

BIRMINGHAM CITY COUNCIL

CABINET COMMITTEE - GROUP COMPANY GOVERNANCE

WEDNESDAY, 12 DECEMBER 2018 AT 10:00 HOURS
IN COMMITTEE ROOM 2, COUNCIL HOUSE, VICTORIA SQUARE,
BIRMINGHAM, B1 1BB

A G E N D A

1 **APOLOGIES**

To receive any apologies.

2 **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

3 **CABINET COMMITTEE GROUP COMPANY GOVERNANCE - PUBLIC NOTES OF THE LAST MEETING**

Public Notes of the last meeting to be confirmed.

4 **TRAINING UPDATE - COMPANY MEMBERS AND COMPANY DIRECTORS**

The Committee to note the update.

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5 **GROUP COMPANY - RISK REGISTER**

Report of the Corporate Director, Finance & Governance

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6 **REQUIREMENTS FOR COMPANY STATUTORY FILING**

Report of the Corporate Director, Finance & Governance

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7 **COUNCIL RELATED COMPANIES - UPDATE**

Report of the Corporate Director, Finance & Governance

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8 **GROUP COMPANY GOVERNANCE - SECTION 24
RECOMMENDATIONS**

Report of the Corporate Director, Finance & Governance

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9 **BIRMINGHAM CHILDREN'S TRUST CIC - PEN PORTRAIT**

Report of the Corporate Director, Finance & Governance

10 **DATE OF NEXT MEETING**

The next Meeting is scheduled for Wednesday, 16 January 2019 at 1100 hours in Committee Room 2, Council House.

11 **OTHER URGENT BUSINESS**

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

P R I V A T E A G E N D A

12 **CABINET COMMITTEE GROUP COMPANY GOVERNANCE - PRIVATE
NOTES OF THE LAST MEETING**

Item Description

13 **BIRMINGHAM CHILDRENS TRUST STRATEGIC BUSINESS PLAN 2018-
2023**

Item Description

14 **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 Chairman are matters of urgency.

BIRMINGHAM CITY COUNCIL

CABINET COMMITTEE – GROUP COMPANY GOVERNANCE

**Tuesday 13 November 2018 at 1500
hours in Committee Room 2, Council
House, Victoria Square, Birmingham**

Attendance:

Councillor Brigid Jones in the Chair;
Councillor Debbie Clancy

Also in Attendance:

Kate Charlton	City Solicitor	
Clive Heaphy	Strategic Director, Finance & Governance	
Alison Jarrett	Assistant Director, Finance & Governance	
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	
Ian Briggs	Chair	– Acivico
Leo McMulkin	Chief Operating Officer	– Acivico
Annabel Scholes	Interim Finance Director	– Acivico

APOLOGIES

- 1 Councillors Brett O'Reilly and Jon Hunt submitted their apologies.

DECLARATIONS OF INTERESTS

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

NOTES OF THE LAST MEETING

- 3 The notes of the last meeting were agreed.

UPDATE ON TRAINING FOR COMPANY MEMBERS AND COMPANY DIRECTORS

- 4 Connie Price, Legal Services, updated the Committee on the training Members and officers had received to date and the further training that they would be receiving in the near future.

(See document No. 1)

RESOLVED:-

The Committee noted:-

Councillor Debbie Clancy- training requirement

Committee Members & wider director training – expect mid-December 2018.

COUNCIL RELATED COMPANIES

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

(See document No. 2)

Martin Stevens, Head of City Finance introduced the report which detailed the current 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.

During the discussion the following action points were captured:-

- List of Companies – Work through list by order of size - incremental
- Pen portraits
- Active/Dormant
- Health check
- Regular update

RESOLVED:-

The Committee noted the following:-

The detail of companies

Considered the impact on the forward plan of the Committee.

GROUP COMPANY RISK REGISTER

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

(See document No. 3)

Martin Stevens, Head of City Finance introduced the report.

During the discussion the following action points were captured:-

- Consideration be given to the BCC's process appointing directors

CABINET COMMITTEE GROUP COMPANY GOVERNANCE – 13 NOVEMBER 2018

- Clear criteria – (appropriate skills – importance of training for all directors in order to sit on boards
- Group Leaders/Group Secretaries to be made aware (CBM agenda)
- To be included in the Work Programme

RESOLVED:-

The Committee considered the information provided;

determine whether the judgement on the risks were reasonable and assess whether mitigating actions reduce the risks to the Council sufficiently.

GROUP COMPANY - RISK ASSURANCE REQUEST

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

(See document No. 4)

Martin Stevens, Head of City Finance introduced the report and subsequently referred to the attached questionnaire. He confirmed that it would be sent out shortly with the results of the questionnaire available in January 2019.

RESOLVED:-

The Committee reviewed and approved the questionnaire, seeking information from the Council's group companies, for circulation.

GROUP COMPANY GOVERNANCE – SECTION 24 RECOMMENDATIONS

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

(See document No. 5)

Martin Stevens, Head of City Finance introduced the report and highlighted that it sets out the progress to date in delivering the actions proposed to mitigate the concerns of the External Auditor.

RESOLVED:-

The Committee noted:-

The proposed actions to mitigate the concerns of the External Auditor;
the progress in delivering the proposed actions to date.

ACIVICO LIMITED – PEN PORTRAIT

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

(See document No. 6)

Martin Stevens, Head of City Finance introduced the report.

RESOLVED:-

That the Committee noted the report.

SCHEDULE OF FUTURE MEETINGS

- 10 The Committee noted the schedule of meetings.

The next meeting is scheduled to take place on Wednesday, 12 December 2018 at 1000 hours in Committee Room 2, Council House.

OTHER URGENT BUSINESS

CABINET COMMITTEE GCG COMMITTEE – EXTRA NOMINEES

- 11 Kate Charlton – to take to Group Leaders for discussion.
-

EXCLUSION OF THE PUBLIC

- 12 **RESOLVED:-**

That, in view of the sensitive nature of the discussion due to take place relating to Acivico Limited, the public be now excluded from the meeting.

BIRMINGHAM CITY COUNCIL**PUBLIC REPORT**

Report to:	CABINET COMMITTEE – GROUP COMPANY GOVERNANCE
Report of:	Corporate Director – Finance & Governance
Date of Decision:	12 December 2018
Subject:	Group Company – Risk Register
Wards affected: All	
1 Purpose	
1.1	To provide Members with information on the management of risks and issues within entities linked to the Council.
1.2	Members are asked to consider the potential risks that the Council faces and the actions being undertaken to mitigate the impact of those risks.
2 Decisions recommended:	
	Members are recommended to:
2.1	Consider the information provided
2.2	Determine whether the judgement on the risks are reasonable and assess whether mitigating actions are sufficient to reduce the risks to the Council to an acceptable level.

Contact Officer: Clive Heaphy
Telephone No: 0121 303 2950
E-mail address: clive.heaphy@birmingham.gov.uk

Contact Officer: Martin Stevens
Telephone No: 0121 303 4667
E-mail address: martin.stevens@birmingham.gov.uk

3 Compliance Issues:

- 3.1 Are Decisions consistent with relevant Council Policies, Plans or Strategies?:
The Council operates and delivers services through a number of different vehicles. The Council needs to consider the risks of delivering through arms-length arrangements so that Council policies can continue to be implemented.
- 3.2 Relevant Ward and other Members/Officers etc. consulted on this matter:
The Chair of the Committee has been consulted.
- 3.3 Relevant legal powers, personnel, equalities and other relevant implications (if any):
The Section 151 Officer has a duty to ensure the proper administration of the Council's affairs. The Accounts and Audit Regulations 2015, requires the Council to have effective arrangements for the management of risk.
- 3.4 Will decisions be carried out within existing finances and resources?
Yes
- 3.5 Main Risk Management and Equality Impact Assessment Issues (if any):
This report considers the main risks that the Council faces as a result of its operation through and partnership arrangements with external organisations. The report sets out the actions being taken to mitigate those risks.

4 Relevant background/chronology of key events:

- 4.1 Members considered the company risk register at its meeting on 13 November. The risk register has been updated and includes two additional risks, namely:
- F-07 – The Council, as accountable body, is deemed responsible for the liabilities of a third party, and
 - C-02 – A company does not comply with public contract regulations.
- 4.2 Identified risks have been assessed under two criteria, Likelihood and Impact. Each criterion has then been ranked as to whether they are Low, Medium, Significant or High Risk. Recognising that risk can never be completely eliminated the desired outcome from mitigating actions has been identified to assess the level of risk that the Council is willing to bear.
- 4.3 The risks borne by the Council will vary from company to company dependent on the Council's relationship with an entity, for example, where a company is:
- a wholly owned subsidiary, the risks and impacts will translate fully through to the Council,

- an associate, where the Council has generally between 20% and 50% control, the risks and impacts will be shared between owning entities, and
- is related through Council nomination rights, there may be little financial impact on the Council.

4.4 A full schedule of identified risks and the actions to mitigate those risks to an acceptable level is set out in Appendix 1 to this report.

