



BRISTOL HOLDING CO LTD – EXEC CHAIRMAN SUPPORTING COMMENTARY TO CABINET MEETING
21 JANUARY 2020

The Bristol Holding Company Board offers the following commentary to each of the submitted Business Plans being considered by Cabinet.

Bristol Holding Company Limited:

The Bristol Holding Company (HoldCo) Board only stood up in its new form in September and this year's business plan focuses on the first year of transition only, covering 2020/21; it is intended that next year's plan will be a group wide plan covering the full five year outlook. This plan is not contentious and has been developed in collaboration with Bristol Energy, Bristol Waste and Goram Homes board of directors. Although the annual budget is slightly higher than originally anticipated in last year's plan, the uplift has been agreed and budgeted with all of our subsidiaries, who will meet the budget through management charges. In addition, where HoldCo resources are utilised against non HoldCo Group companies work (eg. City Leap), we will recover costs through the specific council Dept. /project.

Bristol Energy:

Bristol Energy (BE) continues to face significant challenges throughout the period of this BP. Importantly, the break-even point remains at 2023/24, and the company are neither seeking new investments nor increased collateral in this BP.

See Exempt appendix J1.

Both the BE and HoldCo Board will continue to scrutinise performance to ensure dedicated management focus is maintained in delivering these plans. In addition, Bristol Energy recognises that the energy retail business will remain challenging so it has taken action to diversify into energy services, starting with heat as a service from 2020/21. This is aligned to the City Leap journey and should ensure that the company remains attractive to potential strategic partners in due course.

Bristol Waste:

Overall, Bristol Waste is in good shape and has continued to deliver surplus to the council in this financial year. Going forward as outlined in their BP, the company continues to return an overall surplus throughout the BP period with significant growth in non-teckal commercial business. However, the Hartcliffe HRRC running costs now included in BP, impact the teckal surplus in outgoing years. Key risks to the BP include waste disposal costs increasing and failure to grow the commercial business at the planned levels; both the BWC and HoldCo Boards will continue to monitor this area to ensure that the company leadership continue to take effective and timely action to deliver the expected growth.

Goram Homes:

Goram Homes is now established with a new MD since Sept. The company have selected their first JV partners and are moving forward to develop the Romney and Baltic Wharf sites. This is the first Goram BP and has been agreed with the council housing team, who act as client. As highlighted in the BP, delivering a financial return in the long term is dependent on a council enabled development pipeline that supports a timely delivery programme

See Exempt appendix J1.

This key risk will continue to be mitigated by maintaining a close engagement between Goram and the council housing team.

Peter Beange

Executive Chairman
Bristol Holding Company Limited.