Bath & North East Somerset Council

Improving People's Lives

Corporate Policy Development and Scrutiny Panel

Date: Thursday, 21st April, 2022
Time: 4.00 pm
Venue: Council Chamber - Guildhall, Bath

Councillors: Karen Warrington, Winston Duguid, Mark Elliott, Andrew Furse, Lucy Hodge, Shaun Hughes, Hal MacFie, Alastair Singleton and Sally Davis

Michaela Gay
Democratic Services
Lewis House, Manvers Street, Bath, BA1 1JG
Telephone: michaela_gay@bathnes.gov.uk, 01225 394411
Web-site - http://www.bathnes.gov.uk
E-mail: Democratic_Services@bathnes.gov.uk

NOTES:
1. **Inspection of Papers:** Papers are available for inspection as follows:

Council's website: https://democracy.bathnes.gov.uk/ieDocHome.aspx?bcr=1

Paper copies are available for inspection at the Guildhall - Bath.

2. **Details of decisions taken at this meeting** can be found in the minutes which will be circulated with the agenda for the next meeting. In the meantime, details can be obtained by contacting as above.

3. **Recording at Meetings**:-

The Openness of Local Government Bodies Regulations 2014 now allows filming and recording by anyone attending a meeting. This is not within the Council's control.

Some of our meetings are webcast. At the start of the meeting, the Chair will confirm if all or part of the meeting is to be filmed. If you would prefer not to be filmed for the webcast, please make yourself known to the camera operators.

To comply with the Data Protection Act 1998, we require the consent of parents or guardians before filming children or young people. For more information, please speak to the camera operator.

The Council will broadcast the images and sound live via the internet www.bathnes.gov.uk/webcast An archived recording of the proceedings will also be available for viewing after the meeting. The Council may also use the images/sound recordings on its social media site or share with other organisations, such as broadcasters.

4. **Public Speaking at Meetings**

The Council has a scheme to encourage the public to make their views known at meetings. They may make a statement relevant to what the meeting has power to do. They may also present a petition or a deputation on behalf of a group.

Advance notice is required not less than two full working days before the meeting. This means that for meetings held on Thursdays notice must be received in Democratic Services by 5.00pm the previous Monday.

Further details of the scheme can be found at:

https://democracy.bathnes.gov.uk/ecCatDisplay.aspx?sch=doc&cat=12942

5. Emergency Evacuation Procedure

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6. Supplementary information for meetings

Additional information and Protocols and procedures relating to meetings

https://democracy.bathnes.gov.uk/ecCatDisplay.aspx?sch=doc&cat=13505

Corporate Policy Development and Scrutiny Panel - Thursday, 21st April, 2022

at 4.00 pm in the Council Chamber - Guildhall, Bath

A G E N D A

1. WELCOME AND INTRODUCTIONS

2. EMERGENCY EVACUATION PROCEDURE

   The Chair will draw attention to the emergency evacuation procedure as set out under Note 6.

3. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

4. DECLARATIONS OF INTEREST

   At this point in the meeting declarations of interest are received from Members in any of the agenda items under consideration at the meeting. Members are asked to indicate:

   (a) The agenda item number in which they have an interest to declare.

   (b) The nature of their interest.

   (c) Whether their interest is **a disclosable pecuniary interest** *or* an **other interest**, (as defined in Part 2, A and B of the Code of Conduct and Rules for Registration of Interests)

   Any Member who needs to clarify any matters relating to the declaration of interests is recommended to seek advice from the Council's Monitoring Officer or a member of his staff before the meeting to expedite dealing with the item during the meeting.

5. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

6. ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

7. MINUTES - 28TH MARCH 2022 (Pages 7 - 12)

8. CABINET MEMBER UPDATE

   The Cabinet Member will update the Panel on any relevant issues. Panel members may ask questions on the update provided.

9. STRATEGIC PERFORMANCE INDICATORS QUARTER 3 REVIEW (Pages 13 - 24)

   The panel has asked to review the corporate performance reports and Council performance in several key services. This report is based on a basket of strategic performance indicators, which are used to allow the Council to monitor and report on its performance and progress against its Corporate Strategy.

The report to be reviewed at this panel meeting is the Quarter 3 Performance report for 2020/21, which was reported to the Cabinet on 10th February 2022.

10. COMMERCIAL PROPERTY ESTATE (Pages 25 - 38)

A presentation is attached.

11. ADL BUSINESS PLAN (Pages 39 - 158)

The panel has asked to review the attached Council report and Aequus business plan following the Council meet on 25th March, this is in line with the shareholder agreement. Due to the commercially sensitive nature of the Aequus Business Plan 2021/22 to 2023/24, this has been made an exempt item.

12. PANEL WORKPLAN (Pages 159 - 162)

This report presents the latest workplan for the Panel **at the time of publication**.

Any suggestions for further items or amendments to the current programme will be logged and scheduled in consultation with the Panel's Chair and supporting officers.

The Committee Administrator for this meeting is Michaela Gay who can be contacted on michaela_gay@bathnes.gov.uk, 01225 394411.

BATH AND NORTH EAST SOMERSET

MINUTES OF CORPORATE POLICY DEVELOPMENT AND SCRUTINY PANEL MEETING

Monday, 28th March, 2022

Present:- **Councillors** Karen Warrington, Winston Duguid, Andrew Furse, Lucy Hodge, Shaun Hughes, Hal MacFie, Alastair Singleton and Sally Davis

Apologies for absence: Councillors: Mark Elliott

74 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting.

75 EMERGENCY EVACUATION PROCEDURE

The Chair drew attention to the emergency evacuation procedure.

76 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Councillor Mark Elliott sent his apologies

Councillor Richard Samuel, Cabinet Member for Economic Development and Resources, sent his apologies.

77 DECLARATIONS OF INTEREST

There were none.

78 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

79 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

There were none.

80 MINUTES

The Panel confirmed the minutes of the previous meeting as a true record and they were duly signed by the Chair.

81 CABINET MEMBER UPDATE

The Cabinet Member for Economic Development and Resources sent his apologies and sent the following update to the Panel:

Finance

- In the last quarter the focus has been on completing the 22/23 budget process. Council approved the budget at its meeting in February. The main currently activity is directed towards the Q4/year end out turn with officers beginning to finalise accounts for reporting to the Cabinet. Pressures in Children's services remain but are to some extent mitigated by reductions in Adult Services.

- HCRG acquisition of Virgin Healthcare. Financial due diligence has been completed together with legal advice on the contract change. This is being discussed with the CCG and it has been agreed that both the Cabinet and the CCG board will consider the position towards the end of May. The ', Adults, Health and Well Being PDS has discussed the current position. Given the value of this contract I mention this to this panel.

- Further funds have been allocated for welfare support by the government and the distribution of these are being worked up currently.

- Capital programme delivery monitoring is to be stepped up with a more rigorous monthly assessment of scheme delivery.

- Arrangements are in hand for the reception of Ukrainian refugees. The council, will receive £10000 per individual to support refugees together with an additional top up for education.

- Inflationary costs in relation to energy remain a concern as does the current level of inflation in the economy which is likely to increase pressure for higher pay awards.

Economic Development

- The top floor of Bath Quays South has been let and is going through legal documentation. Marketing continues on other units.The Newark Works project is progressing well and is expected to be complete by the mid -summer. Once this is complete it will be possible to undertake the pedestrian bridge works on either side ahead of opening later this year.

- Discussions continue with Legal and General in relation to Bath Quays North but members may recall that the current long stop date is 2025 for development to commence.

- Officers are constructing an evidence base for a new ED strategy statement expected in the autumn.

A number of funding awards have been made on High St renewal funds and the Keynsham High St project has now completed. York St resurfacing and waterproofing is underway and anticipated to complete on time in April/May.

Work is continuing on the Somer Valley Enterprise Zone and revised proposals will be presented to the Stakeholder Group this week.

Work continues on the Fashion Museum relocation and a briefing is arranged for Newbridge members on the proposals for the Collection centre. Options for the main museum remain under evaluation. It is proposed to establish external funding arrangements to support the museum as is the case with many cultural offers.

Cleveland Pools is nearing completion and a soft opening is expected later this summer.

Bath River Line phase 1 from Newbridge to Churchill bridge has approved funding and work will start this summer on the identified improvements.

82 PEOPLE STRATEGY UPDATE

Cherry Bennett, Director of People and Policy, gave a presentation to the Panel which covered the following:

- Background
- Key Challenges and Risks
- Attraction, retention, and workforce planning
- Staff engagement and performance
- Talent and Development
- Health, Safety and Wellbeing
- Preparing for the future programme
- KPIs

Panel members made the following points and asked the following questions:

Councillor Shaun Hughes asked how savings, mentioned during the budget setting, were made from vacancies. The officer explained that savings in salary payments are made during the time delay/lag in the recruitment process which is possible in some roles.

Councillor Andy Furse asked how many long-term vacancies there are in the 300. The officer explained that the data is not good but there are around 50 – some are hard to fill posts. There are a high number of vacancies in care homes where recruitment and retention are challenging. Our 11% staff turnover is average.

Councillor Furse asked about the training for those members of staff who do not use IT every day. The officer explained that the new performance development system could be accessed on a phone so would be accessible to those staff members who do not routinely use IT as part of their job.

In response to a query from Councillor Furse about capacity, the officer explained that there is a bit more capacity in the department now – 3 senior manager posts and an additional recruitment business partner post.

Councillor Hal MacFie asked how KPI's could measure the degradation in a service such as in enforcement where Councillors now use a generic email rather than contact officers direct. The officer explained that this would be a service performance KPI, we can pick that up with colleagues and directors.

Councillor MacFie stated that it felt like a lot of staff had left in the past year, yet it is reported as only 7.5%. The officer explained that the number was for the previous year, and we do not have the figure for this year yet. It could be team specific, or it may be a result of the labour market being more competitive than previously.

Councillor Lucy Hodge asked about exit interviews and if they are available centrally and what the strategy is. The officer explained that the data on why a person is leaving is not captured in sufficient detail and the new system was only introduced recently.

Councillor Hodge asked about fuel costs and staff working from home. The officer explained that staff can use pool cars and can work from the office now more so than they have been. We have a working well from home group which will look at fuel saving and financial planning for next winter.

Councillor Alastair Singleton referred to the 'Time to Hire' KPI and stated that anecdotally, to achieve a competitive salary we have to go through the recruitment process and fail. The officer agreed.

Councillor Winston Duguid stated that it is a tough environment, Covid had created an exceptional situation of blended working. Recruitment and retention will be a key issue – due to the rising cost of living, people will be looking to change jobs in some areas. Retention is important – it is important for staff to understand the purpose of the organisation and feel valued for what they do. This can be achieved through wellness interviews and managers knowing their staff. The officer agreed.

Councillor Karen Warrington stated that there are also other factors that affect the workforce such as the lack of rental properties in the city and fuel costs of moving further out of the centre.

Councillor Hughes asked about a working from home package as the Council has made savings on heating but staff working from home have to heat their homes all day. The officer explained that there is no working from home package. There is government tax relief and also some staff have saved on travel expenses. It was acknowledged that circumstances were difficult for many colleagues and the senior management team will keep this under review.

