

# Company Handbook



## Section 3: Annual cycle

# Business planning

A summary of the business planning process and key outputs required from the companies



## Introduction

1. In March each year, each company submits a business plan to Cabinet for approval, in a process overseen by the Shareholder Liaison Service.
2. This submission is in the form of a Cabinet Report (see [Appendix 1](#) for the format of the Cabinet Report), which is drafted by the Shareholder Liaison Service, with input from a number of BCC officers, Bristol Holding Limited (**Holding Company**) and the subsidiaries.
3. The business plans are prepared by the companies, overseen by the Holding Company, approved by Shareholder Group (**SHG**), and reviewed by the Overview and Scrutiny Management Board (**OSMB**), before submission as part of the Cabinet Report.
4. The purpose of this Guidance Note is to explain the business planning process.

## Overview of process

5. Each company will be asked to prepare a Business Plan Framework Document for review by Shareholder Group in November, having first consulted with the Strategic Client (who will also feed in the input of the operational clients and sponsors) and BCC Finance as regards the content. The purpose of the document is to enable Shareholder Group to provide a strategic steer on the content of the business plan which will come forward for review by Shareholder Group in January.
6. Each company will then prepare a draft business plan for review by Shareholder Group (having first been reviewed as appropriate by the relevant company board and the Holding Company board) in January. The companies will be asked to make any amendments to reflect Shareholder Group comments prior to submission of the draft business plan to OSMB in February. The companies may also be asked to make any final amendments to reflect OSMB comments prior to submission of the final draft business plans to Cabinet for consideration in March.
7. The companies will also be asked to support in the development of the Cabinet Report in respect of the business plans. This note sets out the detail of what participation is needed and when.

## Indicative Business Planning timelines

8. Below is an indicative timeline for the business planning process each year, assuming that the business plans are presented to March Cabinet. The Shareholder Liaison Service will issue a detailed timeline each year, depending on the date of Cabinet. The below table does not include the review requirements of each subsidiary's Board or that of the Holding Company Board. This will be left to the subsidiaries to discuss and agree.

*Table 1: Timeline to Cabinet*

Key dates	Actions	Responsibilities
Nov	Shareholder Group receives <u>a short (max 4 page) Business Plan Framework Document</u> from each subsidiary summarising: <ul style="list-style-type: none"><li>• Strategic Objectives</li><li>• Business Plan level KPIs</li></ul>	Subsidiary MDs and FDs, approved by their Boards and Holding Company

Key dates	Actions	Responsibilities
	<ul style="list-style-type: none"> <li>• Key financial information</li> <li>• Summary of approach to social value</li> <li>• High level indication of anticipated material risks</li> <li>• Related reserve matter requests</li> </ul>	
Dec	Work with the Holding Company to ensure that any borrowing requirements for the subsidiaries are fixed at this time	Strategic Client + Director: Finance + BCC Finance Business Partner + Group FD
Jan	Borrowing requirements are included in council's budget for consideration by Cabinet	Director: Finance + BCC Finance Business Partner + Group FD
Jan	SHG receives draft business plans	Shareholder Liaison Manager to coordinate
Jan	Draft business plans published for OSMB	Shareholder Liaison Manager to coordinate
Feb	OSMB reviews draft business plans	Shareholder Liaison Manager to coordinate Group FD, MDs and FDs to attend and participate
Feb	Cabinet reports published	N/A
Feb	Full council considers budget	N/A
Mar	Cabinet considers final business plans (which will reflect any amendments required from SHG and OSMB considerations)	N/A

## Cabinet Report Recommendations

- The Cabinet Report will include recommendations approving the business plan and also approving anything within the business plan that constitutes a reserved matter. For example, where funding is requested from the council as part of the business plan, that funding will need to be approved as a separate recommendation in the Cabinet Report.
- If the business plan includes anything which constitutes a reserved matter which is not expressly approved in the Cabinet Report recommendations, it will not be deemed approved and separate Cabinet authority or Shareholder approval will be needed in the future. For example, if the business plan includes a proposal to write off £2m, and this is not included in the recommendations, separate Shareholder approval will be required to approve this write off. This approach is intended to ensure that Cabinet has full sight of the impact of the business plans and that nothing material is overlooked when it gives its approval.

11. The Shareholder Liaison Service is responsible for structuring the recommendations, but the company is responsible for identifying where reserved matter approvals are required within their business plan.
12. Each company should flag these to the Shareholder Liaison Service in good time, to ensure the recommendations can reflect the required approvals and can be considered by Shareholder Group.

### Company outputs

13. Each company will be asked to prepare, or contribute to, the following aspects of the Cabinet Report (see [Appendix 1](#)), in line with the indicative timelines set out above:
  - a) a **public business plan** for inclusion in Appendix A of the Cabinet Report, which expressly refers to any reserved matters that need approving as part of the business plan and includes clear cross-references to any exempt information included in the exempt appendix;
  - b) an **exempt appendix** suitable for inclusion in Appendix I of the Cabinet Report (if any exempt information is referred to in the business plan, in line with the Guidance Note: Exempt Information);
  - c) **Appendix E** of the Cabinet Report (Equality Impact Assessment (**EqIA**)), setting out any positive or negative impacts of each business plan on citizens and staff with protected characteristics;
  - d) **Appendix F** of the Cabinet Report (Eco-Impact screening), setting out any positive or negative impacts of each business plan on the environment (in the widest sense);
  - e) **in the case of the Holding Company only, a written commentary and recommendation** on each of the subsidiary business plans (which may be split into public and exempt information, if necessary, in accordance with the Guidance Note: Exempt Information).

### Shareholder Liaison outputs

14. The Shareholder Liaison Service will prepare, or coordinate, the following aspects of the Cabinet Report, in line with the indicative timelines set out above:
  - a) **text of the Cabinet Report**, which must:
    - i. state the date(s) on which the Holding Company, SHG and OSMB reviewed the business plans;
    - ii. highlight any material issues that were raised in any of those reviews and cross reference the Cabinet Report's Appendix B (see below) for more information on those issues and how they were resolved;
    - iii. state the date the financial information in the business plans is based on;
    - iv. state the date the final version of the business plan was received by the council;
    - v. state that the companies have confirmed that no material amendments need to be made to their business plans, following submission of their final versions; and

- vi. include clear recommendations that seek approval of both the business plans and any related reserved matter approvals (see below for more information on this).
- b) **Appendix B** (Details of consultation carried out - internal and external) – Shareholder Liaison will coordinate commentary from:
    - i. the Holding Company recommending each business plan;
    - ii. the relevant BCC operational client or sponsor; and
    - iii. Shareholder Group indicating, at a high level, what comments were provided upon review of the business plans and how these have been addressed in the final draft. This should expressly reference the views of the Independent Shareholder Advisor and the Strategic Client.
  - c) **Appendix D** (Risk assessment) – the Shareholder Liaison Service will ensure that BCC Finance completes the risk assessment, illustrating the key risks that the business plans pose to the council.
  - d) **Appendix E** (EqIA) – the Shareholder Liaison Service will provide a copy of this appendix to each subsidiary and ensure the companies complete it;
  - e) **Appendix F** (Eco-Impact screening) – the Shareholder Liaison Service will provide a copy of this appendic to each subsidiary and ensure the companies complete it;
  - f) **Appendix G** (Financial Advice) – the Shareholder Liaison Service will ensure that BCC Finance completes this advice and that as much of the advice is public as possible. Any exempt information will be included at Appendix I.
  - g) **Appendix I** (Exempt Information) – the Shareholder Liaison Service will coordinate with the companies to ensure that any exempt information is included in this section, in line with the Guidance Note: Exempt Information.

