr Frederick Grindrod

Company Secretary Support is provided by BCC legal services and the Chief Finance Officer and her deputy are observers on the board.

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

- 4.1 This report provides information to Members on Acivico 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 Acivico 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 recommended decision supports the Birmingham City Council Plan 2018-2022, contributing to the priority of Birmingham being an entrepreneurial city to learn, work and invest in.

### **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