Signature:

.....
Clive Heaphy, Corporate Director – Finance & Governance

Appendix

Appendix 1 – Risk Register

Appendix 1

Council Company Risk Register

No		Status
G-01	Nominated Directors do not have sufficient skills to fulfil their roles within a third party whilst also representing the Council's interests.	Open
G-02	Council nominated Directors fail to attend meetings	Open
G-03	A company fails to file appropriate returns with Companies House	Open
G-04	Observers at meetings act inappropriately	Open
G-05	A company fails to operate within the terms of its Articles of Association	Open
G-06	The potential of a fraud taking place within a company	Open
G-07	Failure to comply with the requirements of GDPR	Open
G-08	Failure to provide information for consolidation in group accounts	Open
G-09	The Council is considered to have significant influence over a company through its nomination rights	Open
G-10	A company does not have appropriate insurance covers in place	Open
F-01	A company requires support from the Council to remain a going concern	Open
F-02	The council does not arrange its tax affairs to minimise its level of corporation tax.	Open
F-03	A company provides guarantees/indemnities to a third party	Open
F-04	Movement away from the Council's terms and conditions of employment	Open
F-05	A company does not recognise that it is a controlled company for the determination of the Apprenticeship Levy	Open
F-06	A company does not have a viable business plan/budget	Open
F-07	The Council, as accountable body, is deemed responsible for the liabilities of a third party	New
R-01	Company does not follow the principles of public service	Open
C-01	A company fails to provide appropriate levels of service	Open
C-02	A company does not comply with public contract regulations	New

No	Risk	Risk Owner	Current Level of Risk	Comments and Current Action	Long Term Aim
Governance Risks					
G-01	Nominated Directors do not have sufficient skills to fulfil their roles within a third party whilst also representing the Council's interests.	Corporate Director F&G	Significant/ High	<p>The role as a director of a company carries certain onerous obligations and there may be consequences to an individual if they do not fulfil their role appropriately. This may also have implications for the Council, both reputationally and financially.</p> <p>It is important that Directors demonstrate specific skills and knowledge and there should therefore be specific criteria for the selection of appropriate candidates and they should receive the necessary information to enable them to fulfil their duties in their role as Director.</p> <p>Action: Procedure to be agreed for the selection of Directors to be appointed by the Council.</p> <p>Directors to receive training on their personal responsibilities in their role within a company. Training has been provided for members of the Group Company Governance Committee and this will be cascaded to all current Directors and those who may fulfil the role in the future.</p>	<p>Target Risk Rating: Low/Low</p> <p>Anticipated date of attainment: Criteria to be considered by Group Company Governance Committee for the selection of appropriate individuals to act as Directors by December 2018.</p> <p>Training to be cascaded to current and potential directors at the earliest opportunity with regular refresher sessions for existing and new directors.</p> <p>Source of Assurance: Directors should be required to record meetings invited to and those that they attend. This should be provided on a regular basis to the Council.</p>

No	Risk	Risk Owner	Current Level of Risk	Comments and Current Action	Long Term Aim
Governance Risks					
G-02	Council nominated Directors fail to attend meetings	Contact Officer	Low/ Significant	<p>Directors have specific responsibilities in the management and operation of a company to ensure that it operates in accordance with its Articles of Association and that it trades solvently. If a Director does not attend appropriate meetings then they may be considered to have acted negligently in the exercise of their duties.</p> <p>Action: It is essential that Directors receive training on their personal responsibilities in their role within a company. Training has been provided for members of the Group Company Governance Committee and this will be cascaded to all current Directors and those who may be fulfil the role in the future.</p> <p>Training will have to be provided on an ongoing basis to ensure new councillors, officers or other Council nominated individuals who are asked to take on the role of a director are adequately trained.</p> <p>A system of recording Director attendance should be created to</p>	<p>Target Risk Rating: Low/Low</p> <p>Anticipated date of attainment: Training to be cascaded to current and potential directors at the earliest opportunity with regular refresher sessions for existing and new directors.</p> <p>Source of Assurance: Directors should be required to record meetings invited to and those that they attend. This should be provided to the Council on a regular basis.</p>

No	Risk	Risk Owner	Current Level of Risk	Comments and Current Action	Long Term Aim
Governance Risks					
				monitor attendance at meetings.	
G-03	A company fails to file appropriate returns with Companies House	Company Directors Contact Officer	Low/ Significant	<p>Failure to file accounts or annual returns is a criminal offence. The filing of late accounts automatically generates a late notice penalty, which rises from £150 if up to 1 months late to £1,500 if more than 6 months late. Repeat offences receive a higher fine. A Director can end up with a criminal record and a fine of up to £5,000 for each violation.</p> <p>It is recognised that there may be a higher level of competency in Directors with specific backgrounds, for example, those with legal or financial qualifications, and consequently their penalties/sanctions may be higher.</p> <p>The failure to provide returns on a timely basis may be indicative of performance issues which may not have been detected.</p> <p>Action: It is essential that Directors receive training on their personal responsibilities in their role within a company. Training</p>	<p>Target Risk Rating: Low/Medium</p> <p>Anticipated date of attainment: Training to be cascaded to current and potential directors at the earliest opportunity with regular refresher sessions for existing and new directors.</p> <p>The recording database will be updated to provide details on forthcoming filings to ensure that there is a proactive rather than reactive review.</p> <p>Source of Assurance: Responses from company secretaries Review of information held on Companies House</p>

No	Risk	Risk Owner	Current Level of Risk	Comments and Current Action	Long Term Aim
Governance Risks					
				<p>has been provided for members of the Group Company Governance Committee and this will be cascaded to all current Directors and those who may be required to fulfil the role in the future.</p> <p>Training will be provided on an ongoing basis to include new councillors, officers or other nominated representatives who are asked to take on the role of a director.</p> <p>The Council will also monitor each of its companies so that confirmation can be sought from companies that they have met the relevant filing date.</p> <p>A monitoring database has been implemented to record information from Companies House as returns are made.</p>	
G-04	Observers at meetings act inappropriately	Meeting Observers	Low/ Significant	There is a difference in the roles of Director and Observer. Whilst a Director's role is defined, an Observer should not be part of the running of a company. They should attend meetings to view the	<p>Target Risk Rating: Low/Low</p> <p>Anticipated date of attainment: Training to be cascaded to current and potential directors at</p>

No	Risk	Risk Owner	Current Level of Risk	Comments and Current Action	Long Term Aim
Governance Risks					
				<p>activity of the Board and ask/answer questions for information if invited to do so.</p> <p>There is the potential for an Observer to comment at Board meetings which may be seen as issuing guidance. Where an Observer influences a company to take actions then they may be seen as acting as a Shadow Director and bear the same consequences as though they were a Director of a company.</p> <p>Action: Observers at meetings should receive training on the same basis as Directors so that they understand the difference between the two roles.</p> <p>Training will have to be provided on an ongoing basis to include new councillors, officers or Council nominated individuals who are asked to take on the role of observer.</p>	<p>the earliest opportunity with regular refresher sessions for existing and new directors.</p> <p>Source of Assurance: Record of those undertaking training. Attendance at Board meetings as an Observer should be formally fed back to appropriate management within the Council.</p>

No	Risk	Risk Owner	Current Level of Risk	Comments and Current Action	Long Term Aim
Governance Risks					
G-05	A company fails to operate within the terms of its Articles of Association	Contact Officer	Low/ Medium	<p>The Articles of Association (AoA) regulates the way that a company is administered. If actions are taken that are outside of the AoA then they may be declared illegal by the courts.</p> <p>Action: As part of the training provided to Directors it should include the powers that a company has to undertake certain activities and any constraints on those activities.</p> <p>Training will have to be provided on an ongoing basis to include new councillors, officers or Council nominated individuals who are asked to take on the role of Director.</p>	<p>Target Risk Rating: Low/Low</p> <p>Anticipated date of attainment: Training to be cascaded to current and potential directors at the earliest opportunity with regular refresher sessions for existing and new directors.</p> <p>Source of Assurance: Record maintained of those undertaking training.</p>
G-06	The potential of a fraud taking place within a company	Corporate Director F&G	Low/ High	<p>Inherent within any organisation is the risk of fraud taking place. Within organisations it is usual for a series of checks and balances to be put in place to ensure that the opportunities for fraud are minimised.</p> <p>Directors carry out two main roles to deter fraud in that they should</p>	<p>Target Risk Rating: Low/Low</p> <p>Anticipated date of attainment: March 2019</p> <p>Source of Assurance:</p>

No	Risk	Risk Owner	Current Level of Risk	Comments and Current Action	Long Term Aim
Governance Risks					
				<p>ensure that management has put in place appropriate controls that minimise the opportunity for fraud and that any frauds that are perpetrated are reported to the Board for consideration, which would include identification of additional controls to stop such episodes recurring.</p> <p>Action: For the larger companies that are to be consolidated within the Council's Group Accounts a questionnaire is sent out annually seeking assurance on the systems for minimising fraud within a company and that frauds that are identified are reported to the Board appropriately and then to the Council where appropriate. This document means that each major company has to consider its approach to risk management appropriately.</p>	Returns from companies on their approach to risk management and fraud.
G-07	Failure to comply with the requirements of GDPR	Contact Officer	Low/ Significant	The Council has to recognise that wholly owned companies are separate entities and that there are limits on what information can be shared. It is also important to recognise that there are constraints on companies	<p>Target Risk Rating: Low/Low</p> <p>Anticipated date of attainment: March 2019</p>

No	Risk	Risk Owner	Current Level of Risk	Comments and Current Action	Long Term Aim
Governance Risks					
				<p>releasing information accidentally. The consequences of a breach of GDPR can be significant.</p> <p>Action: The Council must follow its own GDPR practices and assess whether it is appropriate to share information with its companies.</p> <p>The request for information in respect of deterring fraud also asks for information on the company's approach to manage the requirements of GDPR.</p>	<p>Source of Assurance: Returns from companies on their approach to the management of GDPR.</p>
G-08	Failure to provide information for consolidation in Group Accounts	Corporate Director F&G	Medium/ Significant	<p>The Council has to produce its draft financial statements by 31 May and its audited financial statements by 31 July of each year. This reporting timetable is in advance of that for companies that generally have nine months in which to produce their audited financial statements.</p> <p>The Council has to produce financial statements that show a "true and fair view" and are materially correct. The level of materiality for the Council is</p>	<p>Target Risk Rating: Low/Low</p> <p>Anticipated date of attainment: April 2019</p> <p>Source of Assurance: Return of draft and final questionnaires, management accounts during the year and companies' draft accounts by 29 April 2019.</p>

No	Risk	Risk Owner	Current Level of Risk	Comments and Current Action	Long Term Aim
Governance Risks					
				<p>significant and therefore estimates of a company's position are usually sufficient to satisfy external audit requirements as long as they are reasonably assured that there can be no material errors in the company accounts.</p> <p>Action: Companies that are considered necessary for consolidation, including those that are not consolidated but near the level for consideration, are contacted during the year so that they are made aware of the proposed timetable and of the information requirements that will be necessary.</p> <p>A questionnaire is sent out for return by 31 December for draft information on a financial position with the final return due by 29 April.</p> <p>Companies are also asked to provide management accounts so that a profile can be built up of the information that will be used for the final consolidation.</p>	

No	Risk	Risk Owner	Current Level of Risk	Comments and Current Action	Long Term Aim
Governance Risks					
G-09	The Council is considered to have significant influence over a company through its nomination rights	Corporate Director F&G	Medium/ Medium	<p>The test of control for accounting purposes is different to that for legal purposes. The Council is considered to have control over an entity if it controls 50% or more of the day to day activities of the company or has significant influence if it has more than 20% control. Control may be measured through the representation on company or charity boards where directors are considered to control the activities of a company. With the Council having nomination rights to a wide range of entities, there may be occasions where the number of Council nominees is such that they represent 20% or more of the board. In such cases, the entity would have to be considered for consolidation into the Council's group accounts. Failure to consolidate would lead to adverse audit reports or ultimately, qualification of the Council's accounts.</p> <p>Action: in the consideration of Council nominations to external bodies, a review should be undertaken of the level of control</p>	<p>Target Risk Rating: Low/Low</p> <p>Anticipated date of attainment: July 2019</p> <p>Source of Assurance: Information is sought on the overall structure of entity boards when the Council considers nominating individuals to external bodies.</p>