## **Cabinet Report Equality and Inclusion Assessment**

- 15. An EqIA is a way to evaluate the potential impact of the council’s internal and external policies, procedures, activities and decisions on individuals within the company and individuals affected by the business plan in the wider community, to make sure the requirements of the Public Sector Equality Duty are fulfilled (see the Guidance Note: Equality and Inclusion for further information).
- 16. When the companies write their business plans it is expected that they complete an EqIA and the Shareholder Liaison Service will ensure they receive the template in good time. This will be submitted to Cabinet as part of the Cabinet Report seeking approval of the business plans.
- 17. The EqIA requires:
  - a) confirmation as to whether the Cabinet Report will affect any of the following;
    - i. BCC / company workforce;
    - ii. service users;
    - iii. the wider community;
    - iv. commissioned services; and/ or

- v. city partners / stakeholder organisations.
- b) data and/ or evidence which shows the potential impact of the business plan on the following protected characteristics;
  - i. age;
  - ii. marriage and civil partnership;
  - iii. religion or belief;
  - iv. disability;
  - v. pregnancy/maternity;
  - vi. sex;
  - vii. gender reassignment;
  - viii. race; and/or
  - ix. sexual orientation.
- c) mitigations of, or justifications for, negative impacts;
- d) plans to evaluate and measure the positive and negative impacts on the community, workforce and stakeholders.

## **Presentation of Exempt Information**

18. Please refer to Guidance Note: Exempt Information.

## **Version control and accessibility**

- 19. Preparation of the business plans is an iterative process. Once the company Board, and the Holding Company Board, has agreed that the business plans can be submitted to the Shareholder Representative for review, the Shareholder Group and other BCC officers will review and provide comments. This may result in some request for further amendments to the drafts. It is therefore important that each version is clearly labelled and accessible.
- 20. If significant changes have been made between versions, please highlight what changes these are or summarise them separately so that officers can focus on reviewing these revised parts of the business plans.
- 21. Please submit your draft business plans and exempt appendices directly to the Shareholder Liaison Service, copying in the Group Finance Director of the Holding Company.

## **Further Information**

- 22. For more information on any aspects of the above topic, please contact the Shareholder Liaison Manager: [Helen.Davis@bristol.gov.uk](mailto:Helen.Davis@bristol.gov.uk)
- 23. For further information on business planning from the Group perspective, please contact the Finance Director of the Holding Company: [Chris.Holme@bristol.gov.uk](mailto:Chris.Holme@bristol.gov.uk)



## Appendix 1

### **[TEMPLATE]** Decision Pathway – Report

**PURPOSE:** Key decision

**MEETING:** Cabinet

**DATE:** Enter date.

<b>TITLE</b>	Bristol Holding Group Limited Company Business Plans for [year/year]	
<b>Ward(s)</b>	All.	
<b>Author:</b> [insert Director name]	<b>Job title:</b> [Director: XXX]	
<b>Cabinet lead:</b> Cabinet Member for Finance, Governance and Performance	<b>Executive Director lead:</b> Executive Director, Resources	
<b>Proposal origin:</b> City Partner		
<b>Decision maker:</b> Cabinet Member <b>Decision forum:</b> Cabinet		
<b>Timescales:</b> [xxx]: Shareholder Group review of draft Bristol Holding ( <b>Holding Company</b> ) Group Business Plans [xxx]: Resources EDM review of draft Cabinet Report [xxx]: Cabinet member briefing on draft Cabinet Report [xxx]: Forward plan publication [xxx]: OSMB review draft Holding Company Group Business Plans [xxx]: Cabinet review Cabinet Report		
<b>Purpose of Report:</b> To approve the [year/year] Business Plans for the Holding Company Group.		
<b>Evidence Base:</b> 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) and Bristol Heat Networks (company number: 11652156) (the <b>Bristol Holding</b>		

**Group).** Business plans are submitted for approval in this Cabinet Report for each of these companies.

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), Bristol Holding (see Appendix B2) and the relevant council clients (see Appendix B3). The business plans are now being recommended for approval by Cabinet.

The companies' business plans are generally based on financial information available in **[insert date e.g. September 2021]**. The final drafts of the business plans were received on the following dates: Bristol Holding – **[insert date]**; Bristol Waste Company – **[insert date]**; Goram Homes – **[insert date]**; and Bristol Heat Networks - **[insert date]**.

Each company has confirmed that, other than to respond to requests from the Shareholder, there have been **no material changes** to the business plans since the final drafts were initially submitted in January.

**[Insert summary of any other wholly-owned companies for which business plans are not being submitted, and an explanation]**.

**Cabinet Member / Officer Recommendations:**

**That Cabinet:**

**In relation to Bristol Holding Limited**

1. Approves the **[xxx]** Business Plan of Bristol Holding Limited (company number 9302408), including approval of:
  - (a) **[Any reserved matter]**

**In relation to Bristol Waste Company Limited:**

2. Approves the **[xxx]** Business Plan of the Bristol Waste Company Limited (company number 09472624), including approval of:
  - (a) **[Any reserved matter]**

**In relation to Goram Homes Limited:**

3. Approves the **[xxx]** Business Plan of Goram Homes Limited (company number 11597204), including approval of:
  - (a) **[Any reserved matter]**

**In relation to Bristol Heat Networks Limited:**

4. Approves the **[xxx]** Business Plan of Bristol Heat Networks Limited (company number 11652156), including approval of:  
**[Any reserved matter]**

**Corporate Strategy alignment:**

**Bristol Holding's** Business Plan aligns with **[xxx]**, by **[insert reason]**.



**Bristol Waste's** Business Plan aligns with [xxx], by [insert reason].

**Goram Homes'** Business Plan aligns with [xxx] by [insert reason].

**Bristol Heat Networks'** Business Plan aligns with [xxx] by [insert reason].

**City Benefits:**

The Holding Company will enable the Council, through its companies, to achieve the following: [insert benefits.]

**Goram Homes'** Business Plan will deliver the following benefits to the City [insert benefits to the city].

**Bristol Waste's** Business Plan benefits the City through: [insert benefits to the city].

**Bristol Heat Networks'** Business Plan benefits the City through: [insert benefits to the city].

**Consultation Details:**

1. [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 XXX]
2. The Shareholder Group convened on [date] to review the [insert company] business plans. A summary of their views on the plans is included at Appendix XXX
3. OSMB convened on [date] to consider the [insert company] Business plans.
5. Client officers have discussed the business plans with the Companies, and have provided comment at Appendix [BXX]

<b>Revenue Cost</b>	<b>See Appendix</b>	<b>Source of Revenue Funding</b>	<b>See Appendix</b>
<b>Capital Cost</b>	<b>N/A</b>	<b>Source of Capital Funding</b>	<b>See Appendix</b>
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:**

**Bristol Holding** [xxx]

**Goram Homes** [xxx]

**Bristol Waste Company** [xxx]

**Bristol Heat Networks** [xxx]

**Finance Business Partner:** [xxx] **Date:** [xxx]

<p><b>2. Legal Advice:</b></p> <p>Bristol Holding [xxx]</p> <p>Goram Homes [xxx]</p> <p>Bristol Waste Company [xxx]</p> <p>Bristol Heat Networks [xxx]</p>	
<p>Legal Team Leader: [xxx]</p>	<p>Date: [xxx]</p>
<p><b>3. Implications for ICT:</b></p> <p><b>Bristol Holding:</b> [No direct impact on IT Services]</p> <p><b>Bristol Waste:</b> [No direct impact on IT Services]</p> <p><b>Goram Homes:</b> [No direct impact on IT Services]</p> <p><b>Bristol Heat Networks:</b> [No direct impact on IT Services]</p>	
<p>ICT Team Leader: [xxx]</p>	<p>Date: [xxx]</p>
<p><b>4. HR Advice:</b></p> <p>Bristol Holding [xxx]</p> <p>Goram Homes [xxx]</p> <p>Bristol Waste Company [xxx]</p> <p>Bristol Heat Networks [xxx]</p>	
<p>HR Business Partner: [xxx]</p>	<p>Date: [xxx]</p>
<p>5. Procurement Advice: Section to be completed by the Procurement Category Manager ONLY. If there are none, this must be stated by the Category Manager partner. Additional information can be added in Appendix L. <b>Yellow shading to remain until this section is removed for publication</b></p> <p>Please contact</p> <p>niotia.ferguson@bristol.gov.uk</p> <p>spencer.penny@bristol.gov.uk</p> <p>gina.smalley@bristol.gov.uk</p> <p>Copied to</p> <p>Steve.Sandercock@bristol.gov.uk</p> <p>procurement.support@bristol.gov.uk</p>	
<p>Category Manager: Category Manager to enter their name to confirm they have provided comments on the full and final report and the date.</p>	