The Panel **RESOLVED** that the Panel noted the presentation.

83 PREPARING FOR THE FUTURE - REVIEW OF OFFICE ACCOMMODATION

Amanda George, Director of Business Change and Customer Services, introduced the report and gave a presentation which covered the following:

- Background
- Keynsham Civic Centre

- Design images for Keynsham Civic Centre
- Other office accommodation (Lewis House/Guildhall and The Hollies)
- Staff engagement
- New technology
- Impact of the changes
- Impact of the changes – Climate Change
- In summary

Panel members made the following points and asked the following questions:

Councillor Hal MacFie asked if there is a figure on how many people would use the bus to travel to Keynsham Civic Centre. The officer explained that there is currently a staff travel survey and results would be shared.

Councillor Andy Furse stated that the data shows that hybrid working has had little impact on staff retention. How is performance/productivity measured? The officer explained that data from the staff survey showed that more staff had regular 1 to 1 performance conversations with their manager as this is more accessible online and people do not need to travel. A new online system is currently being peer reviewed which would record objectives and productivity.

Councillor Lucy Hodge stated that she had had feedback from some officers about it being unclear what the plans are regarding days spent in the office from June. She stated that she would have liked to see more metrics from the staff survey and also to see the questions asked in the survey. She stated that it would be useful to ask how travel has changed. Also, she asked if the reduction in the cost of meetings was referring to business meetings. The officer stated that it was a valid point that plans were not clear for June but this is being addressed. There is someone in post now who will create information packs for managers who will cascade this to staff. Every team who has asked will have a dedicated team space. We are committed to being flexible. The officer stated that she could share the questions from the staff survey and will also share the results of the current travel survey.

Councillor Shaun Hughes asked about the fuel savings mentioned – the officer explained that this saving was from business travel reimbursement. The officer stated that she would provide the response rate on the staff survey and also a breakdown by department on staff retention.

Councillor Hughes asked about the carbon footprint in moving from heating one large building, to heating 12,000 homes of staff working from home. The officer explained that it is hard to model this data because all homes are heated differently. There are currently studies regarding the impact of working from home. Keynsham Civic Centre will have the capacity of 650 staff per day. 450 staff are moving out of Bath but staff in offices will be spread over the week, not everyone will be in every day.

Councillor Hughes asked if the Hollies would be refurbished. The officer explained that there is collaboration space and hot desking on the top floor and that there would be a programme of work of improvements to the building eventually.

The Panel **RESOLVED** to note the report and presentation.

84 CORPORATE RISK REGISTER

Mandy Bishop, Chief Operating Officer, introduced the report with Will Godfrey, Chief Executive and Jeff Wring – Service Director Commercial and Governance.

The Chief Operating Officer explained that there is a Risk Management Steering Group. She explained that the report gives an overview of how risk management is being embedded across the organisation. The Corporate Risk Register is currently being reviewed and this will be brought to the Panel in the future. The Chief Executive added that every conversation in the organisation has a risk management activity, we are trying to broaden that conversation.

<u>Panel members made the following points and asked the following questions</u>

Councillor Winston Duguid stated that the background work looks robust and welcomed that this was being embedded into the culture. He explained that, while Member need to be aware of this work, this is about co-working with you in control. Councillor Duguid urged officers to prioritise cyber risks. The Director explained that there is a complete Corporate Risk Register which can be shared with Members (along with the Business Continuity Plan), it is the update that is being described in the report. Regarding cyber risk – firewalls have been updated. The Chief Operating officer added that staff are warned about opening suspicious emails and the message will be threaded through the return to Keynsham Civic Centre.

In response to a query from Councillor Warrington, the officer explained that there is a plan to achieve cyber essentials accreditation. He also confirmed that IT penetration tests are being carried out one area at a time.

In response to a query from Councillor Singleton regarding the conflation of 2 things in the Risk Register, the officer explained that this is an example of why the register is now being updated.

The Panel **RESOLVED** to note the report.

85 PANEL WORKPLAN

The Panel noted the future workplan.

The meeting ended at 5.45 pm

Chair(person) ....

Date Confirmed and Signed ....

Prepared by Democratic Services

Bath & North East Somerset Council		
MEETING:	**Corporate Policy Development & Scrutiny Panel**	
MEETING DATE:	**21st April 2022**	
TITLE:	**Strategic Performance Indicators Quarter 3 Review**	
WARD:	All	
AN OPEN PUBLIC ITEM		

List of attachments to this report:

- Quarter 3 Strategic Performance Report 2021/22 Cabinet Report

1 THE ISSUE

1.1 The panel has asked to review the corporate performance reports and Council performance in several key services. The Panel will be able to review the performance reports which are presented at Cabinet quarterly. This report is based on a basket of strategic performance indicators, which are used to allow the Council to monitor and report on its performance and progress against its Corporate Strategy.

1.2 The report to be reviewed at this panel meeting is the Quarter 3 Performance report for 2020/21, which was reported to the Cabinet on 10th February 2022.

2 RECOMMENDATION

Panel is asked to;

2.1 Note the performance of the Council against its basket of Strategic Performance Indicators and comment on any areas of individual service performance.

2.2 Give feedback to the Cabinet on the report and the basket of strategic Indicators currently being used for the report.

2.3 Comment on any other areas they would like to be considered for future inclusion within the report.

3 THE REPORT

3.1 The Council collects and monitors a wide range of key performance indictors to measure its delivery. Many of these are of a statutory nature and need to be reported to central Government, and there are also a large number of local indicators developed by services to allow them to measure the delivery of Council services.

3.2 At the September meeting of the Scrutiny Panel, the Panel was given a presentation of the Council's own in-house **Integrated Reporting Framework (IRF)**, which enables officers to monitor many aspects of the Council's delivery and performance. The framework is a dashboard-based online tool that allows the collection and monitoring of performance data directly from the Council's main business systems in many instances, and is now used as the main tool for officers to measure progress. The IRF currently collects and monitors information on the following.

- Service performance through a set of agreed performance indicators
- Finance Overview
- Risk Management
- Contracts and Commissioning Intentions
- Corporate Data and Intelligence

3.3 The IRF has over 200 performance indicators that officers use to measure Council performance. This is considered far too many to meaningfully report to Members through the democratic process, therefore a smaller strategic basket of indicators has been chosen to allow Members to focus on some key areas of delivery. These have been themed to follow the three key principles in the Corporate Strategy.

3.4 The following paragraph outlines some of the highlights of the Q3 performance report presented to Cabinet. Members should obviously be aware that progress against the delivery of the Corporate Strategy and some aspects of service delivery has been hindered by the COVID pandemic and the need to reallocate resources (staffing and finance) away from addressing these priorities in 2020/21. Despite this, some good progress has been made, which is highlighted in **Annex 1.** For instance:

- Over 70% of environmental issues are now being reported online through Fix my street. This dataset is updated daily giving the service almost real time information. It is hoped that this will improve even further as it becomes part of the work for the Council's new Customer Contact strategy.

- Children on Education and Health Care Plans (EHCP) has increased by over 8% since the beginning of the year to over 1,741 plans, and in common with other local authorities, B&NES continues to see an increase in the number of children on EHCPs.
- We are above our target for supporting adult service users in employment. Employment is a significant factor in improving people's mental health and this demonstrates how well we are supporting some of our most vulnerable adults.
- Q3 waste performance in terms of recycling/composting is down, this is impacted by seasonal variation, as garden waste volumes decreased. When this is considered alongside the below-target amount of waste produced per household, the service is progressing towards its zero waste ambition.
- We have a statutory responsibility to ensure that people's needs are being met by, as a minimum, an annual review of Adult Social Care (ASC). Our current performance is 70% against our target of 80%. Despite this, performance has steadily improved during the year irrespective of the significant and ongoing pressures on the ASC service because of the COVID pandemic.
- There has been a steady decrease in the number of fly tipping incidents reported to the Council.
- There has been a steady increase in the number of contacts to the Energy at Home Information Centre, which means more residents are being given vital information on how to improve the energy efficiency of their homes.
- Since its peak in 2019, the number of children looked after by the Council has remained relatively constant.
- The number of Children with Child Protection plans also remains very consistent and is low compared to similar local authority areas.
- We have made very good progress reducing ASC admission rates and are well under our target, although changed funding arrangements during the pandemic has been a factor in the reduced rate, with health funding some of the placements that social care would have previously picked up.
- Members should also note that from January 2022, the Council was asked to undertake another round of Business Grants. These are for a new Leisure and Hospitality grants and an ARG grant. Payments started to be processed mid-January and must be completed by the end of March 2022.

3.5 Scrutiny Panel are welcome to comment on the narrative developed above and the individual levels of performance.

3.6 Officers will be working with Cabinet Members on a revised basket of strategic Indicators for the 2022/23 year and these will be reported to cabinet in June 2022.

4 STATUTORY CONSIDERATIONS

4.1 There is no longer a statutory requirement for Council to publish the performance of its services.

4.2 However, several services such as Adults, Children's Services and Planning still have to submit performance information to central government and the relevant inspections bodies such as CQC and Ofsted.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 Council agreed the resourcing requirements for 2021/22 at its Budget meeting in February 2021.

6 RISK MANAGEMENT

6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance.

6.2 Risk Management is now a key component of the Council IRF and is used to monitor both corporate and directorate risks.

7 CLIMATE CHANGE

7.1 As part of its review of corporate performance monitoring, the Council is undertaking a review of service delivery against the Climate and Ecological Emergency. The first phase of this project is now complete and covers services largely within the Place Management and Sustainable Places Directorates.

8 CONSULTATION

8.1 This report has been cleared by the S151 Officer and Monitoring Officer.

Contact person	Steve Harman, Head of Corporate Governance & Business Insight Jon Poole, Business Intelligence Manager
Background papers	Quarter 3 Strategic Performance Report 2021/22 Cabinet Report 10th February 2022.
Please contact the report author if you need to access this report in an alternative format	

Bath & North East Somerset Council

Improving People's Lives

Strategic Indicator Summary

Preparing for the Future *Click on an indicator to see more*

Installed renewable energy capacity (MW)	23	Higher is better
Number of trees planted on Council land	6666	Higher is better
Department for Transport average speed on roads …	26	Higher is better
% environmental issues reported online	70%	Higher is better
% residents satisfied with local area as place to…	87%	Higher is better
Children on Education Health & Care Plans (E…	1714	-
Key Stage 4 Average Attainment for a…	48.9%	Benchmark: 46.8%
Mental Health: Adult service users in employ…	9%	Target: 8%

Delivering for Residents *Click on an indicator to see more*

% of household waste recycled/compo…	57%	Target: 60.0%
EPC Score A-C for B&NES residential	26%	Higher is better
% residents satisfied with the council	64%	Higher is better
Adult social care reviews - % people with a re…	70%	Target: 80%
Housing Delivery Targets - Net new homes	764	Target: 722
Number of fly tips reported	347	Lower is better

Focusing on Prevention *Click on an indicator to see more*

Number of contacts to Energy at Hom…	181	Higher is better
% Adults at home 91 days after reablement serv…	64%	Target: 85%
Children looked after per 10k	48	Lower is better
Children on Child Protection plan per 10k	32	Lower is better
Adult Social Care: Care Home admissions per …	27.0	Target: 45.5
Adult Safeguarding: % enquiries where…	80%	Higher is better

Report ▶

Bath & North East Somerset Council
Improving People's Lives

Strategic Indicator Report

Preparing for the future

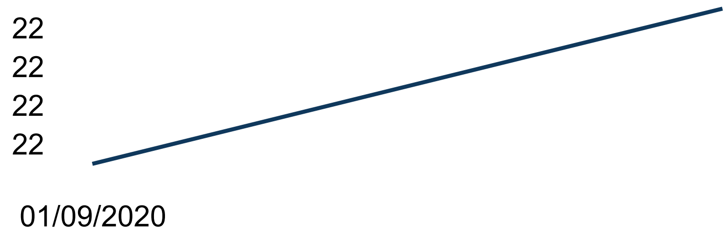
Our area is changing. We must change with it and help local residents prepare for the future. We want to promote high-quality, high-skill jobs, for example, in the new green jobs sector and in new technologies. At Bath Quays, we are creating a vibrant commercial quarter in the heart of the city which is delivering new jobs and homes. We also have a programme aimed at making our high streets more attractive places to visit, including greener ways of getting around the area and support to businesses.

