



Bristol Holding Limited
Business Plan 2019/2020

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1. Forward

Bristol City Council is committed to continuation of its approach to exploring the commercialisation of services, assets and adopting other entrepreneurial approaches in order to address market failure, increase the budgetary resilience of the council and deliver services in new and innovative ways. In some cases, this will be done through the formation of trading companies or joint venture companies. The establishment of Bristol Holding and Bristol Energy, along with Bristol Waste and Bristol is Open in 2015 was the first tranche of these ventures.

During 2018 there have been great strides made in Bristol to bring partners together around the 'One City Plan' and an overall vision for the city. The council has also finalised its own corporate strategy, and business plans – all of which provide the context which the company's own business plans for 19/20 onwards are based.

In order to achieve this vision, the Council recognises it needs to develop a different relationship with its companies, on the one hand improving its strategic influence over the direction and objectives of the companies, and on the other hand, ensuring the companies have the freedom and speed of decision making to allow them to compete in the private market.

Bristol Holding Company will be the mechanism by which Bristol City Council oversees the delivery of the company's business plans, providing strategic alignment and the 'golden thread' between the companies, the council, and the wider ambitions of Bristol.

The vision for the Holding company set out in this business plan, is a structure which can flex with the requirements of the Council's companies and responsibilities of the council over the next 2 years, and provide a focal point of coordination and relationship management for the entities, in order to support their sustainable growth and achievement against their objectives.

2. Executive Summary

The Council's suite of companies is varied in scale and purpose, and the Councils ambitious strategies in Housing, Energy and Smart technologies are likely to increase the number of opportunities for the creation of commercial delivery vehicles over the coming years.

These delivery vehicles will take different company forms, be subject to different regulations in relation to procurement and industry standards, and the council will have varied levels of influence and shareholding (Joint Ventures etc.)

It is clear that any future governance structure needs to ensure:

- effective governance, assurance and regulatory compliance
- deliver financial efficiency across both the council and companies
- ensure that the strategic objectives of the council are clearly articulated and delivered
- that a commercial portfolio approach is taken to the delivery of financial and social returns

This business plan outlines how Bristol Holding Ltd will play a more active role in the management of the Councils interests in its companies by:

- Acting as an extension of the council, and a tool for the management of its interest in commercial companies – either as Shareholder, or as provider of management services under SLA's
- Having an Executive Chair, who acts as a pivot between existing companies, the Shareholder, and the council's strategic leads to ensure the effective coordination of the companies, and engagement with the council's agenda
- Utilising the skills of a Finance Director, where appropriate, across the group to maximise financial efficiencies across the group and provide additional oversight capacity to the board of the holding company
- Providing additional 'on the ground' capacity in the form of company secretarial, project management and administrative capacity (some of which could be shared resources with the Shareholder Liaison function) to fulfil its functions appropriately.

In concert with this enhanced role the Shareholder Group should:

- Be able to focus more on strategic oversight of the delivery of the councils objectives, the functioning of the governance structure, and providing advice to the council on new shareholding opportunities
- Be able to meet less frequently, eg. Quarterly - so long as the council ensures that work continues outside of the Shareholder Group, as part of business as usual to develop the overarching strategies which the companies align to.

2.1 Financial Summary

The expansion of the role of the Bristol Holding will be at a combined cost of approx. £500k – 600k pa. to the companies collectively. A methodology and mechanism for the allocation of these costs across the group is still to be developed, but it is likely that it will take into account the scale of the businesses, as well as their use of the shared resources in order to ensure there is no undue burden on the smaller start-ups.

It should however be noted that involvement of Bristol Holding in the planning and set up of new ventures will be costed into project costs going forwards, and so there is an income stream from supporting new ventures which is not possible to quantify at this time.

Income		19/20	20/21
	Gross Income	£18k	£18k
	Management fee to subsidiaries (Mechanism for allocation to be determined)	£522k	£590k
	Total (Income)	£540k	£608k
Expenditure			
	Staffing	£365k*	£408k*
	Services	£175k**	£200k**
	TOTAL (Expenditure)	£540k	£608k

* excluding BCC contribution 1/3rd of Executive Chair (£50k)

**Including projected services purchased from BCC [estimate] £27k

This proposed structure is estimated to be cost neutral in comparison with 18/19 when the total cost of carrying out these activities across both the council and subsidiaries are taken into account.

