



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 07064110

Company name in full Birmingham Highways Holdings Limited (In Administration)

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Daniel Christopher

Surname Hurd

3 Administrator's address

Building name/number Ernst & Young LLP

Street No.1 Colmore Square

Post town Birmingham

County/Region

Postcode B46HQ

Country UK

4 Administrator's name ①

Full forename(s) Timothy Graham

Surname Vance

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Ernst & Young LLP

Street Bridgewater Place

1 Water Lane

Post town Leeds

County/Region

Postcode LS115QR

Country UK

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6										Period of progress report									
From date		d 1		d 9		m 0		m 3		y 2		y 0		y 2		y 3			
To date		d 1		d 8		m 0		m 9		y 2		y 0		y 2		y 3			
7										Progress report									
										<input checked="" type="checkbox"/> I attach a copy of the progress report									
8										Sign and date									
Administrator's signature		Signature X <i>J. C. Hand</i> X																	
Signature date		d 1		d 3		m 1		m 0		y 2		y 0		y 2		y 3			

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Charlotte Warman

Company name Ernst & Young LLP

Address No. 1 Colmore Square

Post town Birmingham

County/Region

Postcode

B

4

6

H

Q

Country

DX

Telephone 0121 393 9938

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

TO ALL KNOWN CREDITORS AND SHAREHOLDERS

13 October 2023

Ref: BHHL/DH/JB/JL/CW/D16.1
Direct line: 0121 393 9938
Charlotte Warman
charlotte.warman@parthenon.ey.com

Dear Sirs

Birmingham Highways Holdings Limited (formerly Amey Birmingham Highways Holdings Limited) (In Administration) (“the Company”)

High Court of Justice, Business and Property Courts of England and Wales, Insolvencies and Companies List (ChD), Number CR-2018-007949

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016, to provide creditors with a report on the progress of the Administration. This report covers the period from 19 March 2023 to 18 September 2023 (“the Period”) and should be read in conjunction with our previous reports dated, 12 April 2023, 14 October 2022, 12 April 2022, 12 October 2021, 16 April 2021, 13 October 2020, 14 April 2020, 15 October 2019, 17 April 2019 (“Previous Reports”) and the Joint Administrators’ Proposals (“the Proposals”).

Statutory information about the Company, the Administration and the office holders is given at Appendix 1.

Summary of progress

As previously reported, the Company’s key assets are a 100% shareholding and the right to repayment of a shareholder loan in its sole subsidiary, Birmingham Highways Limited (“BHL”). BHL is party to a Private Finance Initiative contract to provide capital investment, operational and lifecycle works services to Birmingham City Council (“BCC”) for a period of 25 years (“the Project”) which it originally entered into on 6 May 2010.

A settlement was reached in June 2019 with various stakeholders to the Project and at the time of the original settlement in June 2019, BHL also entered into an agreement with BCC and the other key Project stakeholders with a view to achieving various objectives connected to achieving a successful long term re-procurement. These objectives included the appointment of an interim subcontractor and also various milestones and actions connected to achieving a successful long term re-procurement of the Project. It was agreed that these objectives would be achieved during a defined Restructuring Period running to 29 June 2021 which was subsequently extended to 3 December 2021, 29 April 2022 and then 13 April 2023.

Since the date of my previous report an agreement has been reached to extend the Restructuring Period until 17 November 2023.

In August 2021 BCC and BHL submitted a new Strategic Outline Business Case ("SOBC") to the Department for Transport ("DfT") setting out the merits of re-procuring the Project under the current PFI structure.

Following approval of the SOBC, BCC and BHL submitted an outline business case ("OBC") to the DfT in December 2021. The OBC outlined the long-term re-procurement strategy in respect of the Project.

The DfT confirmed on 31 March 2022 that the re-procurement process should proceed and requested that an updated OBC be submitted on 30 September 2022. The updated OBC was duly submitted on this date jointly by BCC and BHL. The DfT held an investment committee meeting and requested further information to supplement the OBC, which BHL and BCC provided in January 2023.