We will work with partners, organisations such as the West of England Combined Authority, and local communities, to secure long-term investment in our local infrastructure. Our priorities for this are sustainable transport, homes and energy. So that they can take advantage of these changes, we want to help our young people acquire and enhance the skills they need to achieve their ambitions. To do this we will also need to address inequalities of outcome in education, particularly in the early years.

We also need to make the most of new technology, and be smarter and more flexible in the ways that we work. We need to be clearer about what we can and cannot provide. Increasingly, we will ask residents to self-serve for our more transactional services, so that we can better support people who need our help the most.

Installed renewable energy capacity (MW)

Frequency: Annually



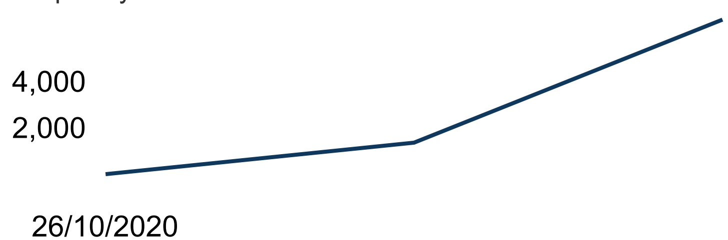
23

07/10/2021

In 2022 we should see a more substantial rise, as there is a fair bit in the Council own pipeline (and a few large planning applications expected)

Number of trees planted on Council land

Frequency: Annual



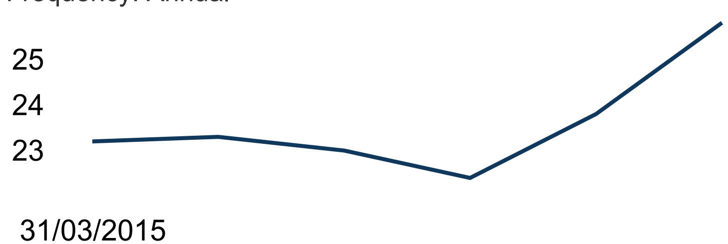
6,666

31/03/2021

The council has an ambition to plant 100,000 trees in the district - not just on council land. This indicator is the planting under Council control.

Department for Transport average speed on roads (mph)

Frequency: Annual



26

31/03/2020

Higher speeds indicate less congestion and more free flowing conditions, reduction in speed indicate increased congestion and more queuing on network.

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We also need to make the most of new technology, and be smarter and more flexible in the ways that we work. We need to be clearer about what we can and cannot provide. Increasingly, we will ask residents to self-serve for our more transactional services, so that we can better support people who need our help the most.

% environmental issues reported online

Frequency: Monthly

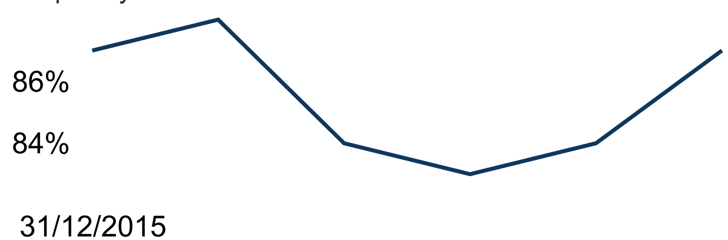
70%

31/12/2021

Performance remains consistent for this measure, which will be reviewed as part of the Council's emerging Customer Contact Strategy.

% residents satisfied with local area as place to live

Frequency: Annual



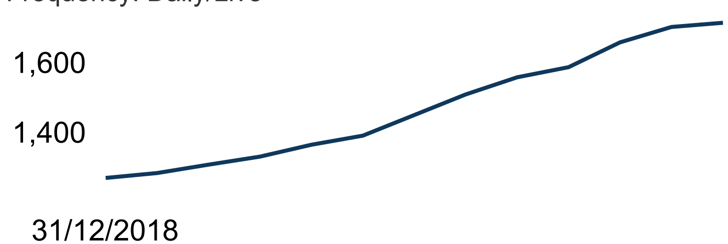
87%

31/12/2020

Rates for this indicator remain consistently high.

Children on Education Health & Care Plans (EHCP)

Frequency: Daily/Live



1,714

31/12/2021

In common with other Local Authorities, B&NES continues to see an increase in the number of children on Plans

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Preparing for the future

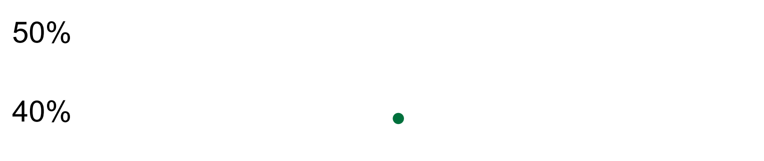
Our area is changing. We must change with it and help local residents prepare for the future. We want to promote high-quality, high-skill jobs, for example, in the new green jobs sector and in new technologies. At Bath Quays, we are creating a vibrant commercial quarter in the heart of the city which is delivering new jobs and homes. We also have a programme aimed at making our high streets more attractive places to visit, including greener ways of getting around the area and support to businesses.

We will work with partners, organisations such as the West of England Combined Authority, and local communities, to secure long-term investment in our local infrastructure. Our priorities for this are sustainable transport, homes and energy. So that they can take advantage of these changes, we want to help our young people acquire and enhance the skills they need to achieve their ambitions. To do this we will also need to address inequalities of outcome in education, particularly in the early years.

We also need to make the most of new technology, and be smarter and more flexible in the ways that we work. We need to be clearer about what we can and cannot provide. Increasingly, we will ask residents to self-serve for our more transactional services, so that we can better support people who need our help the most.

Key Stage 4 Average Attainment for all pupils

Frequency: Annual



46.8%
Benchmark

48.9%

09/07/2020

National data collection suspended Mar 2020. 2022 next release

Mental Health: Adult service users in employment

Frequency: Monthly

8%
Target

9%

31/12/2021

Employment is a significant factor in improving people's mental health and this indicator demonstrates our support in this area

◀ Previous Summary Next ▶

Strategic Indicator Report

Delivering for residents

Access to housing, and getting around our area are key local concerns. We are determined to secure more affordable and social housing, improve the quality of rented housing, make our housing stock green and tackle fuel poverty.

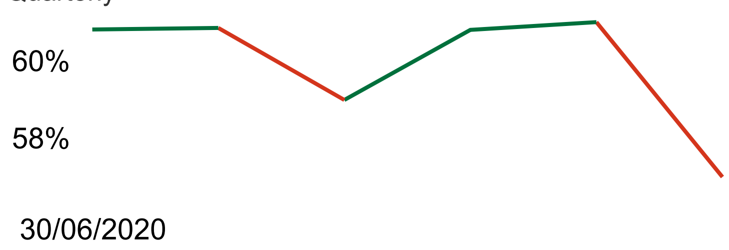
We will also facilitate significant improvement of the transport infrastructure and encourage behaviour change to forms of transport other than the private vehicle. This will enable a major shift to walking, micro mobility (cycling), car-sharing, buses, and rail.

Alongside the introduction of the Clean Air Zone, we have wider ambitions for a more pedestrian-friendly city centre and reducing the impact of cars in residential streets through better traffic management, and reductions in 'rat-running'.

To support this, we need to understand the views and needs of our local communities. We are committed to improving how we involve local people in our decision making, such as on local transport schemes, ensuring that they have a greater say in how their services are designed, funded and run.

% of household waste recycled/composted

Quarterly



60%
Target

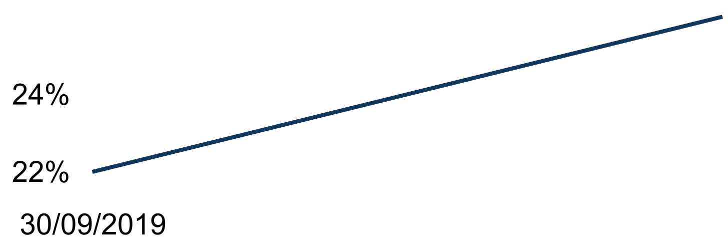
57%

31/12/2021

Q3 performance is impacted by seasonal variation, as garden waste volumes decreased. When considered alongside the below-target amount of waste produced per household, the service is progressing towards its zero waste ambition.

EPC Score A-C for B&NES residential

Annual



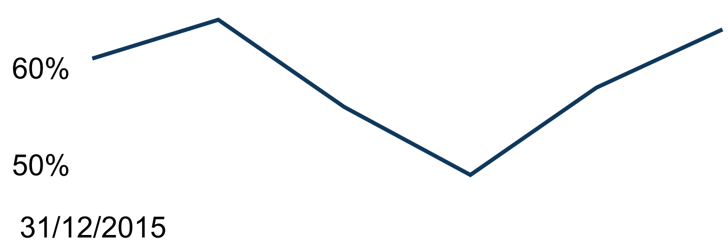
26%

30/09/2021

Shows the % of properties with a satisfactory energy efficency rating. Trend shows a positive direction of travel.

% residents satisfied with the council

Annual



64%

31/12/2020

The latest figures now show a return to the high rate of satisfaction seen in previous years, following a temporary fall in the rate in 2018

Strategic Indicator Report

Bath & North East Somerset Council
Improving People's Lives

Delivering for residents

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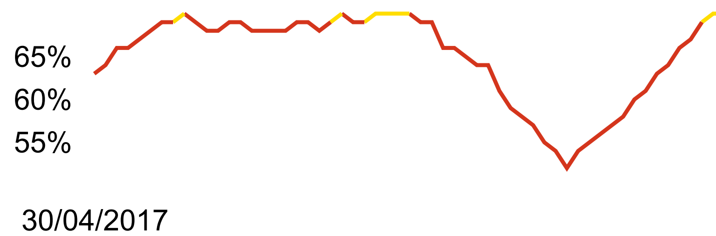
To support this, we need to understand the views and needs of our local communities. We are committed to improving how we involve local people in our decision making, such as on local transport schemes, ensuring that they have a greater say in how their services are designed, funded and run.