Furthermore, this proposed structure is anticipated to generate added value for the subsidiary companies by providing greater coordination at group level to support generation of economies of scale, and sharing of best practise across the group.

3. Background to Bristol Holding Limited.

Bristol Holding Ltd was originally established in 2015, with the intention of being parent company to two Energy companies, a supply business, and energy services business.

In December 2015, the decision was made to move the newly established Bristol Waste Company Limited, underneath Bristol Holding Ltd – whose first business plan had established Bristol Holding as the means to support the shareholder (Bristol City Council) in ensuring the direction of any of its current or future subsidiaries, would be aligned with the ethos of the Council.

This governance model agreed in December 2015 saw the establishment of monthly Bristol Holding board meetings, with quarterly Shareholder Group meetings - the role of this group being to:

*'provide the necessary oversight from a shareholder's perspective that the parameters, policies and boundaries that the executive as the shareholder has established for the company are being adhered to. In it, the Mayor (or his or her appointee) remains the decision maker but the Group act as advisors in the making of those executive decisions.'*¹

During the course of the 2016, the decision was taken to pause the development of Bristol Holding Ltd. including the recruitment of a permanent Managing Director and Finance Director, to allow the Council to take stock of the Commercialisation agenda and the role of the family of BCC companies within it.

It was concluded that the resource requirements associated with an Bristol Holding Ltd. was out of kilter with the needs of the only two subsidiaries at that time, and the 'arm's length' approach which the company was advocating the council took at that time was not compatible with the Shareholders increasing concern regarding the financial and operational performance of the subsidiaries.

Subsequently, the scope and the implicit costs of the Company were reduced to a minimum level by operating as a thin company until the shareholder determined the future Council operating model. The Business Plan confirmed that even in the thin operating mode the Company adds value to the group of companies by providing consolidation of profit and loss across the group.

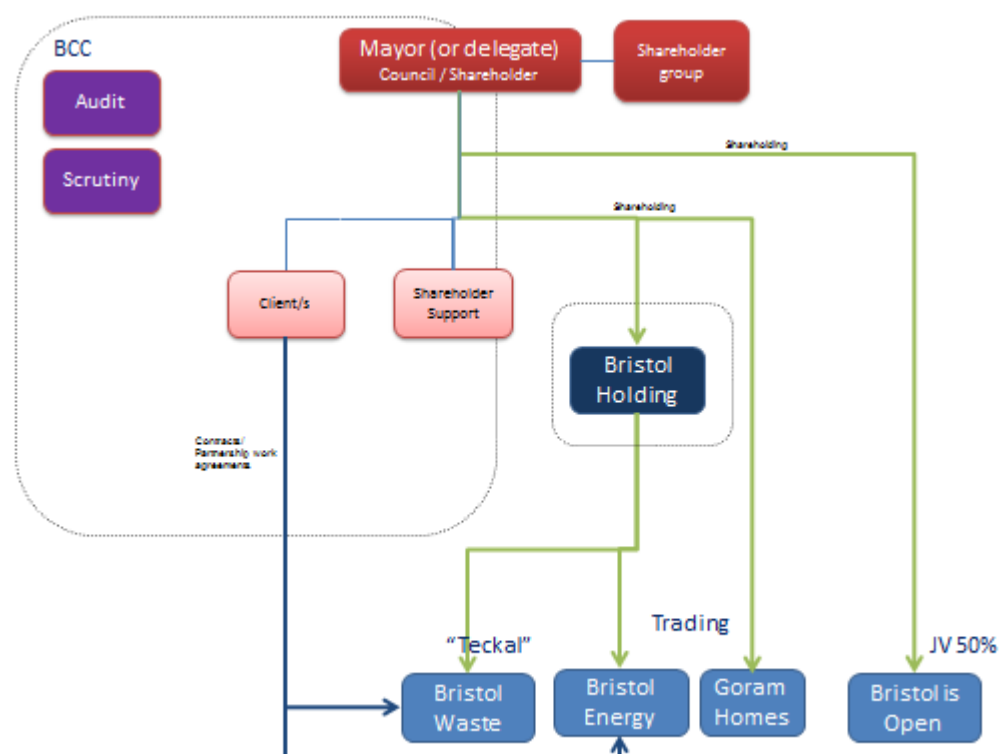
During the latter half of 2018 the role of Bristol Holding Ltd. has been under consideration again by council senior officers and members, given the emerging landscape for council shareholdings and this business plan represents a proposal for how Bristol Holding can be use more actively, as tool to support the council response to this changing environment.