No	Risk	Risk Owner	Current Level of Risk	Comments and Current Action	Long Term Aim
Governance Risks					
				that may be exercised by the Council.	
G-10	A company does not have appropriate insurance covers in place	Company Directors	Low/ Significant	<p>Companies must have statutory insurance covers in place and should properly assess their financial tolerance to insurable risks. Financial risks which the company is unable to absorb should be transferred to the insurance market where insurance protection may be purchased.</p> <p>Action: In the creation of companies, the Council will need to ensure that consideration is given to the procurement of appropriate insurance cover.</p> <p>The Council will monitor companies' approach to ensure they have appropriate insurance arrangements in place through the risk assurance questionnaire.</p>	<p>Target Risk Rating: Low/Low</p> <p>Anticipated date of attainment: January 2019</p> <p>Source of Assurance: Information is sought through the return of the risk assurance questionnaire considered by Audit Committee.</p>

No	Risk	Risk Owner	Current Level of Risk	Current Action	Long Term Aim
Financial Risks					
F-01	A company requires support from the Council to remain a going concern		Significant/ High	<p>A company is a separate legal entity and if it were to get into financial difficulties then the company could become insolvent. The Council may determine, as shareholder, that this is the most appropriate way forward to minimise financial losses. However, there are a number of significant implications that may arise from this course of action in that:</p> <ul style="list-style-type: none"> • The reputational impact on the Council may be significant • The impact on local businesses may be significant if the company were to be unable to pay its creditors impacting directly on the local community • The Council may have given guarantees to the company to enable it to continue trading which it will have to honour • The Council may face a loss of critical services that it will have to replace at a higher cost • The Council may have to meet a pension guarantee if staff were originally TUPE'd from the 	<p>Target Risk Rating: Low/Low</p> <p>Anticipated date of attainment: The provision of training to Directors will provide a base of knowledge to enable appropriate levels of challenge to be put in place.</p> <p>Source of Assurance: The oversight of regular monitoring reports and the review of business plans and final accounts will give added oversight of performance so that downward trends can be identified at the earliest opportunity.</p>

No	Risk	Risk Owner	Current Level of Risk	Current Action	Long Term Aim
Financial Risks					
				<p>Council</p> <p>The appropriate course of action to minimise the impact of any company falling into financial difficulties is to identify any fall off in trading performance at the earliest opportunity so that corrective action may be taken. This will be reliant on having the appropriate management team in place and Directors providing challenge at the appropriate level. The provision of appropriate performance reporting to the Council on a regular basis will also provide some assurance to the Council that performance is within acceptable bounds.</p> <p>Action: The training of Directors will give them knowledge of their responsibilities and the actions that they can take to gain assurance that performance is being delivered to the necessary level to remain solvent or the recognition that mitigating actions should be put in place where there is a drop in performance.</p>	

No	Risk	Risk Owner	Current Level of Risk	Current Action	Long Term Aim
Financial Risks					
				The provision of regular monitoring reports to the Council will provide an added oversight so that any downward trends can be identified at the earliest opportunity.	
F-02	The council does not arrange its tax affairs to minimise its level of corporation tax.	Corporate Director F&G	Medium/ Medium	<p>Companies that operate on a trading basis may be liable for Corporation Tax. As the Council has a number of entities under its control there is an opportunity to look at the companies on a group basis to determine whether there is any opportunity for Group Relief. At present each company operates on a silo basis with limited consideration of any opportunities for tax minimisation across the group.</p> <p>Action: Review the tax position across the Council's group and seek advice from external tax advisers.</p>	<p>Target Risk Rating: Low/Low</p> <p>Anticipated date of attainment: July 2019</p> <p>Source of Assurance: Advice received from external tax advisers</p>
F-03	A company provides guarantees/indemnities to a third party	Corporate Director F&G	Low/ Medium	Where an entity gives guarantees/indemnities to third parties, an assessment needs to be undertaken each year to determine any likelihood of that guarantee being called. Guarantees need not	<p>Target Risk Rating: Low/Low</p> <p>Anticipated date of attainment: April 2019</p>

No	Risk	Risk Owner	Current Level of Risk	Current Action	Long Term Aim
Financial Risks					
				<p>be explicit but may be as part of general contracts.</p> <p>Action: Information will be sought from the companies consolidated into the Council's Group Accounts to assess whether any guarantees have been given.</p>	<p>Source of Assurance: Responses to questionnaires from group companies</p>
F-04	Movement away from the Council's terms and conditions of employment	Head of HR	Low/ Significant	<p>When the Council TUPE's staff to third parties, the transfer is undertaken on the basis of current terms and conditions and access to the local government pension scheme. Where a company is controlled by the Council, should it move away from the Council's terms and conditions there is a potential for an Equal Pay Claim.</p> <p>Action: The Council monitors the terms and conditions of employment of Council companies.</p>	<p>Target Risk Rating: Low/Low</p> <p>Anticipated date of attainment: 31 March 2019</p> <p>Source of Assurance: Feedback from Companies.</p>
F-05	A company does not recognise that it is a controlled company for the determination of the Apprenticeship Levy	Head of HR	Medium/ Significant	<p>The introduction of the Apprenticeship Levy has meant that those companies with an employee budget of more than £3m were required to contribute to the scheme. However, where there is a group structure in place, the total group</p>	<p>Target Risk Rating: Low/Low</p> <p>Anticipated date of attainment: April 2019</p>

No	Risk	Risk Owner	Current Level of Risk	Current Action	Long Term Aim
Financial Risks					
				<p>employee budget should be considered as a whole. This has meant that subsidiary companies with an employee budget of less than £3m, who may have considered that they did not have to contribute, may have been in breach of the levy requirements.</p> <p>Action: Seek information from the Council's subsidiary companies to determine whether they have been contributing to the Apprenticeship Levy.</p>	<p>Source of Assurance: Information sought from subsidiary companies through the financial information questionnaire for consolidation purposes.</p>
F-06	A company does not have a viable business plan/budget	Company Director	Medium/ Significant	The Company Business Plan sets the framework for the company's activities for both the short and medium term. The financial consequences of the plan set the budget, resource requirements and targets for service delivery. If a company does not have an agreed business plan, then it does not have clear direction and directors have no measures against which to assess management and company performance or to consider the impact of risks to the company.	<p>Target Risk Rating: Low/Low</p> <p>Anticipated date of attainment: September 2019</p> <p>Source of Assurance: Receipt of business plans from companies with oversight by the Group Company Governance committee for major entities.</p>

No	Risk	Risk Owner	Current Level of Risk	Current Action	Long Term Aim
Financial Risks					
				Action: Companies to be required to share their business plans with the Council, both as part of their contractual commitment for service delivery and for receipt of grant support to ensure that the Council's resources are being used appropriately.	
F-07	The Council, as accountable body, is deemed responsible for the liabilities of a third party	Corporate Director, Finance & Governance	Medium/ Significant	<p>The Council has an on-going accountable body role for a range of grant funding regimes, both historical and current, which include supporting programmes and projects under its direct control as well as managing programmes involving wider partnerships with external organisations.</p> <p>In accepting this role, the Council underwrites the financial performance and delivery of the activity along with compliance with the funding regulations. There may be a potential liability to the Council arising from its accountable body role due to the non-delivery of outputs, claiming of ineligible expenditure or from the disposal of assets prior to any clawback liability expiring.</p>	<p>Target Risk Rating: Low/Low</p> <p>Anticipated date of attainment: September 2019</p> <p>Source of Assurance: Appropriate mechanisms in place to cover or minimise the impact of clawback of grant. A review of the monitoring arrangements around activities where the Council transacts the activities of external organisations through its own financial systems.</p>

No	Risk	Risk Owner	Current Level of Risk	Current Action	Long Term Aim
Financial Risks					
				<p>The Council may also act as the accountable body for external organisations where the Council transacts activities through its own accounts. In such cases, the Council is acting as an agent of the external organisation. However, the Council may be responsible for certain liabilities if it is considered that it has not acted appropriately in dealing with the affairs of the external organisation.</p> <p>Action: The Council has put in place various measures to minimise the impact of any grant clawback, which include putting legal agreements and charges over assets in place to ensure that any grant clawback can be covered by disposal of an asset and by the provision of detailed expenditure verification and monitoring procedures.</p>	

No	Risk	Risk Owner	Current Level of Risk	Current Action	Long Term Aim
Reputational Risks					
R-01	Company does not follow the principles of public service	Company Directors	Low/ Significant	<p>The 7 principles of public service were laid down in the report by Lord Nolan. Whilst Council staff are expected to adhere to this level of integrity, the same should be expected of those companies controlled by the Council as they are perceived as being directly linked.</p> <p>Action: Company Directors should ensure that the ethos of the company includes the adherence to the 'Nolan' principles of public service.</p>	<p>Target Risk Rating: Low/Low</p> <p>Anticipated date of attainment: December 2019</p> <p>Source of Assurance: Feedback from company contact officers.</p>

No	Risk	Risk Owner	Current Level of Risk	Current Action	Long Term Aim
Contractual Risks					
C-01	A company fails to provide appropriate levels of service	Client Function	Medium/ Significant	<p>Where companies fail to provide the level of service expected from customers then this may adversely affect their ability to generate new business. Whilst the Council has some companies that trade externally, the majority of service provision is to the Council itself. The Council, therefore, has a choice of penalising its own company for non-performance, with a potential for then having to deal with a company in financial difficulties, or accepting a lower level of service.</p> <p>Action: the development of strong Client Functions that can monitor contract performance regularly and identify at the earliest possible stage any issues in delivery will ensure that service performance is of the required standard.</p>	<p>Target Risk Rating: Low/Low</p> <p>Anticipated date of attainment: March 2019</p> <p>Source of Assurance: Assessment of activity by Client Managers on a regular basis</p>
C-02	A company does not comply with public contract regulations	Head of Procurement	Medium/ Medium	If a Council owned company fails to comply with public contract regulations resulting in a legal challenge to a contract the company has awarded and consequential legal costs and reputational impact.	<p>Target Risk Rating: Low/Low</p> <p>Anticipated date of attainment:</p>

No	Risk	Risk Owner	Current Level of Risk	Current Action	Long Term Aim
Contractual Risks					
				<p>Action: To ensure that all Council companies where appropriate have either:</p> <ul style="list-style-type: none"> • appropriately skilled procurement and contracting staff who are experience in public contract regulations or; • have access to these skills, competence and experience. 	<p>Source of Assurance:</p> <p>Initial written confirmation from Companies' Chief Executive</p> <p>Statement of compliance in annual returns from companies or the statement of assurance to the shareholder.</p>

BIRMINGHAM CITY COUNCIL**PUBLIC REPORT**

Report to:	CABINET COMMITTEE – GROUP COMPANY GOVERNANCE
Report of:	Corporate Director – Finance & Governance
Date of Decision:	12 December 2018
Subject:	Requirements for Company Statutory Filing
Wards affected: All	
1 Purpose	
1.1	The Council is associated with a number of companies that fall within its sphere of control, either as subsidiaries where the Council has control, associates where the Council has significant influence, Joint Ventures or through partnership arrangements.
1.2	Where a company is set up as a separate legal entity and registered with Companies House, it is required to file specific documents on a regular basis so that information is readily available to tax authorities or the general public. Failure to file appropriate returns may lead to a range of penalties ranging from fines to, in the most serious cases, terms of imprisonment.
1.3	This report provides information to members on the range of returns that need to be filed and the penalties associated with any failure to comply with statutory responsibilities.
2 Decisions recommended:	
2.1	Members are recommended to note the report.
2.2	Further reports will be provided where there is any failure of companies in meeting statutory deadlines for reporting information.

Contact Officer: Clive Heaphy
Telephone No: 0121 303 2950
E-mail address: clive.heaphy@birmingham.gov.uk

Contact Officer: Martin Stevens
Telephone No: 0121 303 4667
E-mail address: martin.stevens@birmingham.gov.uk

3 Compliance Issues:

- 3.1 Are Decisions consistent with relevant Council Policies, Plans or Strategies?:
This report is for information only and provides members with information on the requirements of registered companies.
- 3.2 Relevant Ward and other Members/Officers etc. consulted on this matter:
The Chair of the Committee has been consulted.
- 3.3 Relevant legal powers, personnel, equalities and other relevant implications (if any):
Section 151 of the Local Government Act requires the Corporate Director of Finance and Governance (as responsible officer) to ensure proper administration of the Council's financial affairs.
- 3.4 Will decisions be carried out within existing finances and resources?
Yes
- 3.5 Main Risk Management and Equality Impact Assessment Issues (if any):
This report considers the main risks that the Council faces as a result of its operation through and partnership arrangements with external organisations. The report sets out the actions being taken to mitigate those risks.

4 Relevant background/chronology of key events:

- 4.1 The creation of a limited company or partnership requires directors to file specific returns so that information is publicly accessible through Companies House and that appropriate returns are provided to Her Majesty's Revenues and Customs (HMRC).
- 4.2 Details of the filings and returns are set out in Appendix 1.

Signature:

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Clive Heaphy, Corporate Director – Finance & Governance

Appendix

Appendix 1 – Company Filing Requirements

Appendix 2 - Surcharge and Penalties for late filing of VAT returns

Company Filing Requirements

Companies House

Item	Responsibility	Deadline	Penalty for failure to file
Confirmation Statement	Directors and Company Secretary (if applicable)	Annually (either 12 months after incorporation, or 12 months after the previous submission)	An offence by every director, secretary or officer of the company who may be liable for a fine up to £500 and for continued contravention a daily default fine. .
Annual Accounts	Directors and Company Secretary (if applicable)	Annually (for private companies this is 9 months and for public limited companies is 6 months after the end of the relevant accounting period)	<p>An offence committed by every director who may be liable for a fine up to £5000 and for continued contravention a daily default fine.</p> <p>The company will receive an automatic late filing fee of up to £1500 (private company) or up to £7,500 (public company) dependant on the length of the delay. These fees are doubled if late filing occurs for two successive years. The registrar also has the option to strike off the company for continued failure to file accounts.</p> <p>In addition, if a company fails to keep accounting records, every officer who is in default is liable to imprisonment for a term not exceeding two years or a fine</p>
Register of Persons with Significant Control	Directors and Company Secretary (if applicable)	On incorporation and thereafter kept up to date within 14 days of any changes or any particulars of a new individual are confirmed	An offence committed by the company and every officer in default. A person guilty of the offence may be liable to a fine up to £1000 and for continued contravention a daily default fine

Company Filing Requirements

Adding or removing a Director	Directors and Company Secretary (if applicable)	Within 14 days of when a new Director is appointed/removed.	An offence by the company and every officer in default may be liable for a fine not exceeding £5,000 and, for continued contravention a daily default fine
Adding or removing a Secretary (only applicable to Public Companies – private companies do not require a secretary to be appointed)	Directors and Company Secretary	If no secretary is appointed the Secretary of State may issue a notice requiring the appointment within a specified period between 1-3 months	An offence by the company and every officer in default may be liable for a fine not exceeding £5,000 and, for continued contravention a daily default fine
Change of Director/Secretary Details e.g. address	Directors and Company Secretary (if applicable)	Within 14 days of change	An offence by the company and every officer in default may be liable for a fine not exceeding £5,000 and, for continued contravention, a daily default fine.
Memorandum and Articles of Association	Directors and Company Secretary (if applicable)	On incorporation or within 15 days after the decision was passed or made for amendments.	An offence by the company and every officer in default may be liable for a fine not exceeding £1,000 and, for continued contravention, a daily default fine not exceeding £100.
Changing the Company's Name	Directors and Company Secretary(if applicable)	Within 15 days after the special resolution was made (the name won't officially change until registered at Companies House)	A fine not exceeding £1,000 and, for continued contravention, a daily default fine not exceeding £100.
Changing Company's Registered Address	Directors and Company Secretary(if applicable)	Within 14 days after the decision was passed or made (the address won't officially change until registered at Companies House).	A fine not exceeding £1,000 and, for continued contravention, a daily default fine not exceeding £100.
Allotting Shares	Directors (if authorised, or the shareholder)	Within one month if issuing more shares or 21 days for other changes in share structure.	A fine not exceeding £1,000 and, for continued contravention, a daily default fine not exceeding £100.
Creating or amending a mortgage or charge	Directors and Company Secretary (if applicable)	Within 21 days after creation of the charge	The charge will be void

Company Filing Requirements

HMRC

Item	Responsibility	Deadline	Penalty for failure to file
Statutory Accounts	Directors and Secretary	Submit as part of the Company's Tax Return (as below) no later than 9 months and 1 day after the accounting period end.	1 day late - £100 3 months late – another £100 6 months late – HMRC will estimate your corporation tax bill and add a penalty of 10% of unpaid tax. 12 months late – another 10% of any unpaid tax will be added
Tax Return	Directors and Secretary	The tax return will include the Company Accounts (as above) and will be filed no later than 9 months and 1 day after the accounting period end.	1 day late - £100 3 months late – another £100 6 months late – HMRC will estimate your corporation tax bill and add a penalty of 10% of unpaid tax. 12 months late – another 10% of any unpaid tax will be added
VAT Return	Directors and Secretary	VAT returns are usually submitted every 3 months known as the accounting period These must be submitted even if there is no VAT to pay or reclaim. The deadline for submission and payments is 1 calendar month and 7 days after the end of the accounting period and time must be allowed for the payment to reach HMRC's Account.	HMRC record a default if they do not received the VAT return by the deadlines and/or full payment for the VAT due on the return has not reached their account by the deadline. The Company may enter a 12 month surcharge period. If the Company defaults again during this time the surcharge is extended for a further 12 months and an extra amount may have to be paid on top of the VAT owed. The surcharge is a percentage of the VAT outstanding on the due date for the accounting period that is in default and increases every time there is another default in a surcharge period. See Appendix 2 for details of surcharges and penalties

Company Filing Requirements

PAYE Registration	Directors and Secretary	<p>A company registers with HMRC when starting to employ staff or using sub-contractors for construction work</p> <p>Register with HMRC as an employer no later than 5 days before the first payday and no sooner than 2 months prior to this. The company must register even if there is only one employee.</p>	<p>Payment is due by 22nd of the next tax month or 19th if paying by post. Interest is charged at the daily standard rate on late payments and continues to build up on all unpaid amounts from the due and payable date to the date of payment. Penalties are applied on the amount that is late as follows-</p> <p>1-3 defaults 1% 4-6 defaults 2% 7-9 defaults 3% 10 or more defaults 4%</p>
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Surcharge and Penalties for late filing of VAT returns

How much you pay

Your surcharge is a percentage of the VAT outstanding on the due date for the accounting period that is in default. The surcharge rate increases every time you default again in a surcharge period.

This table shows how much you'll be charged if you default within a surcharge period.

You do not pay a surcharge for your first default.

