

# **BIRMINGHAM CITY COUNCIL**

## **CABINET COMMITTEE - GROUP COMPANY GOVERNANCE**

**THURSDAY, 13 JANUARY 2022 AT 14:00 HOURS**  
**IN ON-LINE INFORMAL MEETING, MICROSOFT TEAMS**

### **A G E N D A**

1 **NOTICE OF RECORDING/WEBCAST**

The Chair to advise/meeting to note that this meeting will be webcast for live or subsequent broadcast via the Council's meeting You Tube site ([www.youtube.com/channel/UCT2kT7ZRPFCXq6\\_5dnVnYlw](https://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.

2 **APOLOGIES**

To receive any apologies.

3 **DECLARATIONS OF INTERESTS**

Members are reminded that they must declare all relevant pecuniary and non pecuniary interests arising from any business to be discussed at this meeting. If a disclosable pecuniary interest is declared a Member must not speak or take part in that agenda item. Any declarations will be recorded in the minutes of the meeting.

**3 - 6**

4 **COMPANY UPDATE**

Information update.

5 **TRAINING UPDATE**

Verbal update from the Head of Law - Commercial, Procurement, Privacy & Information.

**7 - 10**

6 **BIRMINGHAM AIRPORT**

Report of Assistant Director - Commercial and Development.

7 **DATE AND TIME OF NEXT MEETING**

The next meeting is scheduled on Thursday, 17 March 2022 at 1400 hours.

8 **OTHER URGENT BUSINESS**

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chair are matters of urgency.

9 **EXCLUSION OF THE PUBLIC**

That in view of the nature of the business to be transacted which includes exempt information of the category indicated the public be now excluded from the meeting:-

Exempt Paragraph 3

10 **BIRMINGHAM AIRPORT**

Item Description

11 **COMPANY UPDATE**

Item Description

12 **OTHER URGENT BUSINESS (EXEMPT INFORMATION)**

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chair are matters of urgency.

## Public Report

## Birmingham City Council

Report to Cabinet Committee – Group  
Company Governance

13 January 2022



**Subject:** Company Update

**Report of:** Rebecca Hellard, Director Council Management

**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**

This report provides Members with an update on changes within entities that fall within the Council's group structure.

**2 Recommendations**

- 2.1 Members are asked to note the information provided within the report and at private appendix 1 which contains commercially confidential details concerning group and associated companies.

### 3 Background

3.1 There have been a number of changes in companies that fall within the Council's group structure, which have been detailed below.

#### 3.2 Company Changes

Details of changes in companies are set out below, where a termination or appointment is made that is not a BCC member, officer or associate it is not noted.

1 ARDEN CROSS LIMITED (09948413) 16-Nov-21 PSC06 Change of details for Birmingham City Council as a person with significant control on 26 September 2020

2 PropCo Ltd – 15 December 2021 - resignation of Kathryn James, Assistant Director Property as Director and appointment of Alison Jarrett, Director Group & Capital Finance as Director.

3.3 Annual accounts have been submitted for the following companies:

Company		unqualified audit (where applicable)
THE GREATER BIRMINGHAM AND SOLIHULL LOCAL ENTERPRISE PARTNERSHIP LIMITED (07635395) - 16-Nov-21	Full accounts made up to 31 March 2021	Y
COLMORE BUSINESS DISTRICT LIMITED (06731032) - 18-Nov-21	Accounts for a small company made up to 31 March 2021	Y
BIRMINGHAM DISABILITY RESOURCE CENTRE (02897250) - 19-Nov-21	Accounts for a small company made up to 31 March 2021	Y
BIRMINGHAM ENDEAVOUR LIMITED (09995787) - 30-Nov-21	Unaudited abridged accounts made up to 28 February 2021	N/A
UNIQUE VENUES BIRMINGHAM LIMITED (10661257) - 10-Dec-21	Accounts for a small company made up to 31 March 2021	Y
CENTRAL TECHNOLOGY BELT (04649812) - 21-Dec-21	Accounts for a small company made up to 31 March 2021	N/A
WITTON LODGE COMMUNITY ASSOCIATION (02903760) - 21-Dec-21	Group of companies' accounts made up to 31 March 2021	Y