BHL and BCC submitted the Full Business Case ("FBC") to the DfT on 11 August 2023. The DfT recently confirmed that there may be a delay in providing its decision on the OBC and FBC.

Final Bids for the re-procurement were submitted in July 2023 and it is anticipated that BHL will notify bidders of the outcome in October 2023. The bidders will be told the identity of the successful bidder that will be awarded the operating sub-contract which will be executed should the DfT approve the OBC and FBC.

The Joint Administrators remain of the view that a successful re-procurement of the Project will result in the best outcome for the creditors of the Company and continue to work towards this aim.

With this in mind, the Joint Administrators have continued to be engaged in negotiations on behalf of the creditors of the Company to preserve their interests and value as part of the long-term re-procurement of the Project and continue to provide support and monitoring via attendance at the regular steering committee meetings, attendance at BHL board meetings and through various ad hoc meetings with the key Project stakeholders.

Receipts and payments account

A summary of our receipts and payments for the Period together with the cumulative figures for the Administration to date is attached at Appendix 2. It does not reflect estimated future realisations or costs.

Joint administrators' remuneration

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

The Joint Administrators remuneration was initially fixed on the basis of time properly given by the administrators and their staff in relation to matters arising in the administration, and in accordance with the fee estimate dated 12 November 2018, by a resolution of the Company's creditors on 10 December 2018. The Joint Administrators fee estimate has been increased and approved three times by the Company's creditors.

On 30 May 2019, the Joint Administrators sent a notice to creditors of a decision procedure by correspondence with a resolution to approve an increase in the Joint Administrators' remuneration from £212,586 to £312,586. The decision was made by creditors on 17 June 2019 and the increase in remuneration was approved.

On 17 September 2019, a virtual meeting of creditors was held and creditors voted in favour of increasing the Joint Administrators' remuneration from £312,586 to £542,116.

On 8 September 2021, a virtual meeting of creditors was held and creditors voted in favour of increasing the Joint Administrators' remuneration from £542,116 to £768,305.

On 5 June 2023 the Joint Administrators sent a notice to creditors of a decision procedure by correspondence with a resolution to approve an increase in the Joint Administrators' remuneration from £768,305 to £1,083,959 plus VAT. The decision was made by creditors on 22 June 2023 and the increase in remuneration was approved.

During the Period, we have incurred time costs of £53,005 bringing total time costs incurred to £809,833.

An analysis of the time spent and a comparison with the fee estimate dated 1 June 2023 is attached as Appendix 4 to this report.

Joint administrators' statement of expenses incurred

During the period covered by this report, we have incurred expenses totalling £11,702.03 plus VAT. A breakdown of expenses incurred in this period and to date is included at Appendix 3 of this report.

Remaining work

The Joint Administrators will continue to deal with the Administration in line with the stated objectives, primarily by way of attendance at the steering committee set up with the ultimate objective of successfully re-procuring the Project, attendance at various BHL board meetings, meetings with the wider project stakeholders and monitoring governance within BHL.

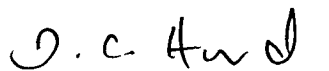
Further tasks may include, but may not be limited to, the following:

- Dealing with VAT and corporation tax requirements as required by HMRC;
- Dealing with statutory reporting and compliance obligations;
- Distributing amounts due to the Company's creditors;
- If the Joint Administrators deem it appropriate, to seek further extensions to the Administration from the Court;
- Finalising the Administration, including the payment of all Administration liabilities; and
- Any other actions required to be undertaken by the Joint Administrators in order to fulfil the purpose of the Administration.

Next report

We will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner.

Yours faithfully
for the Company



D C Hurd
Joint Administrator

D C Hurd is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales and T G Vance is licensed to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland. As licensed insolvency practitioners, we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the administration.

The affairs, business and property of the Company are being managed by the Joint Administrators, D C Hurd and T G Vance, who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. Further details are included on the Data Privacy Notice which can be found at: www.ey.com/uk/officeholderprivacy.

Appendix 1

Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	High Court of Justice, Business and Property Courts of England and Wales, Insolvencies and Companies List (ChD)
Court reference:	CR-2018-007949
Registered name of the Company:	Birmingham Highways Holdings Limited (Formerly Amey Birmingham Highways Holdings Limited)
Registered office address of the Company:	<i>Currently:</i> Ernst and Young, One Colmore Square, Birmingham, B4 6HQ <i>Previously:</i> The Sherard Building, Edmund Halley Road, Oxford, Oxfordshire, OX4 4DQ
Registered number:	07064110
Date of appointment of the Joint Administrators:	19 September 2018
Details of any changes of administrator:	Robert Hunter Kelly was replaced by Timothy Graham Vance as Joint Administrator on 27 June 2022
Full names of the administrators:	Daniel Christopher Hurd and Timothy Graham Vance
Office holder number(s):	20030 and 26710
Administrators' address(es):	Ernst & Young LLP No.1 Colmore Square, Birmingham, B4 6HQ Ernst & Young LLP 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR
Telephone number:	0121 393 9938
Name of alternative person to contact with enquiries about the case:	Charlotte Warman

Appendix 2

Birmingham Highways Holdings Limited (in Administration)

Joint Administrators' Summary of Receipts and Payments from 19 September 2018 to 18 September 2023

Birmingham Highway Holdings Limited (In Administration)
Receipts and Payments account as at 18 September 2023

	Realisable value as per Statement of Affairs	Fixed charge 19 September 2018 to 18 March 2023	Floating charge 19 September 2018 to 18 March 2023	Fixed charge 19 March 2023 to 18 September 2023	Floating charge 19 March 2023 to 18 September 2023	Total 19 September 2018 to 18 September 2023
	£	£	£	£	£	£
Receipts						
Cash and cash equivalents	-	-	-	-	-	-
Loan Facility		-	1,200,000.00	-	300,000.00	1,500,000.00
Investment in BHL	Not Known	-	-	-	-	-
Loan to BHL	Not Known	-	-	-	-	-
Bank interest		-	1,315.97	-	951.74	2,267.71
		-	1,201,315.97	-	300,951.74	1,502,267.71
Payments						
Direct labour		-	-	-	-	-
Trading		-	-	-	-	-
Office Holder fees - Pre appointment		-	(40,005.00)	-	-	(40,005.00)
Office Holder fees		-	(690,000.00)	-	(80,000.00)	(770,000.00)
Legal fees		-	(230,990.19)	-	(11,677.91)	(242,668.10)
Legal Fees - Pre appointment		-	(46,477.18)	-	-	(46,477.18)
Public notices		-	(169.20)	-	-	(169.20)
Bank Charges		-	(15.60)	-	(4.50)	(20.10)
Corporation Tax		-	(147.63)	-	(15.20)	(162.83)
		-	(1,007,804.80)	-	(91,697.61)	(1,099,502.41)
Net Receipts and Payments		-	193,511.17	-	209,254.13	402,765.30
Represented by:						
Bank						402,764.99
VAT Receivable / (Payable)						0.31
Total						402,765.30

Notes

1. Receipts and payments are stated net of VAT.
2. All funds on hand are held in an interest-bearing account.

Appendix 3

Birmingham Highways Holdings Limited (In Administration)

Summary of Joint Administrators' expenses incurred

Type of Expense	Per Estimate Dated 1 June 20023	Paid as at 18 March 2023	Paid in Period	Outstanding	Total
Payments made from the estate which are not disbursements (see notes 1 and 2 at the end of this table)					
Storage	1,000.00	-	-	-	-
Legal costs	323,673.00	230,990.19	11,677.91	81,004.90	323,673.00
Statutory costs	2,000.00	169.20	-	-	169.20
Bank Charges	500.00	17.25	4.50	-	21.75
Category 1 disbursements (see Note 2)					
Specific penalty bond	1,920.00	1,920.00		-	1,920.00
Travel costs	5,500.00	4,353.60		-	4,353.60
Accommodation and subsistence	1,500.00	872.28	1.40	-	873.68
Advertising	150.00	84.60	-	-	84.60
Postage and printing	1,000.00	12.09	18.22	-	30.31
Category 2 disbursements (note 2)					
Mileage	750.00	-	-		-
Totals	337,993.00	238,419.21	11,702.03	81,004.90	331,126.14

Notes

- 1 Statement of Insolvency Practice 9 (SIP 9) defines expenses as amounts properly payable from the insolvency estate which are not otherwise categorised as office holders' remuneration or distributions to creditors.
- 2 SIP 9 defines disbursements as a type of expense which is met by, and reimbursed to, an office holder in connection with an insolvency appointment. Disbursements fall into two categories: Category 1 and Category 2.
 - Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment.
 - Category 2 disbursements are expenses which are directly referable to the appointment but not a payment to an independent third party. They may include shared and allocated costs.
- 3 Outstanding legal costs are based on initial estimates and may not be incurred in full.

Appendix 4

Birmingham Highways Holdings Limited (In Administration)

Joint Administrators' time costs for the period from 19 September 2018 to 18 September 2023

	Total per fee estimate dated 1 June 2023			Actual in this report period			Total actual to 18 September 2023		
	Total Hours	Time Cost	Average Hourly Rate	Total Hours	Time Cost	Average Hourly Rate	Total Hours	Time Cost	Average Hourly Rate
		(£)	(£)		(£)	(£)		(£)	(£)
Accounting and Administration	364	121,769	335	36.4	14,607	401	222.1	75,822	341
Bank & Statutory Reporting	270	96,242	357	5.5	1,862	339	219.4	73,308	334
Creditors	138	54,153	392	1.0	560	560	90.9	36,727	404
Debtors	-	-	-	-	-	-	-	-	-
Immediate Tasks	41	12,025	295	-	-	-	40.8	12,025	295
Investigation/CDDA	24	6,073	253	-	-	-	24.0	6,073	253
Job Acceptance & Strategy	1	392	560	-	-	-	0.7	392	560
Legal Issues	26	16,025	609	0.5	494	987	19.2	9,709	506
Members	1	560	560	-	-	-	1.0	560	560
Other Assets	976	565,216	579	19.2	13,113	683	803.9	451,236	561
Other Matters	179	94,681	528	2.0	992	496	90.2	41,352	458
Statutory Duties	212	73,312	347	32.0	13,501	422	193.4	67,902	351
Trading (Mandatory)	-	-	-	-	-	-	-	-	-
VAT & Taxation	132	43,512	331	21.5	7,876	366	113.0	34,728	307
	2,363	1,083,959	459	118	53,005	449	1,819	809,833	445

Category of work	Description of work to be completed
Accounting & Administration	<ul style="list-style-type: none"> - <i>Work undertaken in this category is required in order to progress the Administration and does not necessarily result in a direct financial benefit to creditors. However, the majority of tasks in this category are statutory requirements.</i> - Overall management of the case, treasury and accounting functions, statutory compliance diaries and time cost reporting
Bank & Statutory Reporting	<ul style="list-style-type: none"> - <i>Work undertaken in this category does not result in a direct financial benefit to creditors, however reporting to the Company's creditors is done so to provide ongoing updates on the Administration. Six-monthly progress reports and the final report to all creditors is a statutory requirement.</i> - Preparing the Joint Administrators' Statement of Proposals, six monthly progress reports and final report
Creditors	<ul style="list-style-type: none"> - <i>Work undertaken in this category will result in a financial benefit to creditors if distributions to the Company's creditors are made</i> - Receipt and recording of creditor claims - Correspondence with creditors - Adjudicating on claims from non-preferential unsecured creditors, and processing distributions (as applicable)
Immediate Tasks	<ul style="list-style-type: none"> - <i>Work undertaken in this category is a statutory requirement and did not necessarily result in a direct financial benefit to creditors.</i> - Completion of work streams requiring immediate attention following appointment in order to execute the strategy outlined in the Proposals - All costs under this heading were incurred during the first 4 weeks of the Administration, and no future costs are anticipated
Investigations	<ul style="list-style-type: none"> - <i>Work undertaken in this category is a statutory requirement and did not result in a direct financial benefit to creditors.</i> - Investigations into the Company's affairs in accordance with Statement of Insolvency Practice 2: "Investigations by Office Holders" - Making an online submission to the Director Conduct Reporting Service in accordance with the Company Directors Disqualification Act 1986
Job Acceptance & Strategy	<ul style="list-style-type: none"> - <i>Work undertaken in this category was required to ensure appropriate planning and considerations were completed to enable the Joint Administrators to minimise the disruption to the Company upon entering Administration. As a result, there is an indirect financial benefit to creditors in completing this work.</i> - Matters relating to the appointment, initial planning of the Administration strategy, and formulating and executing the strategy adopted - Considering exit routes from Administration and implementing the most appropriate route as set out in the Joint Administrators' Statement of Proposals
Legal Issues	<ul style="list-style-type: none"> - <i>Work undertaken in this category will not necessarily result in a direct financial benefit to creditors but is required to ensure the Joint Administrators have considered the legal implications on a number of matters during the Administration.</i> - Liaising with the Joint Administrators' appointed legal advisors in connection with the restructuring of the Project. - Dealing with any ad hoc legal issues which may arise in the Administration
Members	<ul style="list-style-type: none"> - <i>Work undertaken in this category does not result in a direct financial benefit to creditors, however reporting to the Company's Members is done so to provide ongoing updates on the Administration and is a statutory requirement.</i> - Liaising with the Company's shareholders including update calls.
Other Assets	<ul style="list-style-type: none"> - <i>Work undertaken in this category may result in a direct financial benefit to creditors by generating long term value in the Project, thereby improving the prospects of recovering the Company's shareholder loan to BHL. It is too early to estimate the potential value of any financial benefit to creditors.</i> - Dealing with matters pertaining to the value of the wholly owned subsidiary – including meetings with the steering committee, BCC, the board of directors of BHL and other parties, to monitor the progress towards reaching an overall restructuring of the subsidiary and its key project. - Realising value from the Company's residual assets. - Assessing, quantifying and seeking to realise value from assets not recorded in the management accounts of the Company at the date of appointment.

Other Matters	<ul style="list-style-type: none"> - <i>Work undertaken in this category may result in a direct financial benefit to creditors by generating long term value in the Project, thereby improving the prospects of recovering the Company's shareholder loan to BHL. It is too early to estimate the potential value of any financial benefit to creditors.</i> - Reviewing correspondence in relation to the restructuring of Project. - Liaising with the BHL board regarding resourcing, governance and ongoing project requirements.
Statutory Duties	<ul style="list-style-type: none"> - <i>Work undertaken in this category is a statutory requirement and has not resulted in a direct financial benefit to creditors.</i> - Completion of statutory requirements of the Administration, including notifications to the creditors and members, advertising the appointment and filing documents at Companies House
VAT & Taxation	<ul style="list-style-type: none"> - <i>Work undertaken in this category is a statutory requirement and will not necessarily result in a direct financial benefit to creditors</i> - Filing on appointment notices with HM Revenue & Customs - Preparing corporation tax and VAT returns, with input from EY VAT and tax specialists - Assessment of the VAT and tax treatment of transactions and agreements entered into during the Administration