¹ Code of Practice: Governance of Council interests in companies p9.

4. Horizon scanning: potential expansion of number of council owned companies

The Council's suite of companies is varied in scale and purpose. They are:

- Bristol Energy Ltd
- Bristol Waste Company Ltd
- Goram Homes Ltd. incorporated in Oct 2018
- A 50% share in a company Bristol is Open, a technology company.

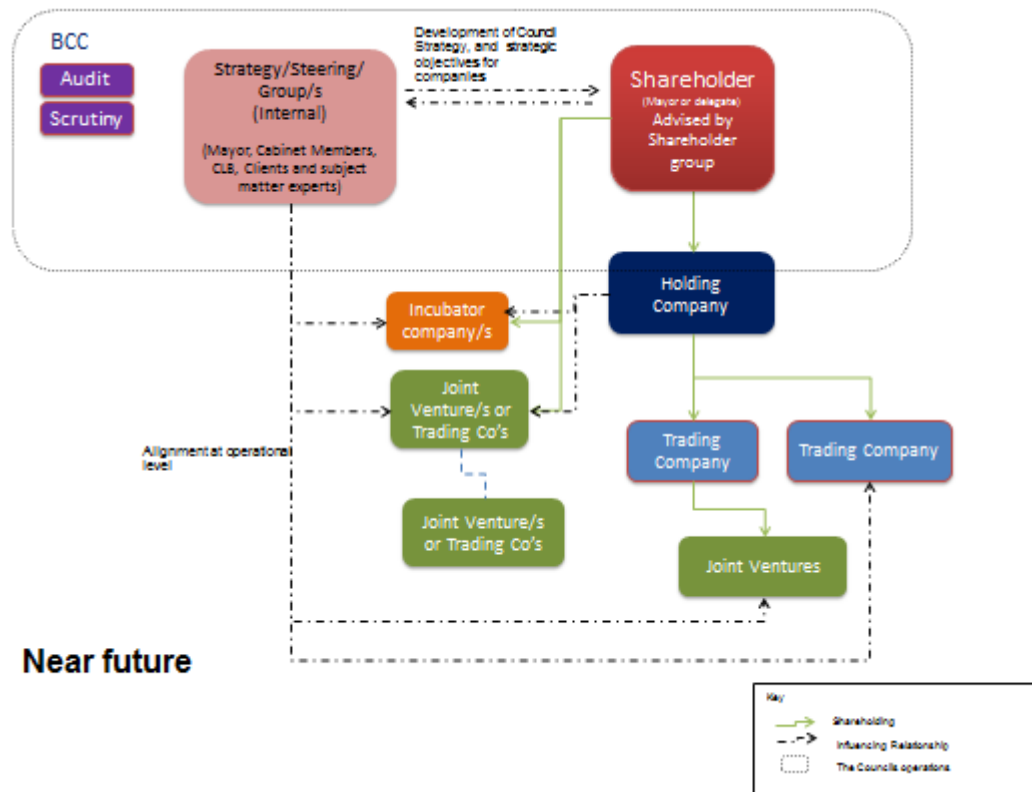


During 2018/19 the Council began preparing for:

- The potential creation of companies associated with the City LEAP Programme which may include a joint venture structure, an Energy asset company and/or a special purpose vehicle for the creation of heat networks.
- A developing Commercialisation agenda that may create new companies for trading what were previously Council Services.
- Is considering the merits of the set-up of a housing investment company in order to potentially hold housing assets developed by Goram Homes for market rent.

Below is an example of the variety different company structures which the council as shareholder may develop interests in over the next two years. Many of these will take

different company forms than the council is used to eg. Wholly owned trading co – **with** Joint Venture subsidiary (Goram Homes). Different companies will also have different statuses with respect to public procurement which adds to the complexity of the picture.



