

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 03 March 2022

TITLE	Bristol Holding Group Limited Company Business Plans for 2022/2023	
Ward(s)	All.	
Author: Tim O’Gara	Job title: Director: Legal and Democratic Services	
Cabinet lead: Cabinet Member for Finance, Governance and Performance	Executive Director lead: Executive Director, Resources	
Proposal origin: City Partner		
Decision maker: Cabinet Member		
Decision forum: Cabinet		
<p>Timescales:</p> <p>6 December 2021: Shareholder Group review of Bristol Holding (Holding Company) Group Business Plan Framework documents</p> <p>22 December 2021: Resources EDM review of draft Cabinet Report</p> <p>17 January 2022: Shareholder Group review of draft Holding Company Group Business Plans</p> <p>31 January 2022: Cabinet member briefing on draft Cabinet Report / Forward Plan publication</p> <p>9 February 2022: OSMB review draft Holding Company Group Business Plans</p> <p>3 March 2022: Cabinet review Cabinet Report</p>		
<p>Purpose of Report:</p> <p>To approve the 2022/2023 Business Plans for the Holding Company Group.</p>		
<p>Evidence Base:</p> <p>The council is the sole shareholder of Bristol Holding Limited (company number: 09485669) which in turn is the sole shareholder of a number of companies, including; Bristol Waste Company Limited (company number: 09472624), Goram Homes Limited (company number: 11597204) (the Bristol Holding Group). The business plans are submitted for approval in this Cabinet Report for each of these companies although it is noted that a business plan is not submitted for approval for Bristol Heat Networks (company number: 11652156) at this time, as this will follow an alternative timeframe for approval related to the City Leap Joint Venture procurement.</p>		

Shareholding is an executive function. The shareholder role in respect of the Bristol Holding Group has been delegated to the Deputy Mayor: Finance, Governance and Performance. The Deputy Mayor has reviewed the business plans for the Bristol Holding Group (see Appendix A) and has been advised in relation to them by the Shareholder Group (see Appendix B1), the Independent Shareholder Advisor's commentary (see Appendix B2), Bristol Holding (see Appendix B3) and the relevant council clients (see Appendix B4). The business plans are now being recommended for approval by Cabinet.

The companies' business plans are generally based on financial information available in January 2022. The final drafts of the business plans were received on the following dates: Bristol Holding – version 2 dated 31 January 2022; Bristol Waste Company – version 3 dated 15 February 2022; Goram Homes - version 7 dated 17 February 2022.

Cabinet Member / Officer Recommendations:

That Cabinet:

In relation to Bristol Waste Company Limited:

1. Approves the 2022/2023 Business Plan of the Bristol Waste Company Limited (company number 09472624)

In relation to Goram Homes Limited:

2. Approves the 2022/2023 Business Plan of Goram Homes Limited (company number 11597204)
3. Approves the application of the £10m additional loan funding (approved by Cabinet in March 2021) to Goram Homes Limited's costs in respect of the development of all sites identified in the business plan, excluding Baltic Wharf and Romney (which are separately funded as approved by Cabinet in September 2018).

In relation to Bristol Holding Limited:

4. Approves the 2022/2023 Business Plan of Bristol Holding Limited (company number 09485669)

Corporate Strategy alignment:

Bristol Waste's business plan aligns with the key theme of Environment and Sustainability by helping the city reduce its consumption of products and transform its relationship with waste, increasing recycling, repair, reuse and sharing of goods.

Goram Homes' business plan supports the Homes and Communities theme, by accelerating home-building in the city and increasing the supply of affordable homes and building resilient communities.

The Holding Company's business plan aligns with the theme of Bristol City Council as a Development Organisation, contributing to the priority of Good Governance, and acting as One Council, ensuring that the companies are offering good value for money and adopting more consistent procedures and processes, with corporate support services that are the right size for the needs of the organisation.

City Benefits:

Bristol Waste's business plan benefits the City through providing clean streets, road-side recycling and the city's new recycling centre.

Goram Homes' business plan will deliver the following benefits to the City by facilitating the build of affordable and commercial housing.

The Holding Company will enable the Council, through its companies, to achieve the progression of innovative services to the city and its population.