Defaults within 12 months	Surcharge if annual turnover is less than £150,000	Surcharge if annual turnover is £150,000 or more
2nd	No surcharge	2% (no surcharge if this is less than £400)
3rd	2% (no surcharge if this is less than £400)	5% (no surcharge if this is less than £400)
4th	5% (no surcharge if this is less than £400)	10% or £30 (whichever is more)
5th	10% or £30 (whichever is more)	15% or £30 (whichever is more)
6 or more	15% or £30 (whichever is more)	15% or £30 (whichever is more)

Penalties

HMRC can charge you a penalty of up to:

- 100% of any tax under-stated or over-claimed if you send a return that contains a careless or deliberate inaccuracy
- 30% of an assessment HMRC sends you one that's too low and you do not tell them it's wrong within 30 days
- £400 if you submit a paper VAT Return, unless HMRC has told you you're exempt from submitting your return online

Information as per www.gov.uk/vat-returns

BIRMINGHAM CITY COUNCIL

PUBLIC

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

1. Purpose of report:
<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>

2. Decision(s) recommended:
<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>

Lead Contact Officer(s):	Martin Stevens, Head of City Finance, Financial Accounts
Telephone No:	0121 303 4667
E-mail address:	martin.stevens@birmingham.gov.uk
Lead Contact Officer(s):	Connie Price
Telephone No:	0121 303 3496
E-mail address:	connie.price@birmingham.gov.uk

3.	Consultation
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.
4.	Compliance Issues:
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

Companies in which Birmingham City Council has a Financial and/or Controlling Interest as at December 2018

Appendix 1

<u>Company Name</u>	<u>Type of Entity</u>	<u>BCC interest</u>	<u>Active (A) / Dormant (D)</u>	<u>Purpose</u>	<u>Turnover</u>	<u>Number of Employees FTE</u>
<u>Subsidiaries – Consolidated into the Group</u>						
Acvico Ltd	Company – Limited by shares	100%	A			
Acivico (Building Consultancy) Ltd			A	Provision of building consultancy, design, construction and facilities management including cleaning, asbestos services and toxicology testing.	33.8	332
Acivico (Design, Construction & Facilities Management) Ltd			A			
Birmingham Children's Trust CIC Ltd	Company – Limited by guarantee	Sole Member	A	Provision of Children's Social Care Services - Residential and Non Residential.	194.1	1896
Birmingham City Propco Ltd	Company – Limited by shares	100%	A	For the purchase, lease, rent or hire of commercial property for the purpose of raising revenue and develop, manage and lease commercial properties. Current properties include the Crowne Plaza and the Metropole at the NEC	0	0
InReach (Birmingham) Ltd	Company – Limited by shares	100%	A	Facilitation of new private rented housing for market rent (Ladywood)	0	1
The National Exhibition Centre (Developments) PLC	Company – Limited by shares	100%	A	Servicing of finance originally raised to fund the construction of halls 17-20 at the National Exhibiton Centre	0	0
PETPS (Birmingham) Ltd	Company – Limited by guarantee	Sole Member	A	Principal employer of NEC Pension Fund and Scheme. Responsibility transferred to the company following the sale of the NEC Group	0	0
PETPS (Birmingham) Capital Ltd	Company – Limited by shares	100%	A	A company created as part of the asset backed funding structure to finance payments to NEC Limited Pension Fund	0	0
NEC Pension Trustee Company Ltd	Company – Limited by guarantee	100%	D	Pension funding	0	0
NEC Pension Trustee Company No. 2 Ltd	Company – Limited by shares	100%	D	Pension funding	0	0
PETPS (Birmingham) General Partner Ltd	Company – Limited by shares	100%	A	A company created as part of the asset backed funding structure to finance payments to NEC Limited Pension Fund	0	0
PETPS (Birmingham) Pension Funding Scottish Limited Partnership	Limited Partnership	Nil directly, 100% indirectly	A	A company created as part of the asset backed funding structure to finance payments to NEC Limited Pension Fund	0	0

Companies in which Birmingham City Council has a Financial and/or Controlling Interest as at December 2018

Appendix 1

<u>Company Name</u>	<u>Type of Entity</u>	<u>BCC interest</u>	<u>Active (A) / Dormant (D)</u>	<u>Purpose</u>	<u>Turnover</u>	<u>Number of Employees FTE</u>
<u>Associates – Consolidated into the Group</u>						
Birmingham Airport Holdings Ltd	Company – Limited by shares	19%				
BHX (Scotland) Ltd						
BHX Fire & Rescue Ltd						
BHX Limited Partnership						
Birmingham Airport Developments Ltd						
Birmingham Airport (Finance) PLC						
Birmingham Airport Ltd			A	Operation and management of Birmingham Airport and the provision of facilities and services associated with those operations	£155.5m	425
Birmingham Airport Operations Ltd						
Birmingham Airport Pension Trustees Ltd						
Birmingham Airport Services Ltd						
Birmingham Airport Air Traffic Ltd						
Euro-Hub (Birmingham) Ltd						
First Castle Developments Ltd						
<u>Joint Venture - Consolidated into the Group</u>						
Paradise Circus General Partner Limited	Company - Limited by shares	50%	D			
Paradise Circus Management Company Ltd	Company – Limited by guarantee		D			
Paradise Circus Nominee 1 Ltd	Company – Limited by shares		D			
Paradise Circus Nominee 2 Ltd	Company – Limited by shares		D			
Paradise Circus Limited Partnership	Partnership – Limited partnership	50%	A	The facilitation of the redevelopment of Paradise Circus, supporting economic growth	12.4	0

Companies in which Birmingham City Council has a Financial and/or Controlling Interest as at December 2018

Appendix 1

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<u>Subsidiaries – not consolidated on grounds of materiality or control</u>						
4 Towers TMO Ltd	Industrial & Provident Society	100%	A	Tenants Management Organisation		-
Birmingham Charities Ltd	Company – Limited by guarantee	Sole Member	D	To fund general charitable activity for the benefit and on behalf of the citizens of Birmingham. To promote the objects and purposes of any charity where the Council is sole Sole Corporate Trustee. To hold the legal title to any land, buildings and any other relevant assets which are held in trust by any relevant charity.	-	-
Birmingham Curzon Regeneration Company	Company – Limited by shares	100%	D	Oversees the regeneration around Birmingham's proposed HS2 station site.	-	-
Birmingham Endeavour Ltd	Company – Limited by shares	100%	D	Venture capital. Finance Bham acts as BCC agent - oversees issuing of funding to local businesses.	-	-
Birmingham Municipal Housing Ltd	Company – Limited by shares	100%	D	A trust providing social housing on behalf of Birmingham City Council.	-	-
Birmingham Museums Trust Ltd	Company – Limited by guarantee	Sole Member	A	Registered charity - operation, maintenance, development and promotion of museums, galleries and associated facilities.	12.7	239
Birmingham Museums Trading Ltd	Company – Limited by shares		A		2.0	
Birmingham Venture Capital Ltd	Company – Limited by shares	100%	A	Trading Corporate Digital Mail Centre services with the private sector	-	-
Creative Advantage West Midlands Ltd	Company – Limited by shares	100%	A	Stimulate and promote enterprise within the West Midlands, including investments and other financial arrangements (eg debentures and securities).	-	-
Lighting Reality Ltd	Company - Limited by shares	20%	A	Business Software development		
Zed Cee Ltd	Company - Limited by Shares	25%	Dissolved 28/08/2018	Reail Clothing Company		
Birmingham Wheels Ltd	Company – Limited by guarantee	1 representative	A		0.2	-
Birmingham Wheels (Enterprises) Ltd	Company – Limited by shares	50%	A	Rehabilitation, education and training of offenders.	-	-
Birmingham Wholesale Market Company Ltd	Company – Limited by shares	50%	A	To operate a new wholesdale market outside the city centre.	-	1
Bloomsbury Local Management Association	Industrial & Provident Society	100%	A	Tenants Management Organisation		-

Companies in which Birmingham City Council has a Financial and/or Controlling Interest as at December 2018

Appendix 1

<u>Company Name</u>	<u>Type of Entity</u>	<u>BCC interest</u>	<u>Active (A) / Dormant (D)</u>	<u>Purpose</u>	<u>Turnover</u>	<u>Number of Employees FTE</u>
Finance Birmingham Ltd	Company – Limited by shares	100%	A	An Alternative Investment Fund Manager that provides existing SME's with affordable and flexible finances to support potential business growth and investment	2.8	19
Forward Homes (Birmingham) Ltd	Company – Limited by shares	100%	D	Forward Homes build new homes for sale. The surplus generated from selling these homes is used to cross subsidise the Council's new build programme of homes for social and affordable rent.	-	-
Frontier Development Holdings Ltd	Company – Limited by shares	100%	A	Venture capital. Finance Bham acts as BCC agent - oversees issuing of funding to local businesses.	-	-
Frontier Development Capital Ltd		1 representative	A	Venture capital. Finance Bham acts as BCC agent - oversees issuing of funding to local businesses.	-	5
Gallery 37 Foundation	Company – Limited by guarantee	80%	A	Enabling young people in Birmingham (with a special focus on the disadvantaged) to fulfill their creative potential through engagement with the Arts.	-	-
GBS Finance Ltd	Company – Limited by shares	100%	D	Venture capital. Finance Bham acts as BCC agent - oversees issuing of funding to local businesses.	-	-
IB (Birmingham) Ltd	Company – Limited by guarantee	Sole Member	D	Until April 2018, holding company for promotion and development of Innovation Birmingham Campus. Now dormant	-	37
Inceptum Developments Ltd	Company – Limited by shares	50%	A	Assisting enterprises in developing their business by undertaking new strategic and tactical initiatives.	-	2
Icknield Port Loop LLP	Limited Partnership	50%	A	Regeneration of Council owned land alongside that of the Canal & River Trust and a developer to create mixed use housing.	-	0
Port Loop Estate Management Ltd	Company – Limited by guarantee	1 representative	A	Estate Management	-	-
LSB Law Ltd	Company – Limited by shares	100%	D	The trading arm of Birmingham City Council Legal Services Department.	-	-
Manor Close Residents Management Organisation Ltd	Company – Limited by guarantee	100%	A	Tenants Management Organisation		-
Performances Birmingham Ltd	Company – Limited by guarantee	Sole Member	A	Education of the public by encouraging appreciation of the arts, in particular music, and to educate young people in performing and composing music	14.6	70
Performances Birmingham (Enterprises) Ltd	Company – Limited by shares	100%	A	Provision of catering services at Town Hall and Symphony Hall in Birmingham. Other activities include the commercial hire of both venues, a retail outlet branded "Symphony Hall Gift Shop" and sponsorships.	2.6	60 (seconded from PBL)
Roman Way Estate C.I.C.	Company – Limited by guarantee	100%	A	Tenants Management Organisation	0.2	-
Thinktank Trust	Company – Limited by guarantee	Sole Member	A	Promotion of science education through interactive exhibits and historical collections at Birmingham Thinktank	1.4	0

Companies in which Birmingham City Council has a Financial and/or Controlling Interest as at December 2018