5. What are the benefits of a more active holding company?

5.1 Better focus on Strategic alignment

As Bristol City Council works to further develop its existing companies, as well as establish new entities, the Council wishes to ensure that, wherever possible depending on each company's legal status, the core of each business is aligned around the same core values:

- *Citizens at the heart – providing great services that are right for all citizens and customers.*
- *A commercial approach, which secures value for money and optimizes all available resources.*
- *Partnerships and collaboration – to maximise opportunities for joint working, particularly in the context of Bristol City Council, its family of companies and the one City Plan.*

- *Governance, fairness and transparency – implementing robust procedures to ensure regulatory and legal compliance.*
- *Ethical standards – ensuring the well-being and protection of the work forces throughout the companies.*
- *Innovation and improvement – continuously developing and improving our processes and working innovatively to secure improved outcomes.*

Bristol Holding Ltd. can support the companies achieving this alignment, as well as play a key role in supporting the articulation and communication of strategic city goals and the strategies of the service areas to which each business relates. For example, in the areas of Waste, Energy as well as the councils long term investment strategy.



5.2 Financial benefits

With the know-how, a fully functioning holding company is aimed at realising advantages by providing the oversight in its subsidiaries operation. The combined financial strength of the group can be used to obtain more favourable financing arrangement for the individual companies in the portfolio. It would also provide the group with the opportunity to exercise the combined purchasing power where appropriate and to negotiate better credit terms e.g. with banks.

Pooling together the fiscal resources of all subsidiaries under holding will enable the company to take future overview of projects that have synergy with and are relevant and interconnected with each of the subsidiaries, e.g. further waste to energy projects on new build housing site, smart city and technology projects that span across all subsidiaries and

other major development projects interconnect at the subsidiary JV levels, with the ultimate aim of maximising the shareholder's return and achieving the strategic objectives of the Council and ensuring these objectives are consistent throughout the group.

Having a fully functional holding company can also provide the opportunity to allow for the effective financial overview and control of its subsidiaries with smaller amounts of capital deployed. This can be achieved by centralising the financial and treasury management functions, standardising processes where appropriate, and pooling cash and working capital resources to increase resilience for the group of companies, reduce shareholder management efforts and reduce the reliance on the shareholder's financial resources.

5.3 Scalable and resource efficient

Increasing the capacity at Bristol Holding Ltd level would address the following:

1. Lack of resources at Bristol Holding level to focus on generating group efficiencies, shared services or alignment across the businesses.
2. Allow the Shareholder resources to more effectively focus on shareholder priorities and strategic oversight of a greater number of companies.

It should be noted, there may be instances, where there is a material financial interest in ensuring that a business sits outside of the holding company, and reports directly into the council.

In these instances, Bristol Holding Ltd. resources can still be used as a tool to offer support to that business with respect to alignment of values, and support the Shareholder to manage its interests in those companies from an administrative, or oversight perspective under a separate Service Level Agreement.

6. What form should Bristol Holding Ltd. take?

6.1 Needs analysis

With the companies' landscape becoming ever more complex, and different approaches being required for different companies, there is an increasing need for changes to be made to the way in which the Shareholder group and overall governance model operates.

These needs are summarised below:

- Greater emphasis on the development and articulation of council strategy, advised by council clients and subject matter experts.
- Balance of responsibilities between the Shareholder Group and Bristol Holdings which ensures that oversight is carried out most efficiently and effectively
- Bristol Holding to be a flexible tool, which the Shareholder can use to ensure its responsibilities, are being discharged while companies are in a start-up phase as well as business as usual.

- Need to have a dedicated senior level liaison between the executive teams and board directors at the companies and the Shareholder.
- In the first instance a transitional plan needs to be in place as a road map to how Bristol Holding Ltd becomes more active.
- There will need to be a review of the transitional arrangements and final 'To Be' design in development over the course of the 19/20 and into 20/21, to ensure that the requirements of the current and developing companies are progressively integrated into the Bristol Holding Ltd. business plan.

6.2. 'To Be' Governance Structure: Key Design Principles

In addition to the needs identified in section 5.2, are the key design principles for both the transitional and 'to be' model below:

- The Shareholder group focus moves to strategic steer and guidance.
- Bristol Holding should be a dedicated resource, providing assurance and insight on behalf of the council as shareholder regarding financial and business plan performance of subsidiaries.
- There should be a separation between strategic/operational functions and defined roles and responsibilities.
- Boards and Chairs should be more accountable for delivering the Shareholders objectives and defined outcomes.
- The governance arrangements should promote depth of understanding and quality communication between the companies and the council.
- Should enable free flow of information and agile decision making.
- Should be proportionate in cost and complexity when related to the value of the businesses to the council and the taxpayer.
- The cost of governing the companies and any required growth of Bristol Holding Ltd. will need to be factored into the business cases of new potential companies, as well as existing subsidiary business plans.
- The governance or control arrangements for the companies should have regard to tax efficiency.

7. 'To Be' - Minimum Structure of the Bristol Holding Ltd.

Bristol Holding Ltd will act as an extension of the council, and a tool for the management of its interest in commercial companies. The Board of directors will be appointed by the Shareholder to carry out this function. A company director is appointed to a limited company to manage the day-to-day business activities and finances and to ensure all

statutory filing obligations are met. Directors must act lawfully and honestly and make decisions for the benefit of the company and its members.

Core positions – dedicated resources:

- EXECUTIVE CHAIR. The individual is expected to be the ‘pivot’ between existing (and emerging) businesses and the Shareholder on a daily basis, working closely with the Shareholder and council to ensure the councils strategic objectives articulated, and the companies’ deliver in line with these.
See Appendix 1 for description of role and draft JD)
- FINANCE DIRECTOR. This position is to take a view across the family of businesses ensuring that all resources are used in the most effective way possible, driving further efficiencies in the financial management of the group, implementing economies of scale and exploring a centralised finance function.
They would ensuring the proper application of funds across the companies utilising the resources of the FD’s/financial controllers in each of the businesses. Also ensuring financial and risk management reporting to the Holding Board and to the Shareholder.
Ensuring the BCC’s finance business partner is appropriately informed and their advice sought out.
- Company Secretary Services will be embedded in the Holding Company in order to provide a golden thread of structured administration, recording & statutory filing throughout the family of companies.
- Additional staffing (*as required by the business pressures*) - Project Management and Project Support.

7.2 Bristol Holding Work Programme

The resources outlined above will carry out the following high level work programme (to be developed further).

During the transitional period (whilst recruitment is taking place for these roles) these tasks will be carried out by BCC Staff – including the Senior Client Manager, Finance Business Partner and Shareholder Liaison Director.

Indicative Work Programme/Activities during first year of operation
Financial
Devising dividend policy relevant for the group companies
Optimising working capital use / cash pooling across the group
Exploration of financial and operational efficiencies within individual businesses/ across the group
Exploring options for shared services with/without council
Reviewing finance ICT systems and joint procurement of accounting software
Completing procurement of tax and audit services
Financial analysis of impact of new joint ventures on the holding company structure
Financial Risk and Performance management and mitigation to ensure a resilient business operation
Governance
Performance and Risk Management (Financial and non-Financial
Establishing regular pulse of cyclical company activities reporting to the holding board and Shareholder.
Review of Scheme of Delegations
Establishing the work practises and processes surrounding the Bristol Holding Company governance structure, and transition to quarterly Shareholder board
Explore combined group audit and remuneration committees
Planning and governance analysis of impact of new joint ventures on holding company structure
Working with Shareholder function to review the progress of implementation against governance action plan and next steps
Ensuring that the group of companies respond appropriately/ and integrate with IT strategy as determined/led by Bristol City Council – particularly in relation to Open data and Smart City Strategies
Establish processes to support coordination between PR and Communications functions within the companies and council, including a transparency policy and common approach to FOI's and media requests.
Business Planning
Beginning business planning process and facilitating alignment of company strategies with council clients and strategies
Identification of new ' business opportunities' across companies and council including linking with councils Commercialisation programme

7.2 Transition Plan towards full operation (High Level plan)

	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019
Human Resources	Recruitment (number of positions) Induction Training					
Governance	Governance documentation and process mapping Transferring ownership Schemes of Delegation Meeting transition and roles and responsibilities Establishing group audit committee					
Finance	Performance reporting/ Charging for services	Cash pooling	Finance / ICT systems review	Procurement of tax/audit	Understanding impact of new joint ventures	Exploring financial efficiencies
Strategic input	Objective setting Smart City strategy City Leap procurement Goram procurement and Housing investment co strategy Client function capacity					
Ongoing activities	Monthly performance management Risk Management Business continuity BAU Relationship Management/Processes					
Cyclical activities	BIO business planning			AGM/ Business planning	Board effectiveness reviews	

7.3 Strategic Oversight in relation to Information Governance and Communication Technology

Bristol Holding Ltd. can play an important role in creating a framework that ensures that the companies both support and contribute to the strategic direction of BCC IT. This will maximise the synergies available from a combined approach that delivers end-to-end services rather than isolated single elements.

For example, the Bristol Holding Ltd. could facilitate data sharing arrangements, encourage the use of open data, support the use of common platforms and enforce integration with Smart City initiatives.

Bristol Holding Ltd. may not be best placed to specify the IT solutions required by each of the companies, due to the specific requirements of their marketplace. From a governance point of view, though, the Holding Company can and should seek assurances for the companies regarding their own IT strategies and how their choice of IT solutions achieves this and BCC corporate objectives.

7.4 Strategic support in relation to PR and Communications protocols

One of the workstreams for exploration during the second half of 19/20 will be the role Bristol Holding Ltd. can play in support of a PR and communications protocols which would support coordination between PR and Communications functions within the companies and council. This may include the development of a group transparency policy and common approach to FOI's and media requests.

7.5 Delegation of functions from the Shareholder group and Roles and Responsibilities

Critically, there is no proposed change to the shareholder reserved matters as part of this proposal to enhance the role of Bristol Holding Ltd.

However the Bristol Holding company takes on the role of 'gateway' with respect to receiving the reserved matter request and passing on to officers within the council for further advice or consideration, prior to presentation to the shareholder for decision.



So long as the council ensures that work continues outside of the Shareholder group, to develop the overarching strategies which the companies align to – the Shareholder Group should be able to meet less often as a consequence of the close monitoring of each company's performance being undertaken by the Holding Company.

This would enable more capacity for the group to focus more on:

- strategic oversight of the delivery of the councils objectives,
- oversight of the functioning of the governance structure,
- providing advice to the council on new shareholding opportunities

See the table overleaf which outlines the functions to be undertake at each level of the governance structure.

	As Is Functions	To Be Function
Shareholder	<ul style="list-style-type: none"> - Communicates and supports development of strategic framework/policy framework - Agree's strategies and policies of group entities - Monthly Performance Management – Financial and Operational - Approves reserved matters - Oversight of audit and risk functions 	<ul style="list-style-type: none"> - Ensures companies are delivering in line with councils strategic objectives - High level dashboard reporting - Oversight of interaction with council committees including regular reports to BCC Scrutiny and Audit committees - Clear decision making/sign off Business plans

	As Is Functions	To Be Function
 <p>Holding Co.</p>	<ul style="list-style-type: none"> - Approves share issues and VAT transfers across group 	<ul style="list-style-type: none"> - Communicates between Shareholder/Council and Company and supports development of strategic plans and policies aligned with Shareholders - Recommending and Reviewing business plans - Monthly Performance - Management – Financial and Operational - Approves share issues and VAT transfers across group - Manages group accounts process - Aligns policy across the group - Sharing resources and services - Audit and risk oversight services across group
 <p>Trading Company</p>	<ul style="list-style-type: none"> - Produces business plans - Operational management of company - <i>Develops own policies</i> - <i>Maintain Audit and Risk functions</i> - Health & Safety and Risk Management 	<ul style="list-style-type: none"> - Produces business plans - Operational Management - Health & Safety and Risk Management

7.6 Bristol Holding Limited Board Attendees - Roles and Responsibilities

The tables below outline the proposed roles and responsibilities in each level of the governance structure and any assumptions which have fed into the financial modelling section.

