

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 05 March 2024

TITLE	Bristol Holding Group of Companies Business Plans for 2024/25		
Ward(s)	All Wards		
Author: Tim O’Gara		Job title: Director: Legal and Democratic Services	
Cabinet lead: Cllr Craig Cheney, Designated Deputy Mayor with responsibility for City Economy, Finance & Performance		Executive Director lead: Stephen Peacock, Chief Executive	
Proposal origin: City Partner			
Decision maker: Cabinet Member			
Decision forum: Cabinet			
Purpose of Report:			
<p>1. The purpose of this report is to seek approval for the 2024/2025 Business Plans for the Bristol Holding Group of companies:</p> <ol style="list-style-type: none"> a. 2024/2025 Business Plan of Bristol Holding Limited (company number: 09485669) b. 2024/2025 Business Plan of Goram Homes Limited (company number: 11597204) c. 2024/2025 Business Plan of the Bristol Waste Company Limited (company number: 09472624) 			
Evidence Base:			
<ol style="list-style-type: none"> 1. Bristol City 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: Goram Homes Limited (company number: 11597204), Bristol Waste Company Limited (company number: 09472624) (the group of companies known collectively as Bristol Holding Group). 2. The Bristol Holding Limited (Bristol Holding), Goram Homes Limited (Goram Homes) and Bristol Waste Company Limited (Bristol Waste) business plans are submitted for approval in this Cabinet Report. 3. Shareholding is an executive function. The shareholder role in respect of the Bristol Holding Group has been delegated to the Deputy Mayor with responsibility for City Economy, Finance & 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 B3), the Independent Shareholder Advisor’s commentary (see Appendix B3), Bristol Holding (see Appendix B2) and the relevant council clients (see Appendix B1). The business plans are now being recommended for approval by Cabinet. 4. The companies’ business plans are generally based on financial information available in January 2024. The final drafts of the business plans were received on the following dates: Bristol Holding – version 3, dated 			

02.02.2024, Goram Homes – version 4 dated 01.02.2024, and Bristol Waste – version 6 (BWC’s v1), dated 02.02.2024.

Cabinet Member / Officer Recommendations:

That Cabinet:

In relation to Bristol Holding Limited:

1. Approves the 2024/2025 Business Plan of Bristol Holding Limited (company number 09485669)

In relation to Goram Homes Limited:

2. Approves the 2024/2025 Business Plan of Goram Homes Limited (company number 11597204)

In relation to Bristol Waste Company Limited:

3. Approves the 2024/2025 Business Plan of the Bristol Waste Company Limited (company number 09472624)

Corporate Strategy alignment:

1. **Bristol 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.
2. **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.
3. **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.

City Benefits:

1. **Bristol Holding Company** will enable the Council, through its companies, to achieve the progression of innovative services to the city and its population.
2. **Goram Homes’** business plan will deliver benefits to the City by facilitating the build of affordable and commercial housing.
3. **Bristol Waste’s** business plan benefits the City through providing clean streets, road-side recycling and running the city’s re-use and recycling centres.

Consultation Details:

1. Each company’s Board has reviewed their business plan.
2. The Companies Assurance meeting convened on 8 January 2024 to provide comments to the Shareholder Group (SHG) which was subsequently held on 22 January 2024 to review the Bristol Holding Group business plans – SHG and the Independent Shareholder Advisor’s commentary can be found at Appendix B3.
3. A Summary of Bristol Holding Limited’s commentary on the Bristol Holding, Goram Homes and Bristol Waste plans is included at Appendix B2.
4. The Council Clients for Goram Homes and Bristol Waste have discussed the business plans with the companies and have provided comments at Appendix B1.
5. OSMB Members considered the Bristol Holding Group business plans at their meeting on 12 February 2024.