Adult social care reviews - % people with a review

Monthly



80%
Target

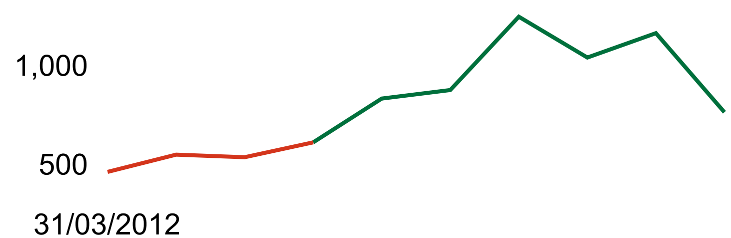
70%

31/12/2021

We have a statutory responsibility to ensure that people's needs are being met by at least an annual review

Housing Delivery Targets - Net new homes

Annual



722
Target

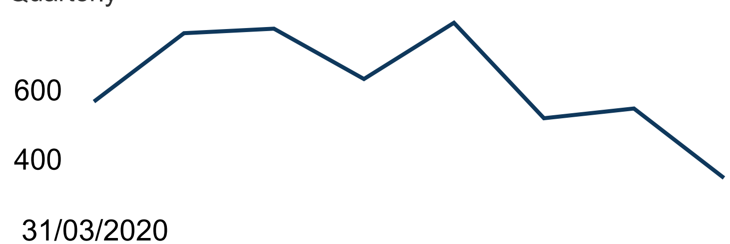
764

31/03/2021

B&NES has exceeded its annual housing delivery requirement for the last 6 years.

Number of fly tips reported

Quarterly



347

31/12/2021

Reports come from fix my street and from operational staff within the Council. This is the number reported - not necessarily the number we attend.

◀ Previous | Summary | Next ▶

Bath & North East Somerset Council

Improving People's Lives

Strategic Indicator Report

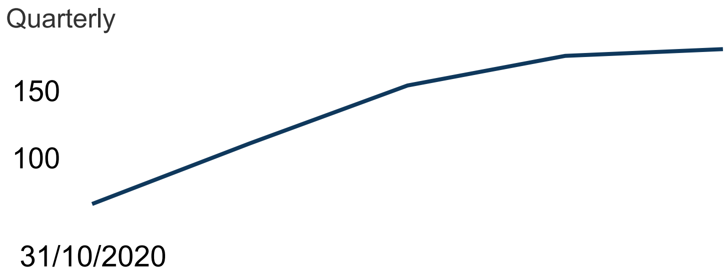
Focusing on Prevention

Having a clear approach to prevention is essential to improving people's health and wellbeing, sustaining the social care and health services we all value and rely on, and strengthening our local economy. For example, properly insulated homes are cheaper to run and help prevent cold-related ill health as well as contributing to addressing the climate emergency. Bath's Clean Air Zone is also a good example of how we are preventing ill health through reducing air pollution.

People should receive the support they need in the most efficient, effective and timely way, reducing demand for later and more costly interventions. Everyone has a part to play and our residents should be supported to stay healthy, live well and be independent for as long as possible, making good choices for their own health and wellbeing. For example, we can promote active travel, such as walking and cycling.

We cannot do this alone and we will need to build on our joint working arrangements with partners, voluntary organisations, parishes, and residents, through growing initiatives such as Compassionate Communities, which was exemplified in the creation of the Compassionate Communities Hub. We will always ensure that we continue to protect and support our most vulnerable residents.

Number of contacts to Energy at Home Info Centre

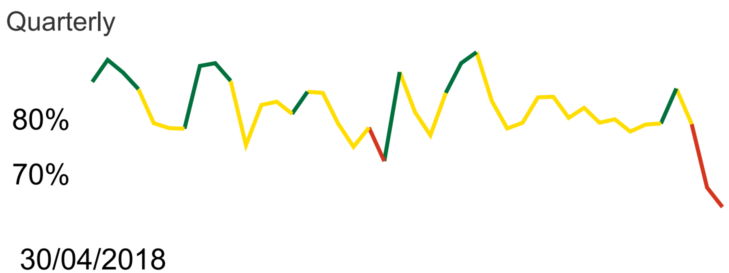


181

31/12/2021

New in-house service providing information & signposting for residents. Looking to promote service more widely through comms channels.

% Adults at home 91 days after reablement service



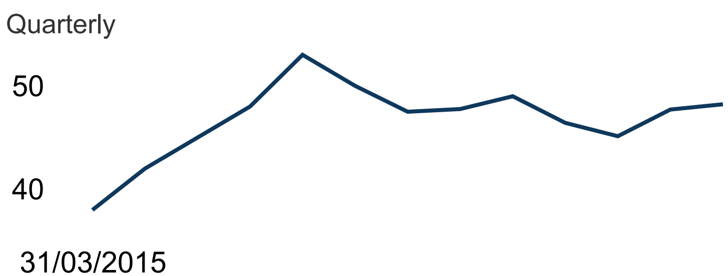
85%
Target

64%

30/09/2021

This evidences that reablement supports people to maximise their independence and remain at home

Children looked after per 10k



48

31/12/2021

Rates are consistent for past 4 years. A rise in Special Guardianship Orders is in line with our aims in the Safeguarding Outcomes Service review.

◀ Previous Summary Next ▶

Bath & North East Somerset Council
Improving People's Lives

Strategic Indicator Report

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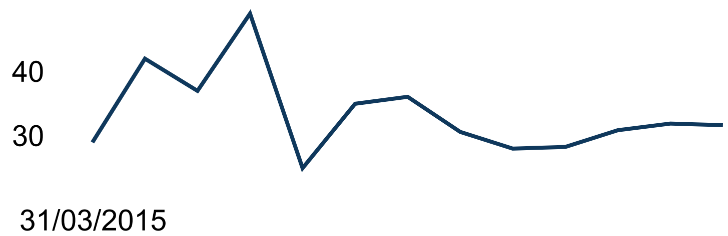
Children on Child Protection plan per 10k

Quarterly



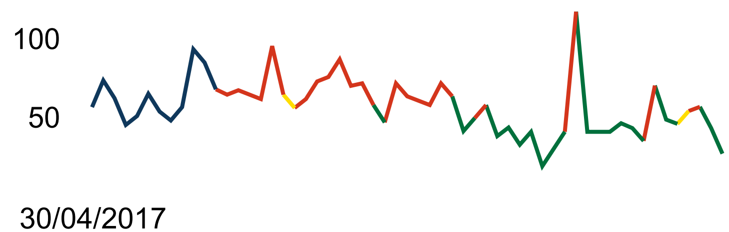
32

31/12/2021

Rates are low compared to similar authorities. Attributed to good management of risk and in line with our practice framework principles and values.

Adult Social Care: Care Home admissions per 100k

Monthly



45.5
Target

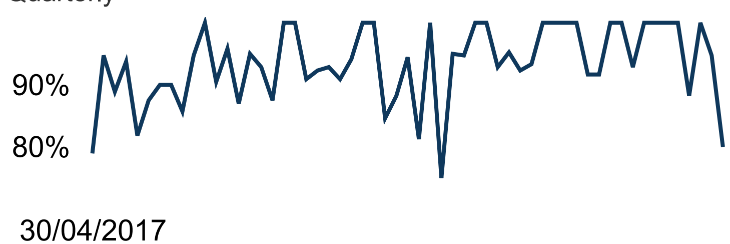
27.0

31/12/2021

We would want to reduce the number of people in a care home setting to demonstrate we are supporting people to maximise their independence

Adult Safeguarding: % enquiries where risk removed/reduced

Quarterly



80%

31/12/2021

We would want to see that risk is removed to demonstrate good safeguarding practice that minimises harm and risk

◀ Previous
Summary

Commercial Property Update

Bath & North East Somerset Council

Improving People's Lives

The starting position:

Bath & North East Somerset Council

Improving People's Lives

The Councils Senior Management restructure that commenced in early 2021 set the ambition to move away from the traditional departmental Council structure.

The revised Senior Management structure set out functional alignment to enable delivery outcomes clearly linked to the corporate plan, therefore delivering our mission - **to improve people's lives.**

Commercial Estate

Bath & North East Somerset Council

Improving People's Lives

Commercial Estate will be aligned to the Council's Finance Portfolio under the Chief Financial Officer (S151) – this is to create alignment with the requirement to utilise the Commercial asset base as a contributing income source to fund the Council's annual operating costs.

Finance Functions

Bath & North East Somerset Council

Improving People's Lives

Andy Rothery
Chief Financial Officer (S151)

Gary Adams
Head of Financial Management

- Management Accounts
- Capital Project Finance
- Corporate Finance
- Treasury Management
- Insurance

Tony Bartlett
Financial Control & Pensions Director

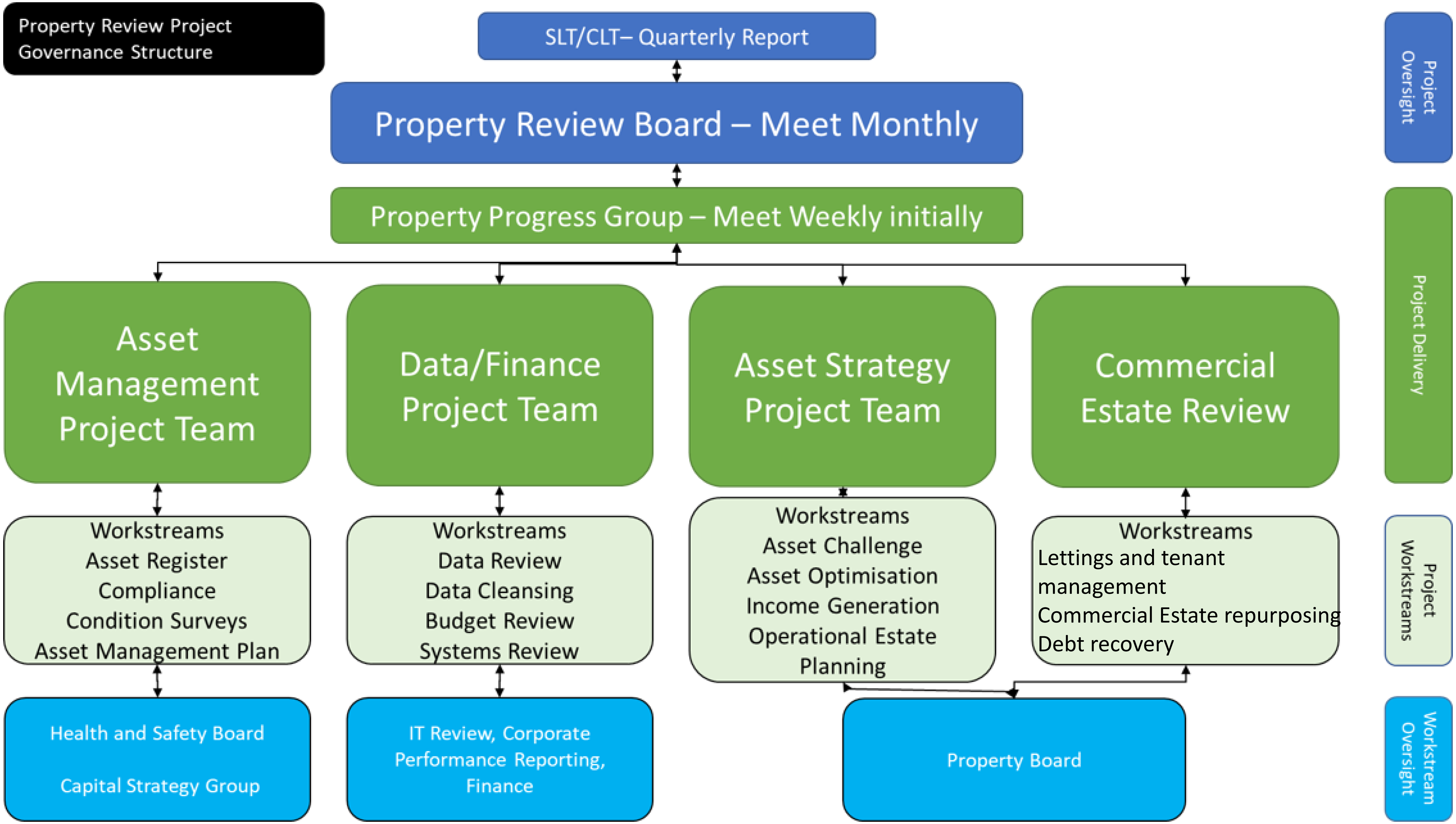
- Revenues
- Payments
- Personal Finance
- Financial Systems
- Avon Pension Fund

Jeff Wring
Commercial & Governance Director

- Corporate Governance
- Performance & IRF
- Service Planning
- BI & Data Management
- Audit & Risk Management
- Information Governance
- IT (DD&T)
- Procurement
- One West - External

Richard Long
Head of Commercial Estate

- Commercial Estate
- Tenant Management
- Financial Management
- Business planning
- Compliance & Energy management


Property Review Project Governance Structure
SLT/CLT– Quarterly Report
Property Review Board – Meet Monthly
Property Progress Group – Meet Weekly initially
Asset Management Project Team
Data/Finance Project Team
Asset Strategy Project Team
Commercial Estate Review
Workstreams
Asset Register
Compliance
Condition Surveys
Asset Management Plan
Workstreams
Data Review
Data Cleansing
Budget Review
Systems Review
Workstreams
Asset Challenge
Asset Optimisation
Income Generation
Operational Estate Planning
Workstreams
Lettings and tenant management
Commercial Estate repurposing
Debt recovery
Health and Safety Board
Capital Strategy Group
IT Review, Corporate Performance Reporting, Finance
Property Board
Project Oversight
Project Delivery
Project Workstreams
Workstream Oversight

Commercial market outlook

Bath & North East Somerset Council

Improving People's Lives

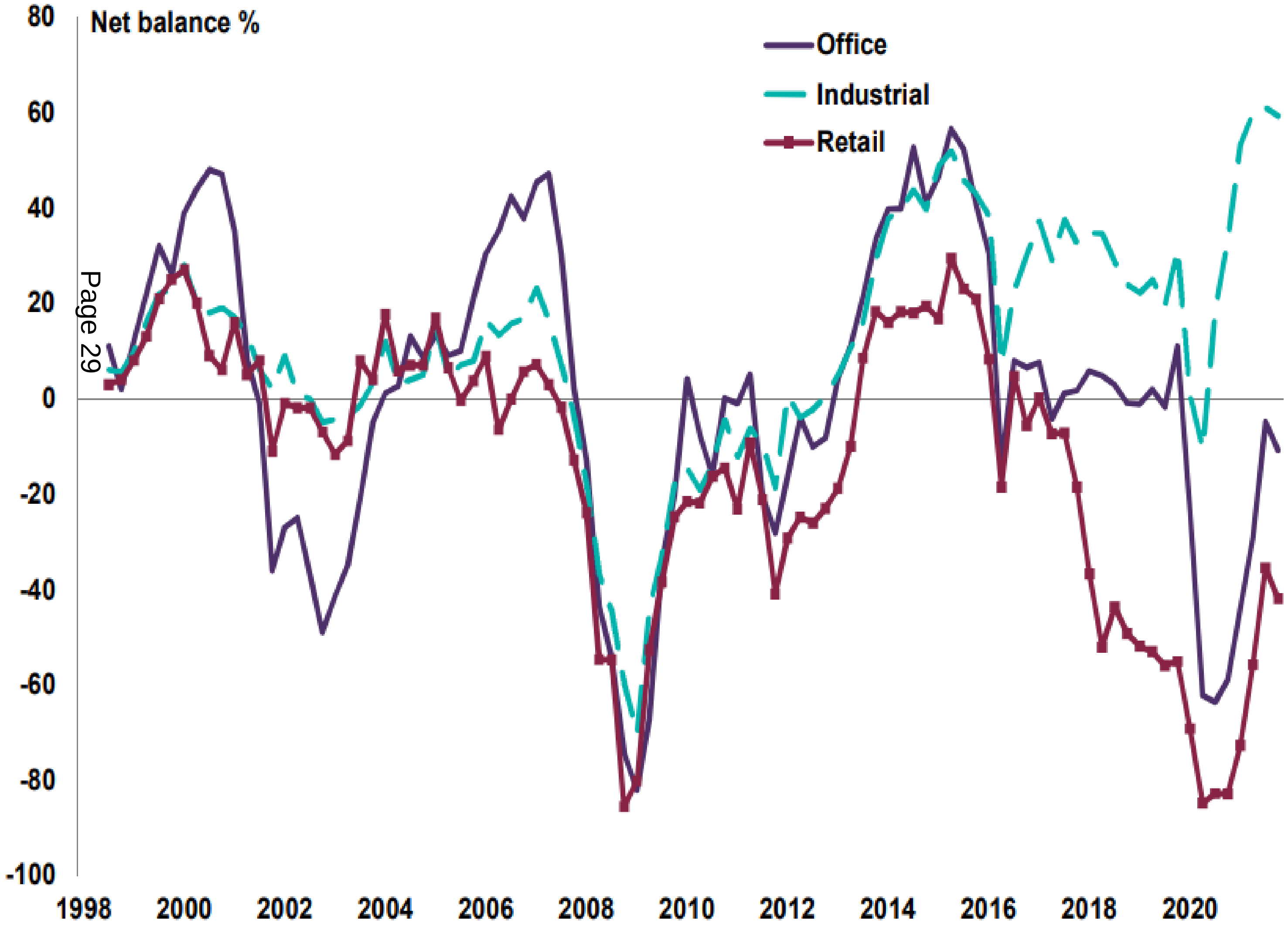
Rental values had been declining for 18 months prior to the COVID crisis, a trend that accelerated sharply with the onset of the pandemic. However, the rate of decline has now moderated significantly.

Retail rents in Bath have followed this trend. However, the overall effect of re-basing rental values decline in rental values in Bath has seen a drop of around -30 to 40% on pre-covid rents. However, there is strong interest in the market at these reduced levels.

Although numerous national retail chains have either gone out of business, become online-only, or reduced the number of stores from which they operate, this has encouraged new, innovative entrants to the high street, which is having a positive impact on the vibrancy of town centres, including Bath.

Rent Expectations

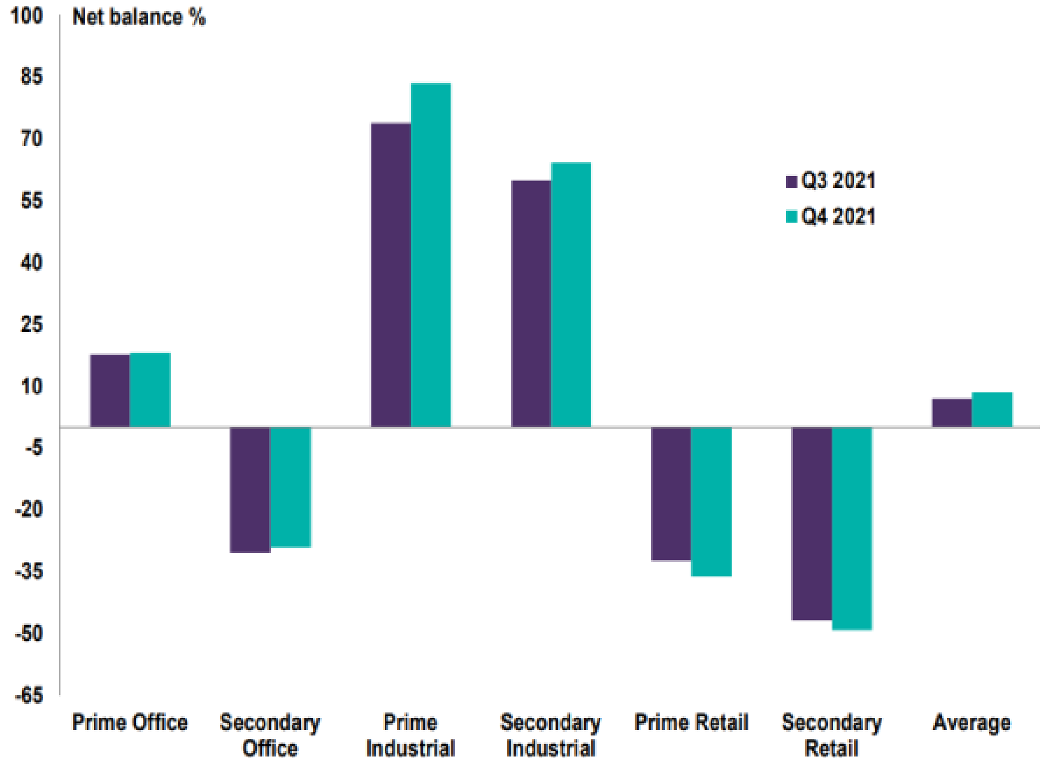
Rent Expectations by Sector



RICS®

UK Commercial market property survey

12 Month Rent Expectations



Immediate Priorities

Bath & North East Somerset Council
Improving People's Lives

- **Income Recovery –** Continue to manage rental arrears in a downward direction.

- **Lettings -** progress 16 properties under offer to completion.

- **Capital works –** to continue to deliver a programme of capital works to enable properties to be brought back into commercial use.

