

BIRMINGHAM CITY COUNCIL

CABINET COMMITTEE – GROUP COMPANY GOVERNANCE

**Wednesday 17 April 2019 at 1100 hours in
Ellen Pinsent Room, Council House,
Victoria Square, Birmingham B1 1BB**

Attendance:

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

Also in Attendance:

Kate Charlton	City Solicitor
Connie Price	Head of Service – Legal
Georgina Dean	Solicitor
Alison Jarrett	Assistant Director, Finance and Governance
Dave Smith	Committee Services
Marie Reynolds	Committee Services

CHAIRMAN'S INTRODUCTION

- 1 The Chair welcomed all to the meeting
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APOLOGY

- 2 There were no apologies submitted.
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DECLARATIONS OF INTERESTS

- 3 There were no declarations submitted.
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PUBLIC NOTES OF THE LAST MEETING

- 4 The public notes of the last meeting were agreed.
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TRAINING – UPDATE FOR COMPANY

The following report of the City Solicitor, Finance and Governance was submitted:-

(See document No. 1)

Connie Price, Legal Services, provided an overview of the training that had been received to date by referring to Appendix 1 of the report.

It was noted that as well as the 2 training sessions that had been provided on 29 October 2018 and 29 January 2019 with Cabinet Committee Group Company Governance and to officers and Members that had been appointed to companies and charities in which the Council had a significant interest, there had also been additional one to one sessions for an elected member requiring additional guidance in his role, and for a Council finance officer newly appointed to a number of companies.

It was noted that a further training session on Director Roles and Responsibilities would be provided for those who could not attend previously and for additional directors who had been further identified. Due to the number of attendees that it could attract, consideration was being given to engaging and funding the external provider appointed in January.

It was noted the one to one training sessions were planned during May 2019 and given the highly commercial nature of these directorships, it was considered that a highly regarded commercial director from the private sector would attend to provide a basic overview of company due diligence, understanding business plans, financial trends and various aspects of company operation.

It was noted that there would be training session on Trusts and Charities and that an external specialist lawyer had been secured and had agreed to provide training at a significantly reduced rate.

Although a date had not yet been secured, the list of attended invitees was being collated and it was anticipated to include directors and trusts where the Council had an interest and was not limited to BCC nominees. This would also be extended to any 'new' nominees that had recently been identified as part of the company 'cleanse' exercise.

It was noted that Committee members would be kept updated on the progress of this exercise as dates were agreed.

During the discussion the following points were captured:-

- One to one sessions tailored to the individual's level, role and responsibilities – to provide a degree of assurance and understanding.
- Introduction of a register of members' training.

- Trust and Charities Training – Directors/Trustees of Trust required to attend training.
- Councillor Chatfield – to receive training
- Connie highlighted that they were currently looking into Schools Trust – investigating unsure of how many, each one needed specific investigation – update accordingly.

5

RESOLVED:-

The Committee noted the information provided.

COMPANY UPDATE

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

(See document No. 2)

Alison Jarrett, Assistant Director, Finance and Governance, referred to the details of the changes in companies as set out in 3.2 of the report.

Further reference was made to 3.3 of the report which highlighted that work was being undertaken to try and capture information on charities that were associated with maintained schools within the City.

As part of the work undertaken by Birmingham Audit in their visits to schools, they were now asking whether there were any charities associated with the school. Only one additional charity had been identified at present and additional information was being sought on the constitution, aims and members of the charity.

During the discussion the following points were captured:-

- Charities – Schools – unaware of their liability – non-compliance – not filing accounts – requirement to ascertain where responsibility lies and need to get into bursary forums to impart knowledge.
- Importance of keeping an eye on Companies House – awareness of BCC involvement in order to prevent any issues arising that could affect elected members' directorships.

6

RESOLVED:-

The Committee noted the report

GROUP COMPANY GOVERNANCE – SECTION 24 RECOMMENDATIONS

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

(See document No. 3)

Alison Jarrett, Assistant Director, Finance and Governance, while introducing the report confirmed that there would be a further update of the report and Appendix at the end of the month. She detailed the reporting mechanism relating to progress on the Section 24 recommendations which was submitted to Audit Committee on a regular basis as well as this Committee.

It was noted that the auditors were aware of all responses to Section 24 Recommendations.

7 RESOLVED:-

The Committee noted the progress in delivering the necessary actions to mitigate the issue raised by the external auditor.

GROUP COMPANY GOVERNANCE - RISK REGISTER

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

(See document No. 4)

Alison Jarrett, Assistant Director, Finance and Governance made introductory comments to the report.

It was suggested that G-02 'Council nominated Directors fail to attend meetings' Low/Low - to monitor and alter the level of risk if necessary.

8 RESOLVED:-

The Committee considered the information provided and determined the judgement on the risks was reasonable and the mitigating actions were sufficient to reduce the risks to the Council to an acceptable level.

MEMBERSHIP AND GOVERNANCE OF THE CABINET COMMITTEE CGC

The following report of the City Solicitor was submitted:-

(See document No. 5)

Dave Smith, Committee Team Leader, Committee Services, provided a comprehensive breakdown of the report.

Following discussions, it was agreed that formal substitution arrangements – named substitutes councillors be brought back to this Committee.

9 **RESOLVED:-**

That the Committee agreed to increase the quorum of the Committee to 2 Cabinet Members and a member of the Opposition and notifies Cabinet accordingly;

That recommend to Cabinet that formal substitution arrangements be introduced for Cabinet Members and members of the Opposition on this Committee; and

That subject to the above changes to the quorum and substitution arrangements being agreed, it was requested the City Solicitor submit a report to Full Council recommending all necessary changes to the Constitution as appropriate.

SCHEDULE OF MEETINGS

10 The following schedule of Meetings was agreed:-

Wednesday 5 June 2019	- 1300 – 1500 hrs	Committee Room 2
Thursday 12 Sept 2019	- 1300 – 1500 hrs	HMS Daring
Thursday 7 Nov 2019	- 1400 – 1600 hrs	HMS Daring
Thursday 16 Jan 2020	- 1400 – 1600 hrs	HMS Daring
Thursday 12 March2020	- 1400 – 1600 hrs	HMS Daring

DATE OF NEXT MEETING

11 The next meeting is scheduled to take place on Wednesday, 5 June 2019 at 1300 hours in Committee Room 2, Council House.

EXCLUSION OF THE PUBLIC

12 **RESOLVED:-**

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