Background Documents:

1. BCC Corporate Strategy
<https://www.bristol.gov.uk/files/documents/761-corporate-strategy-2022-27/file>
2. Cabinet report - Bristol Holding Group Limited Company Business Plans for 2023/2024
<https://democracy.bristol.gov.uk/documents/s81781/00.FINALBristolHoldingGroupofCompaniesBusinessPlansfor202324-v15.pdf>

Revenue Cost	N/A	Source of Revenue Funding	N/A (see finance comments)
Capital Cost	N/A	Source of Capital Funding	N/A (see finance comments)
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:**

1. See Appendix G and Exempt appendix I2 for detailed financial commentary with regards to Bristol Holding Ltd, Bristol Waste Company Ltd and Goram Homes Ltd. The key financial impacts are noted below.

Bristol Waste Company (BWC)

2. BWC has a forecast loss of £2 million for 2023/24 which indicates a trigger to the paymech, and a requirement for the council to make a payment to BWC. This position will be closely monitored and a full reconciliation undertaken at year end.
3. The 2024/25 business plan shows a forecast deficit of £0.825 million for 2024/25, with the business expected to move to a small profit of £0.027 million by 2026/27.
4. Non-Teckal income for 2024/25 represents 11% of total income and therefore BWC remains within the 20% limit permitted for Teckal companies.

Goram Homes

5. The cumulative projected loss after tax for 2024/25 is £4.1 million, which is an adverse movement of £2.5 million from the 2023/24 business plan (£1.6m projected loss). This year on year change reflects the delays to development, primarily as a result of planning delays. The business plan indicates the business will have a cumulative net profit by the close of financial year 2026/27.
6. It should be noted that the housing market is subject to fluctuating economic and market conditions which continue to be a risk to Goram's commercial return, and therefore the return to the council.
7. The business plan assumes that the following project LLPs will be operating in the financial year 2024/25: One Lockleaze, Dovercourt Road, New Fosseyway Road, Hengrove Park and Baltic Wharf.

Finance Business Partner: Kathryn Long, Finance Business Partner (Resources), 21 February 2024

2. Legal Advice:

1. 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.

2. 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.
3. As before, it is also important that support for any of the companies continues to comply with appropriate public subsidy requirements.
4. 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, Commercial and Governance Lawyer, 26 January 2024

3. Implications on IT:

1. I can see no implications on IT in regard to this activity.

IT Team Leader: Alex Simpson, Lead Enterprise Architect, 25 January 2024

4. HR Advice:

1. No HR implications evident.

HR Partner: James Brereton, Head of Human Resources, 17 February 2024

OSMB Review	As agreed by the Monitoring Officer (Tim O’Gara, Director of Legal and Democratic Services) this date refers to the date on which OSMB reviewed the business plans, not EDM sign-off.	12 February 2024
Cabinet Member sign-off	Cllr Craig Cheney, Deputy Mayor with responsibility for City Economy, Finance & Performance	Shareholder Group 22 January 2024
For Key Decisions - Mayor’s Office sign-off	Mayor’s Office	05 February 2024

Appendix A – Further essential background / detail on the proposal A1. Bristol Holding Business Plan A2. Goram Homes Business Plan A3. Bristol Waste Company Business Plan	YES
Appendix B – Details of consultation carried out - internal and external B1. Council Client function commentary B2. Bristol Holding commentary B3. Shareholder Group and Independent Shareholder Advisor commentary	YES
Appendix C – Summary of any engagement with scrutiny	NO

Appendix D – Risk assessment Risk assessments included as part of Business plans and in Appendix G.	NO
Appendix E – Equalities screening / impact assessment of proposal Appendix E1. Bristol Holding Appendix E2. Goram Homes Appendix E3. Bristol Waste	YES
Appendix F – Eco-impact screening/ impact assessment of proposal Appendix F1. Bristol Holding Appendix F2. Goram Homes Appendix F3. Bristol Waste	YES
Appendix G – Financial Advice	YES
Appendix H – Legal Advice	NO
Appendix I – Exempt Information Exempt Appendix I1. Exempt appendix to Bristol Waste Business Plan Exempt Appendix I2. Exempt Financial Commentary on Bristol Holding Group Business Plans N.B. there is no exempt appendix to the Bristol Holding or Goram Homes Business Plans	YES
Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO