

Birmingham City Council

Report to Cabinet Committee – Group Company Governance

22 September 2022



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 Mohammed Aikhlaq

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 2021/22 final outturn reported a turnover of £30.3m (2020/21 £26.3m) giving rise to a loss of £0.08m (2020/21 loss of £2.4m).
- 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 expanded with a non-teckal trading arm in order to achieve a higher private sector market share and a sustainable future outside of any exclusivity agreements with the council. The 2 main Acivico subsidiaries continue to operate 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 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 with a broad portfolio of teckal and non-teckal contracts. This was prior to Covid, however performance remained positive during this period and the company was able to continue to trade and avoid significant financial impact.
- 3.5 The company is headed by Group Managing Director, Chris Hall and the board is chaired by Alison McKinna.

3.5 Key personnel and board members within Acivico are:

Chris Hall – Group Managing Director

Vacant - appointment made to commence October 2022 – Director Finance, IT and Resources

Marcus Passant - Director Organisational Development & HR

Kevin Blunden - Director of Building Consultancy

Darren Quincy - Director Design, Construction Consultancy & Facilities Management

BCC Board Members

Cllr Ken Wood

Cllr Peter Griffiths - to April 2022

Vacancy

NED recruitment to take place

The Director of Council Management and her deputy s151 officer 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