New Letting Achieved for 2021/22

Bath & North East Somerset Council

Improving People's Lives

• New lettings completed	32	£630,652
• Under offer in solicitors hands	16	£373,758
• Offers received on properties	1	£25,000
• **TOTAL**	**49**	**£1,029 M**
• **Properties being marketed**	**9**	**£250 K**

Commercial Estate Arrears

Bath & North East Somerset Council
Improving People's Lives

- April 2021 **£8.9 M**
- April 2022 **£4.4 M**
- Reduction **£4.5 M**
- Percentage reduction **51%**

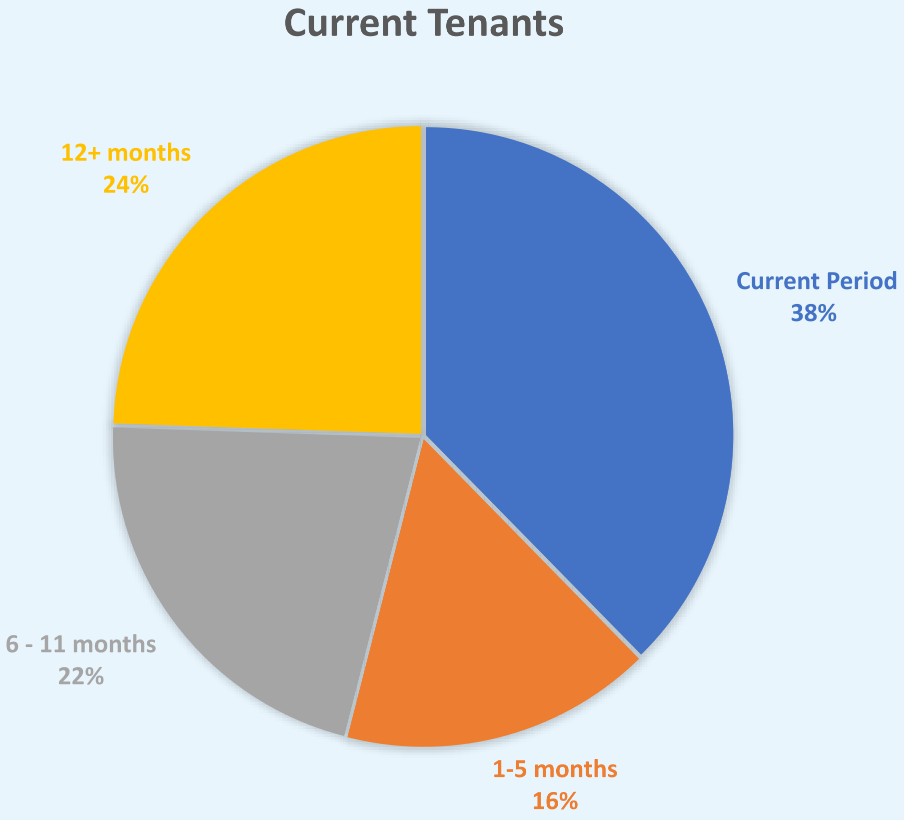
B&NES Whole Estate - Rent Arrears Position @ 4 April 2022

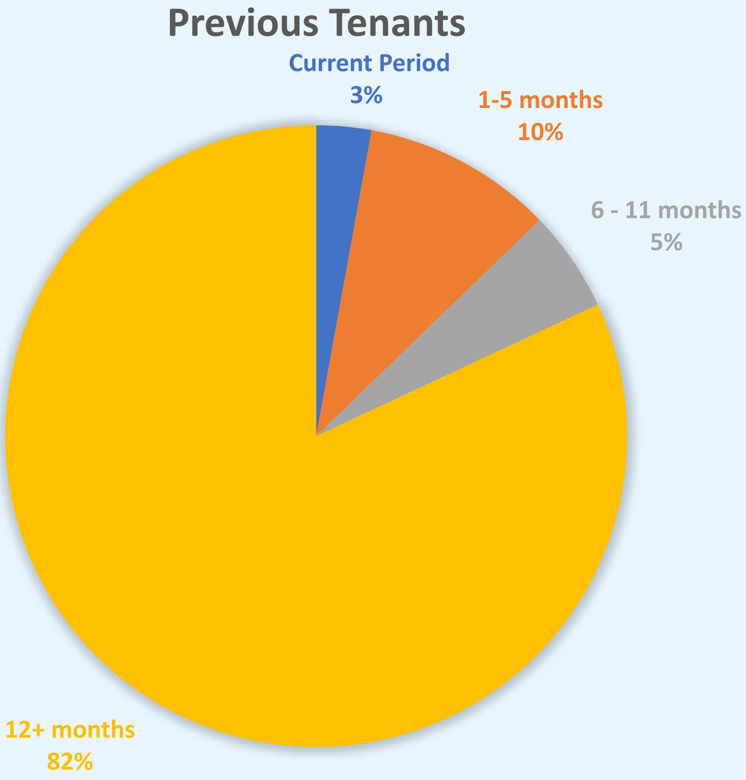
Aged Debtors Report

Bath & North East Somerset Council

Improving People's Lives

Tenant Status	Current Period	1-5 months	6 - 11 months	12+ months
Current Tenants	£1,229,372	£533,286	£703,614	£798,454
Previous Tenants	£31,553	£109,658	£58,390	£906,373





Commercial Estate Priorities – Next 12 Months

Bath & North East Somerset Council

Improving People's Lives

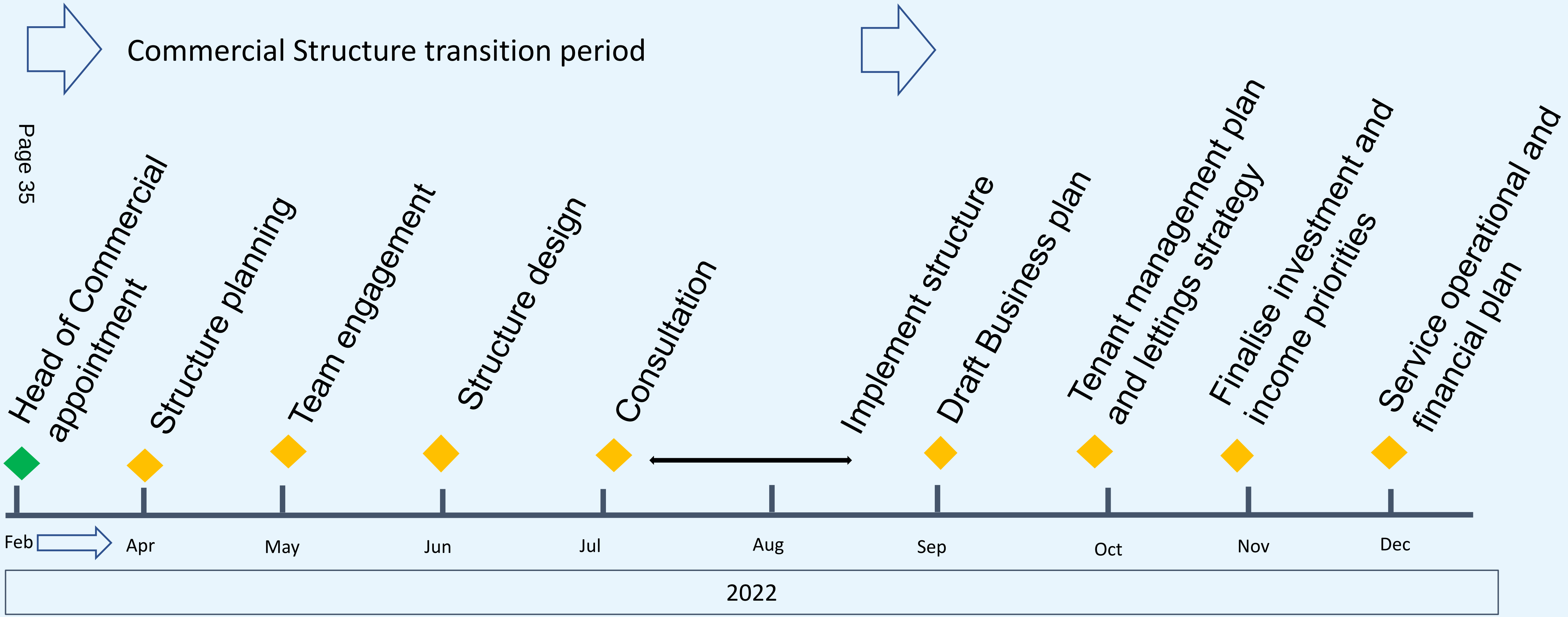
Approach informed by Montague Evans review

- Restructure the operational governance model
- Annual Commercial Estate Business Plan
- Establish Commercial Estate dedicated function
- Dedicated finance and performance monitoring
- New data system and data cleansing
- Increase Asset review / challenge frequency
- Develop a Commercial Estate Strategy

Timescales / the year ahead
Commercial Estate

Bath & North East Somerset Council

Improving People's Lives



Risks to the retail sector and the Commercial Estate

Bath & North East Somerset Council

Improving People's Lives

- Impact of inflation and the economic climate on tenants and customers
- Threat of terrorism
- Changing trends in retailing
- Investment requirement in commercial assets and the ongoing maintenance and compliance liability
- Investment in the public realm
- Team capacity and recruitment

Bath & North East Somerset Council		
MEETING:	**Corporate Policy Development & Scrutiny Panel**	
MEETING DATE:	**21st April 2022**	
TITLE:	**ADL Business Plan**	
WARD:	All	
AN OPEN PUBLIC ITEM		

List of attachments to this report:

- Aequus, Governance, Structures and Business plan – 25th March Council report

List of attachments to the Council report

Appendix 1 – Current Company Structure
Appendix 2 – Proposed New Company Structure
Appendix 3 – Amended Reserved Matters Schedule
Appendix 4 – Aequus Accounts for 2020/21
Appendix 5 - Aequus Business Plan 2021/22 to 2023/24 Exempt by virtue of Local Government Act 1972 (amended Schedule 12A) Paragraph 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)
Appendix 6 – Aequus Overview 2021

1 THE ISSUE

1.1 The panel has asked to review the attached Council report and Aequus business plan following the Council meet on 25th March, this is in line with the shareholder agreement. Due to the commercially sensitive nature of the Aequus Business Plan 2021/22 to 2023/24 this has been made an exempt item.

2 RECOMMENDATION

Panel is asked to;

2.1 Note and discuss the changes to company structure and the 2020/21 Accounts

2.2 Note and discuss the amendments to governance arrangements and processes supporting shareholder actions.

2.3 Note and discuss the Aequus business plan and progress update

3 THE REPORT

3.1 The attached Council report sets out the content for the Corporate PDS panel discussion, the following items in the recommendations to the panel can be found in the Council papers as follows:

Recommendation 2.1
Council papers, items: Section 4 and Section 7, Appendix 1-4.

Recommendation 2.2
Council papers, items: Section 6 and Appendix 3

Recommendation 2.3
Council papers, items: Section 8 and Appendix 5-6.

4 STATUTORY CONSIDERATIONS

4.1 As set out in section 5 of the Council report.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 None

6 RISK MANAGEMENT

6.1 As set out in the Council report

7 CLIMATE CHANGE

7.1 As set out in the Council report.

8 CONSULTATION

8.1 This report has been cleared by the S151 Officer and Monitoring Officer.

Contact person	Simon Martin, Director Housing & Regeneration
Background papers	None
Please contact the report author if you need to access this report in an alternative format	

Bath & North East Somerset Council		
MEETING	**Full Council**	
MEETING	**24 March 2022**	
TITLE:	**Aequus Group – Governance, Structure & Business Plan**	

List of attachments to this report:

Appendix 1 – Current Company Structure

Appendix 2 – Proposed New Company Structure

Appendix 3 – Amended Reserved Matters Schedule

Appendix 4 – Aequus Accounts for 2021/22

Appendix 5 - Aequus Business Plan 2021/22 to 2023/24 Exempt by virtue of Local Government Act 1972 (amended Schedule 12A) Paragraph 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Appendix 6 – Aequus Overview 2021

All WARDS

1 THE ISSUE

This report sets out proposals for changes to the Governance and Structure of the Council's wholly owned housing and development companies (Aequus Developments Ltd and Aequus Construction Ltd) to improve the efficiency and effectiveness of the arrangements based on actual experience since establishment of the companies over the past four years. The report also presents the Aequus Accounts for 2021/22 together with the Business Plan for 2021/22 to 2023/24.