Who	Roles and Responsibilities
Executive Chair (Employed by BCC)	Responsible for holding companies to account for delivery of business plans, and the development/communication of strategic framework for the companies on behalf of the council.
Independent Non-Executive Director <i>(Consideration of transfer of ISA to Holding board)</i>	Independent commercial advice and expertise to Holding group, in line with Shareholder expectations.
Council appointed director (NED)	Council appointed director (councillor) to represent city/users views.
Group Finance Director	Performance manages company financial controllers, and provides oversight of company financial performance. Manages group finances. Developing approaches to asset based finance, cash pooling etc.
Group Company Secretary (qualified company secretary)	Schedules and records company board agendas, and provides golden thread of decision making through the group. Provides support around group policies and matters such as insurance.
Open invitation: Shareholder rep, S151/Finance, Shareholder Client Manager.	May attend as wishes in order to understand issues in more depth, or provide council perspective on issues. By default Shareholder Client Manager will act as Shareholder observer.

8. Finances – 2019/20 and 20/21 (full year affect)

8.1 Bristol Holding Income and Expenditure 2019/20 and 20/21

Income		19/20	20/21
	Gross Income	£18k	£18k
	Management fee to subsidiaries (Mechanism for allocation to be determined)	£522K	£590k
	Total (Income)	£540k	£608k
Expenditure			
	Staffing		
	- Executive Chair		
	- Project Manager		
	- Project Support (0.5FTE)		
	- Company Secretary		
	- Independent Non-Executive Director		
	- Group Finance Director		
		£365k*	£408k*
	Services		
	- Insurance		
	- Procurement		
	- Internal/External Audit		
	- Finance advice (BCC recharged)		
	- Consultancy		
	- Financial services (Bristol Energy recharged)		
	- Legal Expenses (BCC recharged)		
	- Recruitment Fees		
	- HR advice (BCC recharged)		
	- IT services		
		£175k**	£200k **
	TOTAL (Expenditure)	£540k	£608k

* excluding BCC contribution 1/3rd of Executive Chair (£50k)

**Including projected services purchased from BCC [estimate] £27k

8.2 Net Cost of revised structure

This proposed structure is estimated to be broadly cost neutral in comparison with 18/19 when the total cost of carrying out these activities across both the council and subsidiaries are taken into account.

Furthermore, this proposed structure is anticipated to generate added value for the subsidiary companies by providing greater coordination at group level to support generation of economies of scale, and sharing of best practise across the group.

AS IS 18/19	
Sub-total Shareholder staffing (18/19)	£442k
Sub-total Holding/Company staffing relevant for comparison (18/19)	£191k
Total	£633k

TO BE (Full Year affect)	
Sub-total Shareholder staffing (20/21) Full year affect	£240k
Sub-total Holding Company staffing	£389k
Total	£629k
Net cost	-£4k

This calculation has excluded any consultancy sought during 18/19, but has included:

- The saving which will occur by not recruiting to vacant FD positions within the group
- Estimates for the opportunity cost of time which BCC Directors have been spending on monthly shareholder group meetings, which will reduce in frequency under the new model.
- Estimates of reduction of time which Dem Services, BCC Legal and BCC Finance staff will need to support the companies/Shareholder given the creation of dedicated roles within the companies.

8.3 Assumptions underpinning the Financial Modelling

Expenditure allocation

- All Bristol Holding Ltd. expenditure will be allocated across the subsidiaries in a quarterly management charge, consideration to be given to the mechanism for allocation. For example – based on turnover, business complexity, size/scale.

Consultation with subsidiaries and provision for management charges within their budgets/business plans

- High level consultation has been carried out with each of the Managing Directors of the subsidiary companies, who have welcomed the principles behind the approach to creating a more active Holding company, accepting that there will be a form of increased management charge associated with this.
- However further consultation and discussion will need to take place following the approval of the plan in order to ensure that appropriate provision, based on actual costs is made in subsidiary budgets and live business plans – this will require further financial modelling around expected burden in 19/20 based on the transition place and will depend on the mechanism for allocation which is yet to be determined.