Appendix 1

<u>Company Name</u>	<u>Type of Entity</u>	<u>BCC interest</u>	<u>Active (A) / Dormant (D)</u>	<u>Purpose</u>	<u>Turnover</u>	<u>Number of Employees FTE</u>
<u>Associates – not consolidated on grounds of materiality or control</u>						
<u>Investments through Finance Birmingham</u>						
Ascension Venture Holdings Ltd	Company – Limited by shares	20% to 50%	A	Backing of entrepreneurs by providing capital, access to the Company's network and expert mentors to help grow scalable businesses.	-	-
Ascension Ventures Ltd			A		-	2
Auctus Management Group Ltd	Company – Limited by shares	32%	A	Provides a range of workforce solutions to clients of services covering safety, people solutions, training and community engagement across the railway infrastructure sector.	-	15
Big Button Holdings Ltd	Company – Limited by shares	20%	A	Strategic video agency for business - IT & Technology; Engineering and Rail; Finance and Professional Services	-	2
Millennium Point Trust Ltd	Company – Limited by guarantee	2 representatives	A	Millennium Point is a multi-use meeting complex which contains Thinktank, Birmingham School of Acting and Birmingham City University's Faculty of Computing, Engineering and The Built Environment and part of Birmingham Metropolitan College.	7.3	19
Millennium Point Property Ltd	Company – Limited by shares	1 representative	A		7.8	19
Mutt Motorcycles Ltd	Company – Limited by shares	20%	A	Manufacture of custom motorcycles and motorcycle lifestyle store.	0.8	-
Obillex Ltd	Company – Limited by shares	21%	A	Early payment solutions / providers of low cost working capital financing.	-	7
<u>Non Finance Birmingham Investments</u>						
CSR Ltd	Company – Limited by shares	33%	A	Promote, encourage and develop corporate social responsibility initiatives (companies, voluntary and community groups) within the Greater Birmingham Area.	9.0	0

Companies in which Birmingham City Council has a Financial and/or Controlling Interest as at December 2018

Appendix 1

<u>Company Name</u>	<u>Type of Entity</u>	<u>BCC interest</u>	<u>Active (A) / Dormant (D)</u>	<u>Purpose</u>	<u>Turnover</u>	<u>Number of Employees FTE</u>
<u>Minor Interests - not consolidated on grounds of materiality or control</u>						
<u>Investment through Finance Birmingham</u>						
Ascarii Ltd	Company – Limited by shares	15%	A	Helps to transform small businesses with cloud-based management solutions.	-	13
Aston Eyetech Ltd	Company – Limited by shares	4%	A	A software development company that supports optometrists with diagnosis, selling optical products and conducting clinical trials.	0.5	21
Big Button Media Ltd	Company – Limited by shares	11%	A	Strategic video agency for business - IT & Technology; Engineering and Rail; Finance and Professional Services	-	11
Crowd Technologies	Company – Limited by shares	8%	A	The Company operates a web based social media software platform that assists organisations of various sizes to manage the risks of social media.	-	15
Foodient Ltd (also known as Whisk)	Company – Limited by shares	<1%	A	Foodient Ltd, doing business as Whisk, provides Food Genome, a food platform that connects recipes, products, and shopping choices using artificial intelligence. Its product connects publishers, brands, and grocery retailers to increase engagement and revenue across various platforms	-	4
Format Zone Ltd	Company – Limited by shares	15%	A	Television production and distribution activities	-	2
Goodfish Ltd	Company – Limited by shares	0%	A	Manufacture of plastic products	-	37
Info-Ctrl Ltd	Company – Limited by shares	0%	A	Business and domestic software development	-	1
Learning Labs	Company – Limited by shares	13%	A	Creation of new technology to assist with language development	-	-
Natural HR Ltd	Company – Limited by shares	5%	A	Human resources provision and management of HR functions	-	5
Opinsta Ltd (previously Closed Questions)	Company – Limited by shares	16%	A	Development of business software	-	4
Owned IT	Company – Limited by shares	<1%	A	E-commerce market solution provider (marketing campaigns)	-	4
Vision Technologies Ltd	Company – Limited by shares	9%	A	Business and domestic software development	-	10
Wetakestock Ltd	Company – Limited by shares	8%	A	Agents involved in the sale of a variety of goods	0	-

Companies in which Birmingham City Council has a Financial and/or Controlling Interest as at December 2018

Appendix 1

<u>Company Name</u>	<u>Type of Entity</u>	<u>BCC interest</u>	<u>Active (A) / Dormant (D)</u>	<u>Purpose</u>	<u>Turnover</u>	<u>Number of Employees FTE</u>
<u>Minor Interests - not consolidated on grounds of materiality or control</u>						
Acocks Green Village BID Company Ltd	Company – Limited by guarantee	1 representative	A	Business Improvement District	-	-
Birmingham Citizen's Advice Bureau Service Ltd	Company – Limited by guarantee	2 representatives	A	Advice Agency - (Generalist/Debt/Benefits)	1.7	50
Birmingham Disability Resource Centre	Company – Limited by guarantee	1 representative	A	To improve the lives of disabled people and those with long term health conditions.	1.0	34
Birmingham Hippodrome Theatre Trust Ltd	Company – Limited by shares	2 representatives	A	Runs the Hippodrome Theatre and performances including musicals, ballet, opera, drama, comedy and pantomime.	27.7	226
Birmingham LEP Company Ltd	Company – Limited by shares	10%	A	The company was formed in 2009 to deliver the Building Schools for the Future programme which was cancelled in 2010. Since then the focus of the company has been on completing building contracts signed on that date. No further construction activity is forecast but provision of facilities management and ICT services continues.	1.7	0
Birmingham Repertory Theatre Ltd (The)	Company – Limited by shares	2 representatives	A	A producing and performance theatre which also includes restaurants, venue hiring and conferences, based in the centre of Birmingham.	11.2	147
Unique Venues Birmingham Ltd	Company – Limited by shares	2 representatives	A	Licensed restaurants, event catering activities, arts facilities, library activities for Birmingham Repertory Theatre	-	-
Birmingham Research Park Ltd	Company - Limited by shares	1 representative	A	Development of Research Park and provision of accommodation and services to high tech companies on site.	1.1	0
Birmingham Royal Ballet	Company – Limited by guarantee	1 representative	A	Performing arts, ballet	14.8	188
Birmingham Settlement (The)	Company – Limited by guarantee	2 representatives	A	Improve the quality of life for individuals and communities facing social and economic exclusion, by working with others to influence policymakers and challenge the status quo.	1.3	80
Birmingham Schools SPC Holdings Phase 1A Ltd	Company – Limited by shares	1 representative	A	A Holding Company for design, construction and provision of new schools at Holte, Mayfield, Lozells and Stockland Green.	3.2	0
Birmingham Schools SPC Phase 1A Ltd	Company – Limited by shares	1 representative				
Birmingham Schools SPC Holdings Phase 1B Ltd	Company – Limited by shares	1 representative	A		1.6	0
Birmingham Schools SPC Phase 1B Ltd	Company – Limited by shares	1 representative				
Birmingham Voluntary Services Council	Company – Limited by guarantee	2 representatives	A	Charitable Trust providing support to the voluntary and community sector.	4.1	55
Bridge Street Management Ltd	Company – Limited by shares	8%	A	Business Improvement District	-	-
Castle Vale Neighbourhood Partnership Ltd		1 representative	A	Regeneration and development of the local area	0.1	-
Central Technology Belt	Company – Limited by guarantee	1 representative	A	Promote and provide business support to the economic area between Birmingham and Worcester.	-	5
City of Birmingham Symphony Orchestra	Company – Limited by guarantee	2 representatives	A	Provision of orchestral concerts	8.7	103
Colmore Business District	Company – Limited by guarantee	3 representatives	A	Business Improvement District	0.9	27
Commonwealth Games CIC	Company – Limited by guarantee	1 representative	A	Manage and promote the Commonwealth Games 2022	-	-

Companies in which Birmingham City Council has a Financial and/or Controlling Interest as at December 2018

Appendix 1

<u>Company Name</u>	<u>Type of Entity</u>	<u>BCC interest</u>	<u>Active (A) / Dormant (D)</u>	<u>Purpose</u>	<u>Turnover</u>	<u>Number of Employees FTE</u>
Erdington Town Centre Partnership	Company – Limited by guarantee	1 representative	A	Business Improvement District	0.1	-
Ex Cathedra Ltd	Company – Limited by guarantee	1 representative	A	Performing Arts (Music)	0.7	10
Greater Birmingham & Solihull LEP Partnership (The)	Company – Limited by guarantee	2 representatives	D	To create jobs, grow the economy and improve quality of life in Greater Birmingham & Solihull	-	-
Ikon Gallery Ltd	Company - Limited by guarantee	1 representative	A	Operation of arts facilities and artistic creation	1.6	26
Jewellery Quarter Development Trust C.I.C.	Company - Limited by guarantee	2 representatives	A	Business Improvement District	0.4	6
Kings Heath Business Improvement District	Company - Limited by guarantee	1 representative	A	Business Improvement District	-	-
Midland Arts Centre	Company – Limited by guarantee	2 representatives	A	Operation of arts facilities and cultural education	4.9	212
Northfield Town Centre BID Ltd	Company – Limited by guarantee	2 representatives	A	Business Improvement District	-	3
Pure Business Services Ltd	Company – Limited by shares	15%	A	Wireless telecommunications activities	-	64
Retail Birmingham Ltd	Company – Limited by guarantee	2 representatives	A	Business Improvement District	-	17
S4E Ltd	Company – Limited by guarantee	1 representative	A	Services to children to provide advancement of education, care and safety and advancement of arts and culture.	8.1	275
Soho Road BID C.I.C.	Company – Limited by guarantee	1 representative	A	Business Improvement District	-	3
Southside Business District Ltd	Company – Limited by guarantee	4 representatives	A	Business Improvement District	0.5	2
St. Basil's	Company – Limited by guarantee	1 representative	A	Provision of housing and services to young people	4.4	262
Stockfield Community Association	Company – Limited by guarantee	2 representatives	A	Social housing provider	0.7	0
Stockfield Community Association (Subsidiary) Ltd		2 representatives	A	Managing leasehold ownership and collecting ground rents	0	-
Sutton Coldfield Town Centre BID	Company – Limited by guarantee	2 representatives	A	Business Improvement District	-	0
UK Municipal Bonds Agency PLC	Company – Limited by shares	3%	A	The UK Municipal Bonds Agency Plc was established with the primary purpose of reducing local authority financing costs.	0	5
Veolia ES Birmingham Ltd	Company – Limited by shares	<1%	A	Disposal of household waste in an Energy Recovery Facility generating electricity as a by-product,	43.6	200
West Midlands Arts Trust	Company – Limited by guarantee	2 representatives	A	To provide a building at a peppercorn rent to the Arts Council of England for furtherance of the arts in the West Midlands	0	0
West Midlands Growth Company	Company – Limited by guarantee	2 representatives	A	This company is a delivery body to support the West Midlands Combined Authority with the delivery of its strategic economic plan.	5.8	53
West Midlands Rail Ltd	Company – Limited by guarantee	1 representative	D	Specifying and managing rail franchise for the West Midlands	-	-
Westside Partnership Ltd	Company – Limited by guarantee	1 representative	A	Business Improvement District	-	6
Witton Lodge Community Association	Company – Limited by guarantee	2 representatives	A	Community Association and community landlord renting out 200 homes	1.7	19
WLCA Enterprises Ltd	Company – Limited by shares		A	include a 40 apartment extra care scheme.	0.1	
Workers Education Association	Company – Limited by guarantee	1 representative	A	Provision of education services for vulnerable people and those in need.	27.0	2331
Yardley Great Trust (charity)	Charity	3 representatives	A	Charity for the relief of poverty, sheltered housing, residential, nursing and home care services and providing job opportunities for the people of South East Birmingham.	2.7	65

