

BIRMINGHAM CITY COUNCIL

**CABINET COMMITTEE
GROUP COMPANY
GOVERNANCE
12 DECEMBER 2018**

Attendance:

Councillor Brigid Jones, Deputy Leader in the Chair;
Councillors Debbie Clancy and Jon Hunt

Also in Attendance:

Kate Charlton	City Solicitor
Connie Price	Head of Service - Legal
Georgina Dean	Solicitor
Martin Stevens	Head of City Finance Accounts
Richard Tibbatts	Head of Category – Strategic Services
Marie Reynolds	Committee Services

Andrew Christie	Chair	– Birmingham Children's Trust
Andy Couldrick	Chief Executive	– Birmingham Children's Trust
Jon Glasby	Non-Executive Director	– appointed by BCC

APOLOGIES

- 1 Councillor Brett O'Reilly and Clive Heaphy submitted their apologies.
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DECLARATIONS OF INTERESTS

- 2 Martin Stevens – interests detailed in Council Related Companies –
Report of the Corporate Director, Finance and Governance (Appendices 2 & 3).

Following a discussion it was:-

- 3 **RESOLVED:-**

That only declarations of interest be recorded that related to the companies discussed at the meeting.

PUBLIC NOTES OF THE LAST MEETING

- 4 The public notes of the last meeting were agreed.
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TRAINING UPDATE - COMPANY MEMBERS AND COMPANY DIRECTORS

5 Connie Price, Legal Services, updated on the following:-

4 December 2018 provided training (roles and responsibilities of director) to Finance Officer (grade 6) he had found written material useful – encouraging feedback.

24 January 2019 – further training for members and officers - (BCC's companies – roles and responsibilities of directors). Connie suggested invite letter for training be sent on behalf of Chair and relevant senior officers to increase attendance levels – direct bearing on future company appointments next year.

Connie negotiating with Chair, Trust and Charities – acknowledged charity expert from Liverpool – will update accordingly.

The Committee noted the following action points:-

- Training scheduled for members and officers – 24 January 2019 – invite letter to directors – sent on behalf of Chair and relevant senior officers.
- Invite letter - Cllrs Clancy and Hunt – encourage their respective parties.
- Richard Tibbatts request for training – January 2019 accepted.

GROUP COMPANY – RISK REGISTER

The following report of the Corporate Director, Finance and Governance was submitted:-

(See document No. 1)

Martin Stevens, Head of City Finance introduced the report and referred to the 2 additional risks detailed in 4.1 of the report. He confirmed that any actions taken would be reported accordingly.

During the discussion the following action points were captured:-

- Consider top ten companies – risk assurance/business plan – discussion
- Oversight of companies where risks may apply
- Any company at risk – brought to committee.

6 **RESOLVED:-**

The Committee considered the information provided.

Determine whether the judgement on the risks were reasonable and assess whether mitigating actions are sufficient to reduce the risk to the Council to an acceptable level.

REQUIREMENTS FOR COMPANY STATUTORY FILING

The following report of the Corporate Director – Finance & Governance was submitted:-

(See document No. 2)

Martin Stevens, Head of City Finance introduced the report.

During the discussion it was raised that where as a director there was a personal liability that there was a need for a chasing mechanism in place to prevent delays and the avoidance of penalties.

Connie Price, Head of Service, Legal updated the Committee on Commonwealth Games (Birmingham) CIC that it had been set up under a growth company; the series of events leading up to action being taken as a result of forgetting to file their accounts, the reputational impact and the subsequent action that was taking place to seek provision for the company to be dissolved.

It was confirmed that within training statutory filing was covered.

During the discussion the following action point was captured:-

- Next Meeting – draft protocols – companies – process for nomination

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RESOLVED:-

The Committee noted the report;

The Committee noted further reports would be provided where companies failed to meet statutory deadlines for reporting information.

COUNCIL RELATED COMPANIES - UPDATE

The following report of the Corporate Director – Finance & Governance was submitted:-

(See document No. 3)

Martin Stevens, Head of City Finance introduced the report. He confirmed that no companies had been created by the Council since the last meeting, however, two new companies had been identified which related to investments by one of the companies in which the Council held an interest.

During the discussion it was explained why some dormant companies were set up to carry a brand/trademark although not actively trading.

Action points:-

- Continue to work through list of Companies
- Pen Portraits
- Active/Dormant
- Directors – check conflicts – report at appropriate time

8 **RESOLVED:-**

The Committee noted the detail of companies and;

Considered the impact on the forward plan of the Committee

GROUP COMPANY GOVERNANCE – SECTION 24 RECOMMENDATIONS

The following report of the Corporate Director – Finance & Governance was submitted:-

(See document No. 4)

Martin Stevens, Head of City Finance introduced the report.

9 **RESOLVED:-**

The Committee noted:-

the proposed actions to mitigate the concerns of the External Auditor;

the progress in delivering the proposed actions to date.

BIRMINGHAM CHILDREN'S TRUST CIC – PEN PORTRAIT

The following report of the Corporate Director – Finance & Governance was submitted:-

(See document No. 5)

Martin Stevens, Head of City Finance introduced the report. The following points captured:-

- Asset Locked Company
- Due to first year of trading – lack of accounting information
- Risk Assurance – January 2019
- Draft Accounts – April 2019
- Pension liability cost – fully funded.

10 **RESOLVED:-**

The Committee noted the report.

DATE OF NEXT MEETING

11 The next meeting is scheduled to take place on Wednesday, 16 January 2019 at 1100 hours in Committee Room 2, Council House.

EXCLUSION OF THE PUBLIC

12 **RESOLVED:-**

That, in view of the sensitive nature of the discussion due to take place relating to Birmingham Children's Trust, the public be now excluded from the meeting.