INREACH (BIRMINGHAM) LIMITED (09352102) - 21-Dec-21	Accounts for a small company made up to 31 March 2021	Y
FORWARD HOMES (BIRMINGHAM) LIMITED (09451223) - 21-Dec-21	Accounts for a dormant company made up to 31 March 2021	N/A
BIRMINGHAM MUNICIPAL HOUSING LIMITED (07021056) - 21-Dec-21	Accounts for a dormant company made up to 31 March 2021	N/A
THE JEWELLERY QUARTER DEVELOPMENT TRUST CIC (07675188) - 22-Dec-21	Total exemption full accounts made up to 31 March 2021	Y
BIRMINGHAM SETTLEMENT (THE) (01946604) - 24-Dec-21	Total exemption full accounts made up to 31 March 2021	Y
BIRMINGHAM VENTURE CAPITAL LIMITED (01977205) - 29-Dec-21	Total exemption full accounts made up to 31 March 2021	N/A

### 3.4 Company Performance

A review of the material group company interests of the council is an ongoing process to understand current impacts, including Covid, supply chain costs, and Brexit on their business plans and performance. A snapshot of the business position is reported to each meeting of the Group Company Governance Committee on the private agenda and this month they are broadened to cover the company's performance, risks and issues, not necessarily focussing on the impact of Covid. The content of these reports will be reviewed to ensure they meet the needs of the Committee's terms of reference. As these updates contain commercially sensitive information that may impact on performance were it to be made public, they will remain on the private agenda however company information is reported on Companies House as required. Where it is indicated that there is a risk of a financial impact to the council then that will be reported within the regular revenue and capital monitoring reports to Cabinet.

## 4 Options considered and Recommended Proposal

- 4.1 This report provides information to Members on changes to organisations that fall within the Council's group structure. Further reports will be provided to future meetings of this committee.

## 5 Consultation

- 5.1 The Chair of the Committee has been consulted in the preparation of this Report.

## 6 Risk Management

- 6.1 This report sets out information on external organisations associated with the Council.

## **7 Compliance Issues:**

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

- a) The Council provides services to community through a number of different vehicles. This report provides information on entities associated with the Council through which service delivery is being provided.

### **7.2 Legal Implications**

- a) 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**

- a) The Council needs to consider whether any of the changes in the company group structure has a financial impact on or increases the financial risks to the Council.

### **7.4 Procurement Implications**

- a) There are no procurement implications directly arising from this report.

### **7.5 Human Resources Implications**

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

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

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

## **8 Background Documents**

CIPFA Code of Practice on Local Authority Accounting

Public Report

**Birmingham City Council****Report to Cabinet Committee – Group  
Company Governance**

13 January 2022



**Subject:** Birmingham Airport

**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**

A presentation is to be made to the Committee on the Council's company holdings within the Birmingham Airport Group. This report provides Members with an outline of the company and BCC interests.

**2 Recommendations**

2.1 Members are asked to note the information provided

### **3 Background**

- 3.1 Together, the 7 West Midland Authorities (“Authorities”) own 49% of Birmingham Airport Holdings Limited (BAHL), and vote in one block at meetings. The Council owns 18.68% of BAHL’s total ordinary shares, holding 19.2% of BAHL’s “A” and “C” ordinary shares, in addition to £5.9m preference shares which pay a fixed dividend of 6.31%. In both 2018/19 and 2019/20, notably prior to the Covid pandemic, the Council received over £5million income from its investment.
- 3.2 Birmingham Airport plays a very significant role in the regional economy, providing the air connectivity vital for international trade, investment and employment, the growth of inbound tourism, and access to outbound leisure destinations. Prior to Covid-19, 7,000 people were directly employed by companies located within the Airport boundary and a further 9,900 people were employed indirectly to supply goods and services to the Airport. The Airport’s net economic impact including catalytic effects in the West Midlands region was estimated as £1.5billion GVA (Gross Value Added), and 30,900 jobs.
- 3.3 The Covid-19 pandemic has led to the worst decline in traffic and income in BAHL’s history. In response, BAHL reduced costs where possible, without impacting the ability to resume normal operations when travel restrictions are lifted. This included a two-phase restructure which has resulted in around 43% reduction in roles throughout the workforce.
- 3.4 In January 2021, Cabinet agreed to provide support to the organisation if required at a level that results in the Authorities’ total support being in proportion to their current collective investment in BAHL. Specifically a commercial terms loan facility of up to £18.5m was approved.
- 3.5 The City Council appointed Directors on the Board of BAHL are Councillors Tristan Chatfield and Paul Tilsley.

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

- 4.1 This report provides information to Members on the council’s interest in the Birmingham Airport Group and will assist in the exchanges and discussion on the presentation within the private agenda.

### **5 Consultation**

- 5.1 No consultation has been undertaken.

### **6 Risk Management**

- 6.1 This report provides an outline of the company and background for discussion of company performance with the Council’s liaison and support officer for the company.

### **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