Consultation Details:

Each Company's Board has reviewed their business plan, and the Holding Company Board has met several times to review and consider them. A Summary of the Holding Company's recommendations of the plans is included at Appendix B3.

The Shareholder Group convened on 17 January 2022 to review the Bristol Holding Group business plans. A summary of their views, and the views of the Independent Shareholder Advisor, on the plans is included at Appendices B1 and B2.

Client officers have discussed the business plans with the Companies and have provided comment at Appendix B4.

OSMB Members considered the report at their meeting on 9 February 2022 and have submitted their comments to Cabinet as a separate report.

Revenue Cost		Source of Revenue Funding	
Capital Cost		Source of Capital Funding	
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:**1. Finance Advice:**

See Appendix G for detailed financial commentary with regards to Bristol Holding, Bristol Waste Company and Goram Homes.

Finance Business Partner: Jemma Prince, Finance Business Partner

Date: 2 February 2022

2. Legal Advice:

Approval of each of the company business plans is a Reserved Matter and requires Shareholder (i.e. the Council acting by the Shareholder Representative) approval. Such approvals are ordinarily given by the Deputy Mayor, as Shareholder Representative, however the practice has developed

that in respect of business plans this is addressed at Cabinet. Approval of the recommendations in this Cabinet Report will therefore constitute such Reserved Matter approval.

The business plans are also expected to identify explicitly any other Reserved Matters that require approval. At this time no further Reserved Matter approvals are being requested or approved.

As before, it is also important that support for any of the companies continues to comply with appropriate state aid/public subsidy requirements.

Bristol Waste Company's and Bristol Holding's respective "Teckal" status (enabling contracting between the parties without the necessity of compliance with the Public Contracts Regulations 2015 (PCR)) needs to be continually kept under review to ensure that the existing contractual and associated arrangements between the Council and the companies is secure from a procurement perspective. At present, given each company's current business plans and the existing arrangements between the Council and the companies, there is nothing to suggest this status is at risk.

Goram Homes' status as a body not governed by public law (and thereby relieved of compliance with the PCR) needs also to be continually monitored. Again, the current business plan and working relationship between the council and the company does not suggest this status is at risk.

Legal Team Leader: Eric Andrews, Team Leader

Date: 03 February 2022

3. Implications for ICT:

I can see no additional implications on IT in regards to this activity.

ICT Team Leader: Gavin Arbuckle, Head of Service Improvement and Performance

Date: 3 February 2022

4. HR Advice:

In relation the GHL, there are no obvious HR implications. In relation to HoldCo, discussions regarding the transfer of staff between the company and BCC will take place as/when appropriate, and are likely to be low risk. In relation to BWC, it is strongly recommended that early and open engagement with stakeholders (including councillors and trade unions) takes place regarding the future activities of the company with the aim of increasing awareness, if not agreement.

HR Business Partner: Mark Williams, Head of HR

Date: 31 January 2022

EDM Sign-off	Executive Director of Resources	22 December 2021
Cabinet Member sign-off	Cabinet Member for Finance, Governance, Performance and Shareholder	17 January 2022 (SHG) 9 February 2022 (CMB)
For Key Decisions - Mayor's Office sign-off	Mayor's Office	1 February 2022

Appendix A – Further essential background / detail on the proposal <ul style="list-style-type: none"> • A1. Bristol Waste Company Business Plan • A2. Goram Homes Business Plan • A3. Holding Company Business Plan 	YES
Appendix B – Details of consultation carried out - internal and external <ul style="list-style-type: none"> • B1. Shareholder Group recommendations with respect to Business Plans • B2. Independent Shareholder Advisors commentary on Business Plans • B3. Bristol Holding recommendations with respect to Business Plans • B4. Council Client functions commentary on Business Plans 	YES
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equality Impact Assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	YES
Appendix G – Financial Advice	YES
Appendix H – Legal Advice	NO
Appendix I – Exempt Information <ul style="list-style-type: none"> • Exempt Appendix I1. Exempt appendix to Bristol Waste Business Plan • Exempt Appendix I2. Exempt appendix to Goram Homes Business Plan 	YES
Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO