

Appendix B3

Shareholder Group Commentary – 22nd January 2024

The Shareholder Group members reviewed the business plans at the SHG meetings on 22 January 2024 (Bristol Holding Limited Goram Homes Limited and Bristol Waste Company Limited).

Bristol Holding Limited Business Plan – version 2

The Shareholder Group members agreed that the Bristol Holding Ltd. Business Plan could be recommended to go forwards for approval at Cabinet.

The group endorsed the company's one-year business plan, noting that the company provides a lean and agile assurance function which can flex to meet the needs of the council in relation to any Group changes or requirements for additional capacity.

It was acknowledged that the position will be kept under review post-committee system transition and as the recently established company level Audit and Risk Assurance Committees grow in maturity.

Goram Homes Limited Business Plan – version 2

The Shareholder Group agreed that the Goram Homes Ltd. Business Plan could be recommended to go forwards for approval at Cabinet.

The group were presented with a business plan that focussed around the four objectives of the business as a forward looking document. It was reviewed in conjunction with the backward looking Annual Review and further detailed operational performance information.

The business is able to report that it has now started selling its first homes and over course of the next year there are five other sites becoming operational; One Lockleaze, Dovercourt Road, New Fossey Road, Hengrove Park and Baltic Wharf.

The Shareholder Group acknowledged the challenges that the business will face over the coming year, notably; the delays within the planning system and the fact that the market demand has not yet fully recovered post-Covid (and inflationary pressures have been challenging), but the group is comfortable that these challenges are being managed effectively.

Bristol Waste Company Limited Business Plan – version 2

The Shareholder Group agreed that the Bristol Waste Company Ltd. Business Plan could be recommended to go forward for approval at Cabinet.

The group were presented with a three year business plan which incorporates additional funding for the municipal waste contract.

The group were assured through review of the current financial position that, the company would remain a going concern for the period of the business plan.

The business plan reports a number of future opportunities, particularly around commercial growth and supporting the council achieving its sustainability goals, acknowledging areas of challenge and risk specific work required around its future fleet and depot strategy. The Shareholder group members were assured of the strong collaborative partnership between the council and company in progressing these areas of work. In addition, further service planning and benchmarking activities will continue next year following the committee system transition.

Appendix B3

Fiona Ross, Independent Shareholder Advisor Commentary on the Business Plans - 12th February 2024

As the Independent Shareholder Advisor I attend the quarterly shareholder Group meetings and since its establishment in October 2023, the Companies Assurance meetings, alongside the strategic client and BHL Board members where company performance and business plans are reviewed. A strategic challenge faced by the council and subsidiaries is how the council will ensure that it continues to get a good level of assurance in the future when it adapts to a change in its own governance structure and leadership.

In this context, my assessment of the business plans is as follows:

The BHL business plan is straight forward. My recommendation is that the business will need to exist well into 2024 whilst these new structures bed-in to give the council the assurance that it requires. The assurance role that BHL are providing to the Shareholder is working well.

The Goram Homes business plan has a strong and detailed narrative, many of the detailed financials and delivery projections have been presented to the Shareholder Group in separate documents. I do not believe that any revisions are required. Taking into account how much the council has put into Goram and what it plans to do is ultimately a straight forward business model which represents a new way of building houses for the council. Key risks for the company include delays caused by the structural issues within the planning system and other macro-economic factors within and outside of the council's or company's control.

In the context of the recent changes to the Board and management team within BWC, Bristol Waste's business plan sets out how the company will be able to deliver a financially sustainable service over the next 3 years. The council may need to consider what could trigger any further calls on its finance. Risks for the company include unforecasted variations in cost base, health and safety, the impact of new government legislation. It will be important for the council as soon as possible to consider the balance between affordability and service levels. Furthermore, the council should progress the work to determine the future of the municipal waste service to provide longer term certainty to the business. The business plan and supporting information I have seen is detailed and accurate. Certain elements of the financial information are exempt for commercial sensitivity reasons which I support.