2 RECOMMENDATION

The Council is asked to;

2.1 Approve the amendments to the Reserved Matters Schedule in the Shareholder Agreement within the Councils'. Protocol for Governance Arrangements of Local Authority Trading companies (Appendix 3).

2.2 Approve the changes to the Company Structure set out in Para 7, including the transfer within the corporate group of ADL and ACL, and the establishment of the holding company.

2.3 Delegate to the Council's Section 151 Officer the authority to confirm the final documentation required to complete the changes set out in Para 7 below and to determine the timing and implementation of the new company structure proposed. This will include authority for the Council's Section 151 Officer to provide shareholders approval for all legal, financial and corporate filing documentation to implement the new structure.

2.4 Note the ADL & ACL 2020/21 year end audited accounts (Appendix 4)

2.5 Approve the Aequus Business Plan 2021/22 to 2023/24 as attached at (Appendix 5.)

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

3.1 Section 7 of the Aequus Business Plan sets out the Company's financial assumptions and projections, including delivery against the Council's Medium Term Financial plan target of £1M of revenue returns each year.

3.2 Section 10 of the Aequus Business Plan sets out the resourcing arrangements of the company. All staff are now directly employed by Aequus Developments Ltd following the TUPE transfer of staff in February 2020. All such related costs are met directly by the company.

4 AEQUUS STATUTORY ACCOUNTS 2020/21

ADL Statutory Accounts 2020/21

4.1 The ADL Gross Profit before taxation for the year is £391,433. When you exclude the impact of the annual revaluation of the property portfolio and unrealised pension costs as a result of the international accounting standards the gross profit is £112,256. It should be noted that revaluations of the property portfolio do not create distributable profits. The assets are returned at nil cost to the Council at the end of their 50-year lease ensuring all capital appreciation is ultimately retained by the Council.

4.2 A total of £389k in capital payments were made to the Council during the year for refurbishment works carried out on 4 of the properties previously transferred. A total of £124K in revenue payments was also made for commercial interest on loan payments.

4.3 The year also saw the submission of the Phase 1 Commercial Estate repurposing proposals to the Council for consideration.

4.4 Full details of the company performance for the year are covered in the Directors Report on pages 2 to 4 of the ADL accounts (Appendix 4).

ACL Statutory Accounts 2020/21

4.5 The ACL Gross Profit before taxation for the year is just under £3.7m with Sales Income of £15.1m from Riverside View apartment sales completed during the financial year. Turnover reached over £15.7m including support to develop planning applications for sites for South Gloucestershire Council.

4.6 The profits were generated from the completion of 62 apartments at Riverside View as at 31 March 2021 in addition to a relevant margin on all other activities.

4.7 Revenue returns of £417K were provided to the Council predominantly from commercial interest payments on development loans. Approval for dividend payments will be sought following the changes to the company structure (see paragraph 2.2 above) and indicatively this will be a further £460K.

4.8 There were no new development sites transferred from the Council to ACL during the year however, work continued on the market acquired site at Sladebrook Road, Bath and the transfer of the site at 117 Newbridge Hill, Bath was approved.

4.9 Full Details of the company performance for the year are covered in the Directors Report on pages 2 and 3 of the ACL accounts (Appendix 4).

5 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

5.1 Aequus is a wholly owned B&NES group of companies, established by the Executive in accordance with the powers set out under S1 of the Localism Act 2011(the general power of competence). The Council approved a Transfer Agreement with Aequus in January 2020 which provides for the transfer of development sites from the Council to the Company, to support the delivery of the Shareholder objectives and subject to Shareholder approval of development business cases.

5.2 Haines Watts (financial advisers) and Ashfords (Legal advisers) are jointly instructed to advise the Aequus group of companies and the Council on the transactions proposed within this report on the basis that there is no conflict of interest.

6 AEQUUS GOVERNANCE ARRANGEMENTS

6.1 To remain consistent with the Councils accounts it is recommended that the Aequus annual accounts are reviewed by the Corporate Audit Committee with a timetable that is closely aligned with the preparation of the Councils accounts. The Shareholder Agreement already requires the Aequus Group to report 6 monthly to the Corporate Policy Development and Scrutiny Committee.

6.2 The changes proposed to the Reserved Matters schedule in the Shareholder Agreement simplify the shareholder approval requirements and avoid duplicate approval requirements where these have previously been approved as part of the approval of the annual business plan or in year amendments to it.

7 AEQUUS GROUP STRUCTURE

7.1 The current Aequus Group company structure set out at **Appendix 1** was established several years ago and, as the company has matured in terms of activity and finances, the current corporate structure gives rise to a number of issues as follows:

i. ADL is effectively the current group holding company for ACL as well as operating as the staff employer and asset holding and rental company.

ii. ADL holds the LGPS accounting pension liabilities for transferred staff.

iii. ADL holds both accounting realised property asset losses and un-realised property gains.

iv. ADL will be the key vehicle for future Commercial estate repurposing activities and related risks.

v. ACL is the prime generator of dividend returns to the Council.

7.2 The current ADL role as holding company, its operational activities and risks, are not aligned to provide an efficient and effective corporate structure for the Shareholder. This also clouds the dividend line between ACL and the ultimate Shareholder – B&NES Council because, dividends cannot be paid directly from ACL to the Shareholder and must be paid by ACL to ADL, and by ADL to the Council, subject to both companies having sufficient distributable reserves.

7.3 Following discussions with legal and financial advisers, a simple change to the Company Structure is proposed to address the issues set out above. The new corporate structure proposal for Aequus is set out at **Appendix 2** and addresses the issues above whilst also providing more flexibility for the future should the company continue to develop its activities. It also importantly retains the existing Shareholder control and Teckal compliant structure.

7.4 All aspects of the governance and operations for the companies will remain unchanged with the current ADL Board also taking on the Board roles for AHL and ACL under the control of the Council. AHL will be a newly incorporated company with nominal share capital and its sole shareholder will be B&NES Council. AHL will be purely an investment holding company, holding the shares of both ACL and ADL. The only transactions through AHL will be dividends received from ACL (and also dividends from ADL when it has appropriate distributable reserves) which will then be paid on to the Council (subject to approval). If any costs are incurred these will be minimal and covered by the dividends received.

7.5 In order to implement this new structure, it is proposed to deliver this by transferring the shares of ACL from ADL to AHL at the nominal value of the ADL shares, and then transferring the shares of ACL from ADL to AHL by way of a “dividend in specie”. To do this it will be necessary for ADL to create in ADL a positive distributable reserve.

7.6 This is achieved by capitalising the current property revaluation reserve surplus of ADL by way of a bonus issue and capital reduction together with a small (circa £140K) cash dividend from ACL to ADL. The following flow chart sets out how this will work:

Bonus Issue:	ADL shares are issued with a nominal value equivalent to the ADL revaluation reserve.
Capital Reduction:	The new shares are cancelled, and the amount credited to ADL's distributable reserves.
Cash Dividend:	ACL pays cash dividend to ADL for any balance needed to ensure ADL has positive distributable reserves.
Transfer ACL:	ADL transfers the ACL shares to AHL at book value - £100 as a dividend in specie, using distributable reserves of £100.

7.7 There are no direct costs to the Council arising from this exercise and, as soon as it is completed, ACL will be free to pay dividends to its direct shareholder AHL, which AHL can in turn pass on by way of dividend to its Shareholder (the Council), subject to both companies having sufficient distributable reserves at the relevant times, to ensure the Council achieves the total financial return target of £1M per annum.

7.8 The bonus issue, capital reduction and dividend will be documented by Board minutes, shareholder resolutions, and other ancillary documents and company secretarial steps. The Council will need to sign stock transfer forms for shares in ADL, and it may be advisable for it to sign a resolution approving the transaction as a whole. Other documents will need to be signed by the directors of the various companies.

7.9 Crucially, all directors of ADL would need to sign a solvency statement as part of the capital reduction. Accounts and other relevant information should be available to enable the directors to assess ADL's solvency over the next year. A solvency statement made without reasonable grounds carries criminal sanctions. The Councils Transfer Agreement dated 1st February 2020 with Aequus, will provide assurance to support this statement, together with the Aequus Business Plan included as a separate item with this report. Management accounts of ACL and ADL will also be used in connection with the dividends.

7.10 The Council is asked to agree this the approach set out in Para 7.1 to 7.9 above, with the detailed implementation and timing arrangements for this to be delegated to the S151 Officer. The implementation will be supported by the Aequus Managing Director and jointly appointed financial and legal advisers – Haines Watts and Ashfords.

8 AEQUUS BUSINESS PLAN 2021/22 TO 2023/24

8.1 Following consultation with the Shareholder and Council Officers aimed at ensuring the Draft Business Plan was developed to meet the Shareholder's current objectives and expectations for the Company, the proposed Aequus

Business Plan for 2021/22 to 2023/24 was approved by the Aequus Board on 9th December for recommendation to the Council/Shareholder for approval.

8.2 The Business Plan is a key document setting out the achievements of the companies together with "what" and "how" they will meet the specific aims and objectives set by the Shareholder going forwards.

8.3 The Shareholder appointed independent Board, uses this document to oversee the performance, activity and operations of the companies. Once approved by the Shareholder, the Board only need to come back for the Shareholder to seek approvals where the actions are not covered by the Business Plan or for certain important key decisions set out in the Shareholder Agreement (See Section 5 above).

8.4 Reflecting on the consultation responses received from the Shareholder and Council officers, the following key elements have been specifically included in the proposed Business Plan attached:

- A continued focus on commercial financial returns for the Council/Shareholder.
- Supporting the Council in repurposing of its void commercial and corporate estate.
- Supporting the Council in the delivery of affordable housing on Council owned and acquired land.
- Supporting the Council to help deliver against the Climate Emergency through exemplar housing development sites.
- Partnership working with South Gloucestershire Council via a Sales and Overage approach.
- Recognising the key market delivery sites for B&NES in the medium term as being BWR East and Midland Road.

8.5 The Business Plan is constructed on the basis of ensuring a sustainable company to deliver the Shareholder objectives. The document has also reflected the approach to deliver the Company restructure set out in Section 6 above and delivering the £1M per annum of revenue financial returns to the Council/Shareholder.

8.6 The Council is asked to review and approve the Aequus Business Plan 2021/22 to 2023/24.

9 RATIONALE

9.1 The recommendation set out in Para 2.2 of this report will support the delivery and development of Aequus to enable it to best meet the Shareholder objectives set for the Company. The changes relating to governance and structure are supported by independent governance, financial and legal advice.

10 CLIMATE CHANGE

10.1 The Company aims set out by the Council Shareholder include the requirement to support the Council to meet its climate emergency objectives and best practice for property development. Section 6 of the Business Plan addresses how the company will do this in detail, including the use of the AECB Building Standard as the benchmark for all new Aequus housing developments.