Company	Director	Status
Acivico (Building Consultancy) Ltd	Frederick Grindrod	Councillor
	Kenneth Wood	Councillor
	Peter Griffiths	Councillor
Acivico (Design, Construction and Facilities Management) Ltd	Frederick Grindrod	Councillor
	Kenneth Wood	Councillor
	Peter Griffiths	Councillor
Acivico Ltd	Frederick Grindrod	Councillor
	Kenneth Wood	Councillor
	Peter Griffiths	Councillor
Acocks Green Village BID Company	John O'Shea	Councillor
Arden Cross Ltd	Ian McLeod	Officer
	Waheed Nazir	Officer
Birmingham Airport Holdings Ltd	Paul Tilsley	Councillor
	Tristan Chatfield	Councillor
	Waheed Nazir	Officer
	Waseem Zaffar	Councillor
Birmingham Charities Ltd	Alison Jarrett	Officer
	John Barr	Officer
	Martin Stevens	Officer
Birmingham City Propco Ltd	John Barr	Officer
	Waheed Nazir	Officer
Birmingham Curzon Regeneration Company Ltd	Richard Cowell	Officer
Birmingham Endeavour Limited	Alison Jarrett	Officer
Birmingham LEP Company Ltd	Jaswinder Didiyally	Officer
Birmingham Municipal Housing Ltd	Clive Skidmore	Officer
Birmingham Museums Trust Ltd	Muhammad Afzal	Councillor
	Randall Brew	Former Councillor
Birmingham Repertory Theatre Ltd (The)	Gary Sambrook	Councillor
Birmingham Schools SPC Holdings Phase 1A Ltd	Jaswinder Didiyally	Officer
Birmingham Schools SPC Holdings Phase 1B Ltd	Jaswinder Didiyally	Officer
Birmingham Schools SPC Phase 1A Ltd	Jaswinder Didiyally	Officer
Birmingham Schools SPC Phase 1B Ltd	Jaswinder Didiyally	Officer
Birmingham Settlement (The)	John Cotton	Councillor
Birmingham Venture Capital Ltd	Alison Jarrett	Officer
	Karen Price	Officer
Birmingham Wholesale Market Company Ltd	Ian Chaplin	Officer
	Jacqueline Kennedy	Officer
	Kathryn James	Officer
Central Technology Belt	Randall Brew	Former Councillor
City of Birmingham Symphony Orchestra	Alex Yip	Councillor
	Sir Albert Bore	Councillor
Colmore Business District Ltd	Brigid Jones	Councillor
	Sir Albert Bore	Councillor
Commonwealth Games (Birmingham) CIC	Ian Ward	Councillor
CSR City Limited	John Clancy	Councillor
	Sir Albert Bore	Councillor
Erdington Town Centre Partnership	Robert Alden	Councillor
Finance Birmingham Ltd	Alison Jarrett	Officer
Forward Homes (Birmingham) Ltd	Clive Skidmore	Officer
Frontier Development Holdings Ltd	Clive Heaphy	Officer
Gallery 37 Foundation	Alberta Waddington	Former Councillor
	Emma Leaman	Former Officer
	Valerie Birchall	Former Officer
GBS Finance Ltd	Alison Jarrett	Officer
Greater Birmingham And Solihull Local Enterprise Partnership Limited (The)	Brigid Jones	Councillor
	Ian Ward	Councillor

Company	Director	Status
Harborne Village BID	Jayne Francis	Councillor
IB (Birmingham) Ltd	Martin Easton	Officer
	Martin Stevens	Officer
Icknield Port Loop LLP	Birmingham City Council	Entity
Ikon Gallery Limited	Tristan Chatfield	Councillor
InReach (Birmingham) Limited	Clive Skidmore	Officer
Midland Arts Centre	Martin Straker-Welds	Councillor
	Matthew Bennett	Councillor
Millennium Point Trust Ltd	Karen McCarthy	Councillor
	Paul Tilsley	Councillor
National Exhibition Centre (Developments) PLC (The)	Clive Heaphy	Officer
	Martin Easton	Officer
NEC Pension Trustee Company No 2 Limited	Alison Jarrett	Officer
Northfield Town Centre BID Ltd	Edwin Freeman	Councillor
Obillex Ltd	Alison Jarrett	Officer
Paradise Circus General Partner Ltd	Kathryn James	Officer
	Waheed Nazir	Officer
Paradise Circus Management Company Ltd	Kathryn James	Officer
	Waheed Nazir	Officer
Paradise Circus Nominee 1 Ltd	Kathryn James	Officer
	Waheed Nazir	Officer
Paradise Circus Nominee 2 Ltd	Kathryn James	Officer
	Waheed Nazir	Officer
Performances Birmingham Ltd	Alexander Aitken	Councillor
	Ewan Mackey	Councillor
PETPS (Birmingham) Capital Limited	Clive Heaphy	Officer
	Martin Stevens	Officer
PETPS (Birmingham) General Partner Limited	Clive Heaphy	Officer
	Martin Stevens	Officer
PETPS (Birmingham) Ltd	Clive Heaphy	Officer
	Martin Stevens	Officer
Port Loop Estate Management Ltd	Kathryn James	Officer
Southside Business District Ltd	Penny Holbrooke	Councillor
Stockfield Community Association	John O'Shea	Councillor
	Natalie Potter	Officer
Stockfield Community Association (Subsidiary) Ltd	John O'Shea	Councillor
	Natalie Potter	Officer
Sutton Coldfield Town Centre BID	Ewan Mackey	Councillor
Unique Venues Birmingham Ltd	Guy Olivant	Officer
West Midlands Growth Company Limited	Ian Ward	Councillor
West Midlands Rail Limited	Ian Ward	Councillor
	Stewart Stacy	Former Councillor
Westside Partnership Ltd	Sir Albert Bore	Councillor
	Waseem Zaffar	Councillor
Witton Lodge Community Association	Robert Beauchamp	Councillor
WLCA Enterprises Ltd	Robert Beauchamp	Councillor

Status	Director	Company
Councillor	Alex Yip	City of Birmingham Symphony Orchestra
	Alexander Aitken	Performances Birmingham Ltd
	Brigid Jones	Colmore Business District Ltd Greater Birmingham And Solihull Local Enterprise Partnership Limited (The)
	Edwin Freeman	Northfield Town Centre BID Ltd
	Ewan Mackey	Performances Birmingham Ltd Sutton Coldfield Town Centre BID
	Frederick Grindrod	Acivico (Building Consultancy) Ltd Acivico (Design, Construction and Facilities Management) Ltd Acivico Ltd
	Gary Sambrook	Birmingham Repertory Theatre Ltd (The)
	Ian Ward	Commonwealth Games (Birmingham) CIC Greater Birmingham And Solihull Local Enterprise Partnership Limited (The) West Midlands Growth Company Limited West Midlands Rail Limited
	Jayne Francis	Harborne Village BID
	John Clancy	CSR City Limited
	John Cotton	Birmingham Settlement (The)
	John O'Shea	Acocks Green Village BID Company Stockfield Community Association Stockfield Community Association (Subsidiary) Ltd
	Karen McCarthy	Millennium Point Trust Ltd
	Kenneth Wood	Acivico (Building Consultancy) Ltd Acivico (Design, Construction and Facilities Management) Ltd Acivico Ltd
	Martin Straker-Welds	Midland Arts Centre
	Matthew Bennett	Midland Arts Centre
	Muhammad Afzal	Birmingham Museums Trust Ltd
	Paul Tilsley	Birmingham Airport Holdings Ltd Millennium Point Trust Ltd
	Penny Holbrooke	Southside Business District Ltd
	Peter Griffiths	Acivico (Building Consultancy) Ltd Acivico (Design, Construction and Facilities Management) Ltd Acivico Ltd
	Robert Alden	Erdington Town Centre Partnership
	Robert Beauchamp	Witton Lodge Community Association WLCA Enterprises Ltd
	Sir Albert Bore	City of Birmingham Symphony Orchestra Colmore Business District Ltd CSR City Limited Westside Partnership Ltd
	Tristan Chatfield	Birmingham Airport Holdings Ltd Ikon Gallery Limited
	Waseem Zaffar	Birmingham Airport Holdings Ltd Westside Partnership Ltd
Former Councillor	Alberta Waddington	Gallery 37 Foundation
	Randall Brew	Birmingham Museums Trust Ltd Central Technology Belt
	Stewart Stacy	West Midlands Rail Limited
Officer	Alison Jarrett	Birmingham Charities Ltd Birmingham Endeavour Limited Birmingham Venture Capital Ltd Finance Birmingham Ltd

