
Report to
Scrutiny Co-ordination Committee

15th June 2011

Report of
Councillor John McNicholas

Title
Report Back on the Work Of Outside Bodies - Birmingham International Airport 2010/2011

1 Purpose of the Report

1.1 This report sets out details of the work of Birmingham International Airport over the preceding twelve months and details of attendance by the City Council's representatives.

2 Recommendations

2.1 The Council's representative on the Board of Directors is currently an elected member and it is recommended that the Council should continue to appoint a member to the Board.

3 Information on Work of Outside Body

3.1 Birmingham International Airport is the 7th largest passenger transport airport in the country and provides direct employment for 7,000 people. As such it makes a significant contribution to the West Midlands region, acting as a catalyst for investment and employment and acting as a gateway for business and tourism. Overall passenger numbers decreased by 5.2% (to 9.0m) in 2009/10 in the face of very difficult trading conditions for the aviation industry across the country.

3.2 In the last couple of years the airport has opened a £50m International Pier for passenger handling, the single biggest investment that it has made in over 20 years and providing a state-of-the-art extension to its existing facilities. Looking further ahead, the Airport has significant development plans in the future including an extension to the existing runway. These plans were included in the Airport's Master Plan "Towards 2030" published in 2007/08. Work is ongoing to establish the financial viability of the scheme and whether it will be able to attract the investment necessary to take it forward. This remains one of the issues being monitored by the Airport's Board.

3.3 The Airport Company's constitution provides for a Board, a Remuneration Committee and an Audit Committee. Each of the 7 West Midlands districts is a shareholder of the Airport Company and as such they each maintain representation on the Airport's Board.

4 Benefits to the City Council of the Appointment

4.1 Membership of the Board gives the Board member an opportunity to understand and influence the Company. The performance and development of the airport is of some significance to the regional economy whilst its financial performance will dictate the stream of dividends to its shareholders, including the City Council.

4.2 The City Council maintains a financial stake in the airport and receives a financial return on this investment although this return has reduced significantly in recent years as a consequence of the airports investment plans. Another aspect of the City Council's interest in the airport are the planning and development issues that arise as a result of the Airport's operation and expansion, especially given it's relatively close proximity to the City's boundaries.

5 Attendance Record and Remuneration for the Appointment

5.1 Appointments to the Airport Board from the 7 West Midland District Councils are usually, although not exclusively, Elected Members. There are no constitutional conventions that dictate that Coventry's representative must be a member although we have historically nominated a member to fulfil the role.

5.2 Councillor McNicholas is the City Council's representative on the Birmingham International Airport Holdings Limited Board of Directors. Councillor McNicholas has attended one of the three meetings he was entitled to attend, due to clashes of meeting dates in his diary.

5.3 There is no remuneration associated with the appointment.

List of background papers	
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Papers open to Public Inspection	
Description of paper	Location CH59
Schedule of City Council Appointments to outside Bodies	