6. Reputational narrative: Please contact public.relations@bristol.gov.uk for their comments, and copy/paste the email text in this section. <b>Yellow shading to remain until this section is removed for publication</b>		
PR officer: PR officer to enter their name to confirm they have provided comments on the full and final report and the date.		
<b>EDM Sign-off</b>	<b>Executive Director of Resources</b>	[xxx]
<b>Cabinet Member sign-off</b>	<b>Cabinet Member for Finance, Governance, Performance and Shareholder</b>	[xxx]
<b>For Key Decisions - Mayor's Office sign-off</b>	<b>Mayor's Office</b>	[xxx]

<b>Appendix A – Further essential background / detail on the proposal</b> <ul style="list-style-type: none"> <li>A1. Holding Company Business Plan</li> <li>A2. Bristol Waste Company Business Plan</li> <li>A3. Goram Homes Business Plan</li> <li>A4. Bristol Heat Networks Business Plan</li> </ul>	<b>YES</b>
<b>Appendix B – Details of consultation carried out - internal and external</b> <ul style="list-style-type: none"> <li>B1. Shareholder Group commentary on Business Plans</li> <li>B2. Bristol Holding recommendations on Business Plans</li> <li>B3. Council Client functions commentary on Business Plans</li> </ul>	<b>YES</b>
<b>Appendix C – Summary of any engagement with scrutiny</b>	<b>NO</b>
<b>Appendix D – Risk assessment</b>	<b>YES</b>
<b>Appendix E – Equality Impact Assessment of proposal</b>	<b>YES</b>
<b>Appendix F – Eco-impact screening/ impact assessment of proposal</b>	<b>YES</b>
<b>Appendix G – Financial Advice</b> <ul style="list-style-type: none"> <li>Council financial commentary on Business Plans</li> </ul>	<b>YES</b>
<b>Appendix H – Legal Advice</b>	<b>NO</b>
<b>Appendix I – Exempt Information</b> <ul style="list-style-type: none"> <li>[Exempt Appendix J1. Holding Company Exempt Commentary on Business Plans</li> <li>Exempt Appendix J2: Exempt appendix to Holding Company Business Plan]</li> <li>Exempt Appendix J3. Exempt appendix to Bristol Waste Business Plan</li> <li>Exempt Appendix J4. Exempt appendix to Goram Homes Business Plan</li> <li>Exempt Appendix J5. Exempt appendix to Bristol Heat Networks Business Plan</li> <li>Exempt Appendix J6. Exempt Financial commentary on Business Plans]</li> </ul>	<b>YES</b>
<b>Appendix J – HR advice</b>	<b>NO</b>
<b>Appendix K – ICT</b>	<b>NO</b>

<b>Appendix L – Procurement</b>	<b>NO</b>
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Table 2: Version Control Table

<b>Version</b>	<b>Summary of Edits</b>	<b>Editor</b>	<b>Date of Version</b>
<b>V 1</b>	<b>First draft for publishing</b>	<b>Shareholder Liaison Service</b>	<b>10.11.2021</b>
<b>V 2</b>			
<b>V 3</b>			