Status	Director	Company
Officer	Alison Jarrett	GBS Finance Ltd
		NEC Pension Trustee Company No 2 Limited
		Obillex Ltd
	Clive Heaphy	Frontier Development Holdings Ltd
		National Exhibition Centre (Developments) PLC (The)
		PETPS (Birmingham) Capital Limited
		PETPS (Birmingham) General Partner Limited
		PETPS (Birmingham) Ltd
	Clive Skidmore	Birmingham Municipal Housing Ltd
		Forward Homes (Birmingham) Ltd
		InReach (Birmingham) Limited
	Guy Olivant	Unique Venues Birmingham Ltd
	Ian Chaplin	Birmingham Wholesale Market Company Ltd
	Ian McLeod	Arden Cross Ltd
	Jacqueline Kennedy	Birmingham Wholesale Market Company Ltd
	Jaswinder Didially	Birmingham LEP Company Ltd
		Birmingham Schools SPC Holdings Phase 1A Ltd
		Birmingham Schools SPC Holdings Phase 1B Ltd
		Birmingham Schools SPC Phase 1A Ltd
		Birmingham Schools SPC Phase 1B Ltd
	John Barr	Birmingham Charities Ltd
		Birmingham City Propco Ltd
	Karen Price	Birmingham Venture Capital Ltd
	Kathryn James	Birmingham Wholesale Market Company Ltd
		Paradise Circus General Partner Ltd
		Paradise Circus Management Company Ltd
		Paradise Circus Nominee 1 Ltd
		Paradise Circus Nominee 2 Ltd
		Port Loop Estate Management Ltd
	Martin Easton	IB (Birmingham) Ltd
		National Exhibition Centre (Developments) PLC (The)
	Martin Stevens	Birmingham Charities Ltd
		IB (Birmingham) Ltd
		PETPS (Birmingham) Capital Limited
		PETPS (Birmingham) General Partner Limited
		PETPS (Birmingham) Ltd
	Natalie Potter	Stockfield Community Association
		Stockfield Community Association (Subsidiary) Ltd
	Richard Cowell	Birmingham Curzon Regeneration Company Ltd
	Waheed Nazir	Arden Cross Ltd
		Birmingham Airport Holdings Ltd
		Birmingham City Propco Ltd
		Paradise Circus General Partner Ltd
		Paradise Circus Management Company Ltd
		Paradise Circus Nominee 1 Ltd
		Paradise Circus Nominee 2 Ltd
Former Officer	Emma Leaman	Gallery 37 Foundation
	Valerie Birchall	Gallery 37 Foundation
Entity	Birmingham City Council	Icknield Port Loop LLP
Grand Total		

BIRMINGHAM CITY COUNCIL**PUBLIC REPORT**

Report to:	CABINET COMMITTEE – GROUP COMPANY GOVERNANCE
Report of:	Corporate Director – Finance & Governance
Date of Decision:	12 December 2018
Subject:	Group Company Governance - Section 24 Recommendations
Wards affected: All	
1 Purpose	
1.1	At its meeting on 13 November 2018, this committee considered the first progress report on the delivery of actions to mitigate the recommendations made by the External Auditor in his Audit Findings Report published on 30 July 2018.
1.2	This report provides a further update on actions taken to date.
2 Decisions recommended:	
	Members are recommended to:
2.1	Note the proposed actions to mitigate the concerns of the External Auditor
2.2	Note the progress in delivering the proposed actions to date.

Contact Officer: Clive Heaphy
Telephone No: 0121 303 2950
E-mail address: clive.heaphy@birmingham.gov.uk

Contact Officer: Martin Stevens
Telephone No: 0121 303 4667
E-mail address: martin.stevens@birmingham.gov.uk

3 Compliance Issues:

- 3.1 Are Decisions consistent with relevant Council Policies, Plans or Strategies?:
The Council operates and delivers services through a number of different vehicles. The Council needs to consider the risks of delivering through arms-length arrangements so that Council policies can continue to be implemented.
- 3.2 Relevant Ward and other Members/Officers etc. consulted on this matter:
The Chair of the Committee has been consulted.
- 3.3 Relevant legal powers, personnel, equalities and other relevant implications (if any):
The Section 151 Officer has a duty to ensure the proper administration of the Council's affairs. The Accounts and Audit Regulations 2015, requires the Council to have effective arrangements for the management of risk.
- 3.4 Will decisions be carried out within existing finances and resources?
Yes
- 3.5 Main Risk Management and Equality Impact Assessment Issues (if any):
This report considers the delivery of the proposed actions to mitigate the concerns raised by the External Auditor in his Audit Findings Report following the audit of the Council's Financial Statements 2017/18.

4 Relevant background/chronology of key events:

- 4.1 The External Auditor issued his Audit Findings Report (AFR), which was considered by Audit Committee at its meeting on 30 July 2018. Contained within the report were a number of recommendations made under Section 24 of The Local Audit and Accountability Act 2014. Recommendations made under Section 24 had to be considered by full Council, which took place on 11 September 2018.
- 4.2 The External Auditor identified within one of his Section 24 recommendations that the financial position of companies and the Council's liability for their liabilities has not been well understood or reported by the Council. The external auditor went on further to state that the Council had not always had sufficient accurate information upon which to make decisions relating to the companies created in order to mitigate risk and that governance arrangements had not been adequate to enable companies' activities to be monitored. The auditor's specific recommendation in respect of companies was that the Council needs to:
- “ensure that appropriate arrangements are implemented in relation to the Council's subsidiary bodies, including regular financial reporting and Council representation on subsidiary body boards, to ensure that emerging risks are

monitored, reported and managed promptly.”

- 4.3 The Council needs to monitor its response to the recommendation to ensure that the proposed action to mitigate the weaknesses identified is being progressed. The first progress report was considered by this committee at its meeting on 13 November. Attached at Appendix 1 is the second progress report for members to consider.

Signature:

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Clive Heaphy, Corporate Director – Finance & Governance

Appendix

Appendix 1 – Progress report on Section 24 recommendation

Progress Report – Section 24 Recommendation

Rec No	Recommendation	Proposed Actions	Due Date	Responsible Officer	Progress in implementation
Sec 24 Recommendations					
6	The Council needs to ensure that appropriate arrangements are implemented in relation to the Council's subsidiary bodies, including regular financial reporting and Council nominees on subsidiary body boards, to ensure that emerging risks are monitored, reported and managed promptly.	<p>The shareholder role is discharged through the CC-GCG, with attendance by subsidiaries either on a cyclical timeframe or where there are concerns with a Council-owned company, on a more regular basis.</p> <p>The Intelligent Client Function is more robustly developed for some subsidiary bodies than others and the role of contact officers requires formal definition. This will form part of the work programme for CC-GCG in 2018, along with further development of the training package for officers and members who take up directorships.</p> <p>Risks within subsidiary bodies are formally reported to Audit Committee annually as part of an assurance statement. The Council will extend this</p>	Ongoing	Clive Heaphy	<p>November 2018: The workplan and timetable for the CC-GCG is being developed and regular reports of and presentations by the Council's subsidiary companies will be programmed into the timetable.</p> <p>The CC-GCG has been timetabled into the Committee calendar on a monthly basis and will be chaired by the Deputy Leader and be supported by senior officers.</p> <p>Acivico Limited presented its business plan to CC-GCG at its meeting on 13 November 2018.</p> <p>December 2018: Birmingham Children's Trust CIC presentation of its business plan to CC-GCG</p> <p>November 2018: The role of client functions will be developed and implemented during the year to ensure that there remains a strong focus on the relationship with subsidiary companies.</p> <p>Client Officers will report to the CC-GCG on a regular basis in support of presentations by subsidiary companies.</p> <p>November 2018: CC-GCG will consider a regular report on the risks associated with subsidiary companies and emerging issues will be identified at the earliest</p>

Progress Report – Section 24 Recommendation

Rec No	Recommendation	Proposed Actions	Due Date	Responsible Officer	Progress in implementation
		mechanism to capture emerging in-year risks.			<p>opportunity to allow consideration at the committee.</p> <p>CC-GCG considered the risk register associated with its involvement in companies and the risk assurance questionnaire to be completed by those companies that will be consolidated into the Council's group accounts at its meeting on 13 November 2018.</p> <p>December 2018: An updated risk register of the Council's involvement in companies to be presented to CC-GCG at its meeting on 12 December.</p>

BIRMINGHAM CITY COUNCIL**PUBLIC REPORT**

Report to:	CABINET COMMITTEE – GROUP COMPANY GOVERNANCE
Report of:	Corporate Director – Finance & Governance
Date of Decision:	12 December 2018
Subject:	Birmingham Children’s Trust CIC – Pen Portrait
Wards affected: All	
1 Purpose	
1.1	This report sets out summary information in respect of Birmingham Childrens Trust CIC as background information to the consideration of the company’s business plan in the private section of the agenda.
2 Decisions recommended:	
	Members are recommended to:
2.1	Note the information provided in this report.

Contact Officer: Clive Heaphy
Telephone No: 0121 303 2950
E-mail address: clive.heaphy@birmingham.gov.uk

Contact Officer: Martin Stevens
Telephone No: 0121 303 4667
E-mail address: martin.stevens@birmingham.gov.uk

3 Compliance Issues:

- 3.1 Are Decisions consistent with relevant Council Policies, Plans or Strategies?:
The Council has created companies to support the delivery of services.
- 3.2 Relevant Ward and other Members/Officers etc. consulted on this matter:
The Chair of the Committee has been consulted.
- 3.3 Relevant legal powers, personnel, equalities and other relevant implications (if any):
There are no legal implications associated with this report.
- 3.4 Will decisions be carried out within existing finances and resources?
There are no financial implications associated with this report.
- 3.5 Main Risk Management and Equality Impact Assessment Issues (if any):
This report provides information for members and there are no risk management or equality impacts arising.

4 Relevant background/chronology of key events:

- 4.1 Birmingham Childrens Trust CIC was created as a company limited by guarantee without share capital with the Council as sole member. The company was created in May 2017 and became a Community Interest Company in October 2018.
- 4.2 The company has been created as an asset locked company so that on any future dissolution, the assets of the company will not come back to the Council but will go to a similar type of entity.
- 4.3 The company was created to provide all elements of social care, special educational needs, youth offending and other related services and support to children, young people and their families.

Signature:

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Clive Heaphy, Corporate Director – Finance & Governance

Appendix

Appendix 1 – Pen portrait Birmingham Children's Trust CIC.

Appendix 1

Birmingham Children's Trust Community Interest Company

Company N°: 10762047

Subsidiary Companies None

Directors Brian Carr
Andrew Christie
Andrew Couldrick
Balwinder Kaur Dhanoa
Professor Jonathan Glasby
Ruth Harker
Colin Horwath
Elizabeth Stafford
Jennifer Turnross
Lee Yale-Helms

Company Purpose Birmingham Children's Trust CIC was set up as a wholly owned company of Birmingham City Council from 1st April 2018. The objects of the Company are to provide all elements of social care, special educational needs, youth offending and other related services and support to children, young people and their families.

Financial Year End 31 March
Filing Date 31 December

Financial Information	2018/19
	£m
Base Contract Sum	189.7
Income	(3.7)
Net Contract Sum	186.0
Support Services	10.2
Base Contact Sum 2018/19	196.2
Payment of Reserves	5.7
Contract Payment 2018/19	201.9