Unquantified income and scaling Bristol Holding via project costs

- It should however be noted that involvement of Bristol Holding in the planning and set up of new ventures will need to be costed into project costs going forwards so there is an income stream from supporting new ventures. This has not yet been quantified.
- It will be important that as further companies are established and Bristol Holding staff are used to support such work that this is costed and income obtained in order to not place further burden on existing subsidiaries.

Activities

In continuation of previous practise, the following will occur:

- The following Services will be contracted for by the Holding Company:
 1. Internal/External Audit services (*costs dispersed across the family in a pro-rata basis*).
 2. The Council to provide insurance services in line with the Holding Company's requirements for Directors and Officers insurance across the group. It is expected the Council will contract with each of the group

companies in line with their individual insurance specifications and service level agreements.

3. The search for key appointments to Company Boards will be contracted via the Council's existing contractual agreements to achieve Best Value.

- The Council will manage the annual account consolidation where required at council level. The Holding Company will provide the advice to the suite of companies in order to ensure this process is as integrated as possible.
- Throughout the year there is a variety of share and investment transactions, taxation, VAT, Companies House formal responses required including, but not limited to, approval and certification of tax returns, transference of VAT at group level, responding to Companies House queries.

Services to the company

- Holding Group companies will have the option to utilise services from the council according to the internal rate card.

Finance

- The Financial support service will be provided by Bristol Energy for a fee.

HR

- Payroll arrangements will be managed by Bristol Energy finance team utilising Bristol Holdings HMRC cloud portal
- Pension arrangements for staff will be arranged via Bristol Energy's pension provider.
- Recruitment/HR/Employment advice will be provided by BCC HR/ Legal (chargeable)

IT and facilities

- The Bristol Holding Ltd. staff will purchase ICT services from BCC ICT
- Staff will utilise hot desks in City Hall and Temple Street as well as spending time at subsidiary offices with no additional cost within this business plan period.
- Holding and Shareholder boards will require meeting facilities to be made available by City Hall events team with no additional cost within this business plan period.

Legal

- Legal advice will be provided under a SLA by the Council to the directors of the Holding Company.
- Legal Expenses are for identified legal officer support in relation to advice requested by the Holding company directors in relation to Bristol Holding Ltd. or whole group matters. These costs will be funded by Bristol Holding.
- If legal advice is required in relation to a particular issue associated with a subsidiary, Bristol Holding will pay the Council, but will expect to recoup the cost from the relevant subsidiary.

Procurement

- Procurement advise from BCC procurement (chargeable)

Employment and staffing

- The role of Executive Chair who will be employed by the council. Cost will be shared between BCC and the Companies.
- Use of BCC staff for Bristol Holding Ltd. purposes will be charged in line with the 'rate card' or 'part/fully seconded'.
- Generally employment conditions will be aligned with BCC employment arrangements, and staff, HR/performance and wellbeing policies and benefits will be extended to Bristol Holding Ltd. staff (with the exception of pensions).
- Bristol Holding will employ a BG9 Project support, and BG 13 Project Officer. The BG9 will be a shared resource with the Shareholder to ensure smooth transition and overall robust approach to governance.
- Democratic services clerks will no longer be required to support company board meetings.

Assurance: there is no expectation of adding in unnecessary costs. The intention is to keep Bristol Holding Company lean whilst discharging a range of responsibilities for the Shareholder.

There is no suggestion of:

- separate offices,
- separate IT functions,

The intention is that Bristol Holding Ltd will be impactful and sufficiently flexible that the Shareholder can use it to shape the future.

This is not a 'fixed' proposition. It will be trialled for 12 months and then reviewed utilising a 360 degree process. If it's is not working we will reshape it.

8.4 Risk Assessment

The risks associated with the implementation of the business plan :							
No	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Implementation is delayed due to <ul style="list-style-type: none"> - Inadequate resources in BCC/Holding to support transition - Lack of stakeholder/subsidiary buy in - Lack of skills in the market to fulfil key roles 	High	High	Assessment being made with respect to staffing required during first months of transition. Engagement has already taken place with MD's of companies and further engagement to continue throughout April 2019 on subsidiary recharge mechanism. Recruitment advice being sought in order to assess attractiveness of skills/roles in current employment market.	High	Medium	Interim Shareholder Liaison Director/ Interim Director of Bristol Holding.