

# BIRMINGHAM CITY COUNCIL

**PUBLIC**

<b>Report to:</b>	<b>CABINET COMMITTEE – GROUP COMPANY GOVERNANCE</b>
<b>Report of:</b> <b>Date of Decision:</b>	<b>Corporate Director, Finance &amp; Governance 12 December 2018</b>
<b>SUBJECT:</b>	<b>COUNCIL RELATED COMPANIES – UPDATE</b>
<b>Key Decision: No</b>	<b>Relevant Forward Plan Ref:</b>
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved</b> <input type="checkbox"/> <b>O&amp;S Chairman approved</b> <input type="checkbox"/>
<b>Relevant Cabinet Member(s) or Relevant Executive Member:</b>	<b>Councillor Brigid Jones – Deputy Leader</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Sir Albert Bore, Resources O&amp;S Committee</b>
<b>Wards affected:</b>	<b>City Wide</b>

<b>1. Purpose of report:</b>
<p>1.1 This report provides the Committee with an update of the composition of companies with which the Council has a relationship and which may fall within the scope of consolidation in the Council's Group financial statements.</p>

<b>2. Decision(s) recommended:</b>
<p>That the Committee:-</p> <p>2.1 Notes the detail of companies.</p> <p>2.2 Considers the impact on the forward plan of the Committee</p>

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<b>3.</b>	<b>Consultation</b>
3.1	<u>Internal</u> Officers in Finance & Legal have been consulted on the composition of the attached list.
3.2	<u>External</u> None.
<b>4.</b>	<b>Compliance Issues:</b>
4.1	<u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u>  The purpose of the Cabinet Committee - Group Company Governance encompasses a role in ensuring that the business plans of individual companies align to the council's policy objectives.
4.2	<u>Financial Implications</u> <u>(Will decisions be carried out within existing finance and resources?)</u>  The Committee has a role in reviewing the financial position of the Council's subsidiaries and associates and evaluating the financial risks and opportunities of their business plans. There are no financial implications associated with this report.
4.3	<u>Legal Implications</u>  Section V of the Local Part V, Local Government and Housing Act 1989 enables the Council to trade or deliver certain of its functions through a company. Sections 93 & 95 of the Local Government Act 2003, empowers the Council to trade function-related activities through a wholly owned company.  The Cabinet Committee will operate within the provisions of the Local Government Act 2000, which gives the Executive the power to appoint committees for the exercise of defined responsibilities and functions and in accordance with Article 5(d) of the City Council's Constitution.
4.4	<u>Public Sector Equality Duty (see separate guidance note)</u>  None

**5. Relevant background/chronology of key events:**

5.1 Attached at appendix 1 is a schedule of companies in which the Council has an interest, either through its creation, a shareholding or representation on the board of the organisation. Each relationship has to be tested to determine the extent of the Council's control, if any.

5.2 Attached at appendix 2 is a list of companies with details of the Council's nominated representatives and at appendix 3, a list of the Council's nominated representatives by company.

5.3 Changes in Companies in 2017/18

Since the last report considered by this Committee at its meeting on 13 November, no companies have been created by the Council. However, two new companies have been identified, which relate to investments by one of the companies in which the Council has an interest.

**6. Evaluation of alternative option(s):**

6.1 Not applicable

**7. Reasons for Decision(s):**

7.1 To note the changes to the list of companies in which the city council has a financial interest

**Signature**

**Date**

Clive Heaphy, Corporate  
Director – Finance &  
Governance

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**List of Background Documents used to compile this Report:**

None

**List of Appendices accompanying this Report (if any):**

1. Companies in which Birmingham City Council has a financial interest
2. Companies with list of Council appointed by Directors
3. Council appointed Directors with list of their appointments