# **BIRMINGHAM CITY COUNCIL**

# **CABINET COMMITTEE - GROUP COMPANY GOVERNANCE**

# THURSDAY, 22 SEPTEMBER 2022 AT 14:00 HOURS IN COMMITTEE ROOM 6, COUNCIL HOUSE, VICTORIA SQUARE, BIRMINGHAM, B1 1BB

# <u>A G E N D A</u>

# 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 (<u>www.youtube.com/channel/UCT2kT7ZRPFCXq6\_5dnVnYlw</u>) 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.

# 5 - 10 4 <u>PUBLIC NOTES OF THE LAST MEETING – 06 JULY 2022</u>

Notes of the meeting to be confirmed.

# 5 <u>COMPANY UPDATE</u>

Information update.

# 6 TRAINING UPDATE

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

# 7ACIVICO LIMITED - PEN PORTRAIT (PUBLIC)15 - 18

Report of Director Group & Capital Finance, Deputy s151

# 8B:MUSIC - PEN PORTRAIT (PUBLIC)19 - 22

Report of Director Group & Capital Finance, Deputy s151

#### 9 DATE OF THE NEXT MEETING

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

#### 10 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.

#### 11 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

# PRIVATE AGENDA

#### 12 ACIVICO LIMITED - (PRIVATE)

Item Description

#### 13 **B:MUSIC - (PRIVATE)**

Item Description

#### 14 PRIVATE NOTES OF THE LAST MEETING – 06 JULY 2022

Item Description

#### 15 **COMPANY UPDATE - PRIVATE**

Item Description

# 16 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.

# **BIRMINGHAM CITY COUNCIL**

# CABINET COMMITTEE – GROUP COMPANY GOVERNANCE

Wednesday 06 July 2022 at 1400 hours Committee Room A, Council House Extension, 6 Margaret Street Birmingham B3 3BG

#### Attendance:

Councillor Brigid Jones, Deputy Leader - Chair Councillors Jon Hunt, Ewan Mackey and Yvonne Mosquito

# Also in Attendance:

Alison Jarrett

Connie Price

1

Georgina Dean Mandeep Marwaha Director Group & Capital Finance, Deputy s151, Finance & Governance Head of Law, Commercial, Procurement, Privacy & Information Solicitor, Legal Services Committee Services

#### \*\*\*\*\*\*\*

# NOTICE OF RECORDING/WEBCAST

The Chair advised and the meeting noted that this meeting would be webcast for live or subsequent broadcast via the Council's You Tube site (<u>www.youtube.com/channel/UCT2kT7ZRPFCXq6\_5dnVnYlw</u>) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

# The business of the meeting and all discussions in relation to individual reports was available for public inspection via the web-stream.

The Chair welcomed Councillor Yvonne Mosquito, Cabinet Member for Finance and Resources who was newly appointed Cabinet Member as well as to the Committee.

# 2 MEMBERSHIP OF THE COMMITTEE

#### RESOLVED:-

That the membership of the committee was noted.

# Labour Group (2):-

Councillor Brigid Jones (Deputy Leader) (Chair) and Councillor Yvonne Mosquito (Cabinet Member)

# Conservative Group (1):-

Councillor Gareth Moore

# Liberal Democrat Group (1):-

Councillor Jon Hunt

# TERMS OF REFERENCE

The following schedule was submitted:-

(See document No. 1)

# 3 RESOLVED:-

That the terms of reference for the Committee was noted.

# **APOLOGIES**

4 Apologies were submitted on behalf of Councillor Gareth Moore and Ewan Mackey was the nominated Member.

# **DECLARATIONS OF INTERESTS**

5 The Chair declared she had been newly appointed to the Birmingham Airport Board in addition to her other responsibilities. The official declaration of interest register would not have been updated to date hence the reason for highlighting this.

# PUBLIC NOTES OF THE LAST MEETING – 17 MARCH 2022 (INFORMAL)

6 The public notes of the 17 March were noted at this meeting and there were no matters arising.

# COMPANY UPDATE

The following report of the Director Group & Capital Finance, Deputy s151 was submitted:-

(See document No. 2)

The Director Group & Capital Finance, gave an overview of the latest changes made across the Council's portfolio of companies since the last meeting. The private agenda contains the details of confidential updates.

It was noted there were six company changes listed under 3.2 of the report. A summary of these changes was provided.

A number of accounts had been submitted since the meeting in March however, no issues were identified on the audits.

The private appendix highlighted commercially confidential details associated with the companies. This gave a snapshot of the business position which is reported to each meeting of the Group Company Governance Committee on the private agenda.

Councillor Hunt highlighted Councillor Penny Wagg had been appointed to Stockfield related companies. The Director Group & Capital Finance noted this, and updates would be reflected once filtered through relevant channels.

# 7 RESOLVED: -

The Committee noted the information provided within the report and at private appendix 1 which contains commercially confidential details concerning associated companies.

# TRAINING UPDATE

A verbal update on training was provided by the Head of Law, Commercial, Procurement, Privacy & Information

Key points noted;

- <u>Roles and Responsibilities Training</u> Since the last meeting a number of officers and members had received this training via small groups or 1:1's. This training covered the Directors Statutory roles, responsibilities, guidance around conflicts of interests etc.
- Post elections, new Directors will be receiving relevant training. This would be scheduled in September/ October 2022.
- <u>Legal and Compliance Training</u> This session would be provided by the Civil Service Training.
- <u>Board Effectiveness Training</u> Alongside this, the Board Effectiveness training would be delivered for Board Members to make Directors aware what an effective Board should look like.
- This session would take place at the same time as the roles and responsibilities training so that Directors only need to attend once.
- Any Directors who miss the training, would have the opportunity to join a mop up session either via 1:1's or small group sessions.
- The Board Effectiveness Training A private sector Commercial Director had been identified to deliver this training. This would cover a number of

different subject areas such as; Board performance and why this matters; helping Directors to identify when a Board is not acting as a Board – how this is measured; purpose of the Board; legal aspects to consider; psychology of Board; deal with conflicts of interests away from statutory responsibilities; highlighting features of performing Boards and how this can be improved; highlighting practical actions Directors can take for their personal performance and effectiveness of the Board as a whole.

- This training is essential for effective Boards to be in place. This would ensure Company Boards perform their duties well and were protected.
- Health & Safety Training, GDPR Training, Environmental Protection Training would be delivered throughout the year. This training would also be delivered via the Companies own Boards however, as part of Governance for the Council, this would be channeled via various routes.

In response to Members questions, the following points were noted;

- Many company Boards were providing their own training for their members rather than solely relying on the Council's training.
- It was noted, the larger companies provided good training for their members.
- The Council deliver the 'standard' training in order to ensure there is consistency across the board (minimum standard of training across the board).
- Specialist areas such as the Pension Trust mandatory training would be delivered.
- An update will be provided at the next meeting as there will be new Councilors elected and appointed to the Boards.
- The trainings would be promoted through the political group offices.
- A comprehensive database of the Directors is maintained. The database also indicates who has received training and require refresher training.

# 8 RESOLVED: -

The Committee noted the verbal update on training.

# ANNUAL APPOINTMENT 2022-23

The following report of the Director Group & Capital Finance, Deputy s151 was submitted:-

(See document No. 3)

The Director Group & Capital Finance notified members a report was presented to Cabinet on 28 June 2022 for noting. The annual appointments process was an opportunity to review the nominations for shareholder directors across the council's group of companies. The report included organisational appointments that fall outside of the scope of the Cabinet Committee for Group Company Governance. The report provided a snapshot of appointments, acknowledging

that changes can occur throughout the financial year. Such changes would be reported to CC-GCG as they arise.

#### 9 **RESOLVED:** -

That the Committee noted the report.

## **BIRMINGHAM CHILDREN'S TRUST CIC – PEN PORTAIT (PUBLIC)**

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

(See document No. 4)

No comments were made by the Members.

#### 10 **RESOLVED: -**

Members are recommended to note the information in this report and approved the Birmingham Children's Trust Business Plan 2018- 2023 – (2022/23 - Year 5 Update).

#### DATES OF MEETINGS FOR 2022-2023

2022

#### 2023

Wednesday 6<sup>th</sup> July Thursday 22 September Thursday 17 November Thursday 26 January Thursday 09 March

# 11 RESOLVED: -

Members approved the schedule of dates for the Committee for 2022/23.

# 12 OTHER URGENT BUSINESS

There was no urgent business to consider.

# EXCLUSION OF THE PUBLIC

#### **RESOLVED:-**

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

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

22 September 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? If yes, name(s) of ward(s):	□ Yes	⊠ No – All wards affected
Is this a key decision?	$\Box$ Yes	⊠ No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	⊠ Yes	□ No
Does the report contain confidential or exempt information?	□ Yes	⊠ No
If relevant, provide exempt information paragraph number or	reason if co	nfidential :

# 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 notified to Companies House since the previous Committee meeting 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. BIRMINGHAM WHEELS (ENTERPRISES) LIMITED (01900151) 29-Jun-22 -Application to strike the company off the register. 12-Jul-22 - First Gazette notice for voluntary strike-off
- ACOCKS GREEN VILLAGE BID COMPANY LIMITED (07845519) 14-Jul-22
  Application to strike the company off the register. 26-Jul-22 First Gazette notice for voluntary strike-off
- 3. WITTON LODGE COMMUNITY ASSOCIATION (02903760) 21-Jul-22 Appointment of Cllr Jilly Joanne Bermingham as a director on 6 July 2022
- 4. BIRMINGHAM AIRPORT HOLDINGS LIMITED (03312673) 10-Aug-22 Appointment of Councillor Brigid Jones as a director on 19 July 2022
- 5. WITTON LODGE COMMUNITY ASSOCIATION (02903760) 19-Aug-22 -Termination of appointment of Robert Anthony Beauchamp as a director on 6 July 2022

Company		unqualified audit (where applicable)
BIRMINGHAM CHARITIES LIMITED (10392574) - 29-Jun-22	Accounts for a dormant company made up to 30 September 2021	N/A
BIRMINGHAM VENTURE CAPITAL LIMITED (01977205) - 12-Jul-22	Total exemption full accounts made up to 31 March 2022	N/A
CREATIVE ADVANTAGE WEST MIDLANDS LIMITED (03914725) - 12-Jul-22	Total exemption full accounts made up to 31 March 2022	N/A
ASCARII LIMITED (07970532) - 14-Jul-22	Total exemption full accounts made up to 31 December 2021	N/A
BIRMINGHAM GLOBAL LIMITED (01884230) - 02-Aug-22	Full accounts made up to 31 July 2021	Y
FINANCE BIRMINGHAM LIMITED (07423867) - 12-Aug-22	Total exemption full accounts made up to 31 March 2022	N/A

3.3 Annual accounts have been submitted for the following companies:

BIRMINGHAM CITIZENS ADVICE BUREAU SERVICE LIMITED (02202427) - 02-Sep-22	Accounts for a small company made up to 31 March 2022	Y
BRIDGE STREET MANAGEMENT LIMITED (02286322) - 05-Sep-22	Total exemption full accounts made up to 31 December 2021	N/A
ACIVICO (BUILDING CONSULTANCY) LIMITED (07918763) - 13-Sep-22	Full accounts made up to 31 March 2022	Y
ACIVICO (DESIGN, CONSTRUCTION AND FACILITIES MANAGEMENT) LIMITED (07918913) - 13-Sep-22	Full accounts made up to 31 March 2022	Y
ACIVICO LIMITED (07792304) - 13-Sep-22	Group of companies' accounts made up to 31 March 2022	Y

# 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. 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 website 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



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? If yes, name(s) of ward(s):	□ Yes	⊠ No – All wards affected
Is this a key decision?	□ Yes	🛛 No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	⊠ Yes	□ No
Does the report contain confidential or exempt information?	□ Yes	⊠ 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

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

Public Report Birmingham City Council

# Report to Cabinet Committee – Group Company Governance

23 September 2022



Subject:	B:Music (formerly Performances Birmingham 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 Sir Albert Bore
Report author:	Alison Jarrett

Are specific wards affected? If yes, name(s) of ward(s):	□ Yes	⊠ No – All wards affected
Is this a key decision?	□ Yes	⊠ No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	⊠ Yes	□ No
Does the report contain confidential or exempt information?	□ Yes	⊠ No
If relevant, provide exempt information paragraph number or reason if confidential :		

#### **1** Executive Summary

B:Music Ltd (formerly Performances Birmingham Limited) 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 B:Music is a company limited by guarantee from Birmingham City Council as sole guarantor. The organisation's objectives are:
  - To promote and present concert performances of classical, popular, and contemporary music, complementary to those of the City of Birmingham Symphony Orchestra (CBSO), and of world-class calibre; and
  - To educate the public by promoting, fostering, and encouraging the knowledge, understanding, and appreciation of the arts, particularly music, providing and education programme for this purpose.
- 3.2 The company receives a revenue support grant from the council as shown in the table below:

	2020/21	2021/22	2022/23
BCC Core Grant	£1.388m	£1.388m	£1.388m

During 2020 B:Music had 250 employees on full, part-time and variable contracts (2020 293), this despite closure of venues due to Covid and a programme of compulsory and voluntary redundancy. At 31 March 2021 (audited) the charity held net assets of £14.9m (2020 £10.525m).

- 3.3 B:Music manages and operates Symphony Hall which is one of the finest concert halls in the world. Presenting a world-class programme of music and education, it is a major cultural draw for Birmingham and is the home of the City of Birmingham Symphony Orchestra (CBSO).
- 3.4 B:Music has during 2020/21 completed its major capital construction project, "Making an Entrance". This construction project extended and re-modelled Symphony Hall's public spaces to create a building that is economically sustainable, vibrant, and connected to the public realm and provided a venue and remarkable backdrop to the Commonwealth Games Centenary Square venue and media hub.

This development was funded through a combination of fund-raising and grant awards and a BCC commercial loan facility of up to £3m, this was not fully required or drawn down.

# 3.5 Key personnel and board:

Mr Nick Reed – CEO Ms Anita Bhalla OBE DL - Chair of the Board

# 4 Options considered and Recommended Proposal

4.1 This report provides information to Members on B:Music 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 B:Music.

#### 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 Council provides services to community through a number of different vehicles. This report provides information on B:Music, a major provider of cultural services and events within the city.

The recommended decision supports the Birmingham City Council Plan 2018-2022, outcome 4: Birmingham is a great city to live in through priority 8, we will enhance our status as a city of culture, sports and events.

#### 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

CIPFA Code of Practice on Local Authority Accounting