

Public Report

Birmingham City Council

**Report to Cabinet Committee – Group
Company Governance**

20 February 2020



Subject: Acivico Limited – Pen Portrait
Report of: Interim Chief Finance Officer
Relevant Cabinet Member: Councillor Brigid Jones

Relevant O &S Chair(s): Councillor Sir Albert Bore
Report author: Martin Stevens

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

- 1.1 This report sets out summary information in respect of Acivico Limited as background information to the company update presentation on this agenda.

2 Recommendations

- 2.1 Members are recommended to note the information in this report.

3 Background

- 3.1 Acivico Limited (Acivico) was created as a wholly owned subsidiary of the Council in September 2011.

3.2 Acivico operates through two active subsidiaries:

- Acivico (Building Consultancy) Limited
- Acivico (Design, Construction and Facilities Management) Limited

3.3 Acivico has been designed as a Teckal company, which means that 80% or more of its activity has to be through contracts for services with the Council. The benefit of being a Teckal company means that contracts may be awarded without going through a public tendering exercise.

3.4 Acivico created a third subsidiary company, Acivico Traded Services Limited, in August 2019. The company has been created with the intention of growing the business externally (outside of the Council service agreement), and which could include winning work from the Council under competition.

3.5 The principal activities of the group of companies were for the provision of consultancy (BC) and design, construction and facilities management (DCFM) within the construction and property industry. The company holds two principal contracts with the Council for the delivery of DCFM and BC services, including the statutory function of Building Control within the Council's administrative boundary. The company also generates income through the provision of services through external contracts.

3.6 During 2019/20, Acivico has been undertaking significant transformation and restructuring activities to address matters that were reported to Cabinet Committee in December 2018. Acivico will provide a progress report at this meeting.

3.7 A summary of Acivico, including details of its financial position, are set out in Appendix 1 to this report.

4 Options considered and Recommended Proposal

4.1 This report provides information to Members on Acivico Limited.

5 Consultation

5.1 This report is being presented under any other urgent business.

6 Risk Management

6.1 This report provides information for Members and there are no risk management issues arising.

7 Compliance Issues:

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

- a) The Council has created companies to support the delivery of services.

7.2 Legal Implications

- a) There are no legal implications associated with this report.

7.3 Financial Implications

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

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 Resource implications directly arising from this report.

7.6 Public Sector Equality Duty

- a) There are no specific Equality Duty or Equality Analysis issues relating to the proposals set out in this report.

8 Background Documents

None

Acivico Limited
Company N°: **07792304**

Subsidiary Companies	Acivico (Building Consultancy) Limited	23 January 2012	
	Acivico (Design, Construction and Facilities Management) Limited	23 January 2012	
	Acivico Traded Services Limited (dormant)	1 August 2019	
Directors	Ian Briggs (Chair)		
	Councillor Peter Griffiths		
	Councillor Frederick Grindrod		
	Alison Heather McKinna		
	Councillor Kenneth Wood		
	Ian Benson		
Senior Officers	Ian Benson – Chief Executive Officer - Interim		
	Christopher Hall – Deputy Chief Executive & Director of Operations - Interim		
	Vicki Palazon – Director for Finance & Resources – Interim		
	Ian Moss – Director for Organisational Development & HR - Interim		
Company Purpose	Acivico is a multi-service company providing services in design, construction, facilities management, building control, laboratories and cleaning to clients across the public and private sectors.		
Financial Year End	31 March		
Filing Date	31 December		
Financial Information	2018/19	2017/18	2016/17
Accounts Filed	11 October 2019	27 December 2018	6 April 2018
	£m	£m	£m
Turnover	31.4	31.4	35.5
Operating Profit/(Loss)	(3.1)	(6.3)	(2.3)
Profit/(Loss) after tax	(3.3)	(6.5)	(2.5)
Balance Sheet			
Fixed Assets	1.8	2.1	2.3
Current Assets	9.9	12.2	15.1
Current Liabilities	(16.2)	(18.7)	(18.2)
Other Liabilities	(0.3)	(0.5)	
Pension Liability	(10.9)	(9.3)	(7.8)
Net Assets/(Liabilities)	(15.8)	(14.2)	(8.6)
Profit & Loss A/c	(15.8)	(14.2)	(8.6)
Net Reserves	(15.8)	(14.2)	(8.6)