11 CONSULTATION

11.1 Consultation has taken place with the Statutory Officers and Cabinet Members.

12 RISK MANAGEMENT

12.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance. The key dependencies in respect of the Business Plan are set out in Section 8 of the document.

Contact person	*Simon Martin, Director Housing & Regeneration*
Background papers	
Please contact the report author if you need to access this report in an alternative format	

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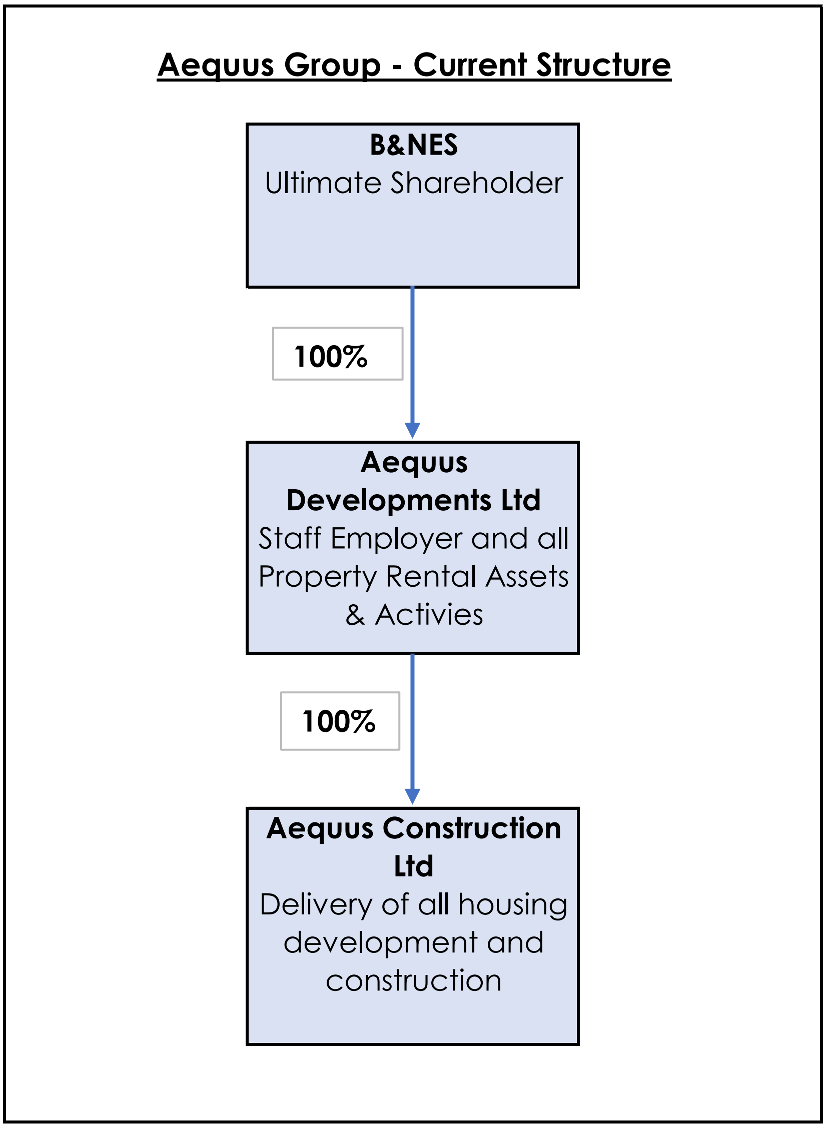
Aequus Group - Current Structure
B&NES
Ultimate Shareholder
100%
Aequus Developments Ltd
Staff Employer and all Property Rental Assets & Activies
100%
Aequus Construction Ltd
Delivery of all housing development and construction

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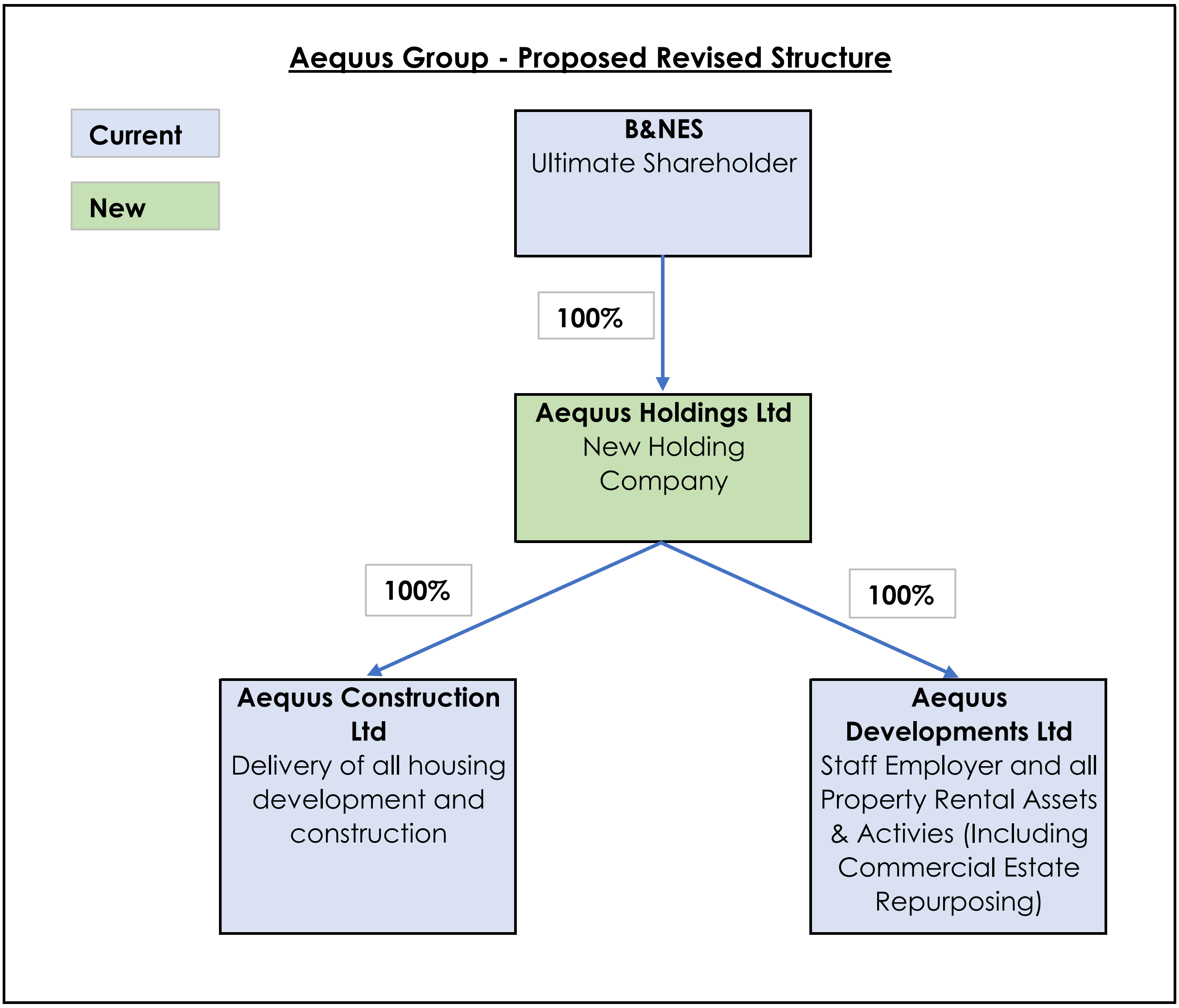
Aequus Group - Proposed Revised Structure
Current
New
B&NES
Ultimate Shareholder
100%
Aequus Holdings Ltd
New Holding Company
100%
100%
Aequus Construction Ltd
Delivery of all housing development and construction
Aequus Developments Ltd
Staff Employer and all Property Rental Assets & Activies (Including Commercial Estate Repurposing)

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SCHEDULE 4– RESERVED MATTERS

Version: 02
Date in force: 24 March 2022

Reference to a "Company" shall be to the relevant Company (as appropriate).

No	Reserved Matter	Special Reserved Matters
	Constitution of the Company	
1.	Varying in any respect the articles or the rights attaching to any of the shares or memberships (as applicable) in the Company	
	Officers and shareholders of the Company	
2.	Appointing any Director other than a Council appointed Director and approving the terms of appointment (including any remuneration terms)	
3.	Removing any Director (including any terms on which a Director is removed from office as Director) other than Council appointed Directors	
4.	Admitting any further shareholders or members to the Company or agreeing any rights or restrictions attaching to any shares or memberships allocated to such new shareholders or members as applicable)	Referral to Cabinet
5.	Appointing or removing of the chair of the Board (except where the chair is absent in which case the Board shall appoint an alternate chair)	
	Future direction and development of the Company	
6.	Forming any subsidiary or acquiring shares in any other company or participating in any partnership or incorporated joint venture vehicle	
7.	Amalgamating or merging with any other company or business undertaking	Referral to Cabinet
8.	Selling or disposing of any part of the business of the Company	
9.	Adopting or amending the Business Plan of each respective Company and any in-year changes	
10.	Undertaking any business or action which is inconsistent with the Business Plan then in force or omitting to undertake any action which is required by that Business Plan	
11.	Passing any resolution for its winding up or presenting any petition for its administration (unless it has become insolvent).	Referral to Cabinet

No	Reserved Matter	Special Reserved Matters
12. *[1]	Agreeing or approving any other material services to be provided by the Company to a third party the total value of which the Board reasonably expects will exceed £250,000 but not exceed £500,000 per annum	
13.	Agreeing or approving any other material services to be provided by the Company to a third party the total value of which the Board reasonably expects will exceed £500,000 per annum	Referral to Cabinet
14. *	Appoint any agent (not being a subcontractor) to conduct the whole or any part of the business of the Company, other than the appointment of an agent to conduct an area of the business of a Company	
15.	Apply for the listing or trading of any shares in its issued capital or debt securities on any stock exchange or market (where applicable)	
16. *	Bidding for or entering into any contract for the delivery of works or services outside the administrative boundary of the Council	
	Management of the business of the Company	
17.	Changing the Company's registered office to an address outside the administrative boundary of the Council	
18.	Changing the Company's name	
19.	Creating or agreeing to create a charge, security or Encumbrance over the Company's assets, shares or income	
20. *	Approving any matter that is reasonably likely to have an adverse effect on the reputation of the Council	
21. *	Changing the nature of the business or commencing any new business which is not ancillary or incidental to the business of the Company	
22. *	Agreeing to enter into or entering into any acquisition or disposal of any material assets by the Company the total value of which the Board reasonably expects will exceed £500,000 but not exceed £5,000,000 per annum	
23.	Agreeing to enter into or entering into any acquisition or disposal of any material assets by the Company the total value of which the Board reasonably expects will exceed £5,000,000 per annum	Referral to Cabinet
24. *	Giving notice of termination of any arrangements, contracts or transactions the total value of which the Board reasonably expects will exceed £500,000 but not exceed £1,000,000 per annum or materially varying any such arrangements, contracts or transactions and such termination or variation is likely to have an adverse impact on the financial status of a Company	

[1] For Reserved matters marked * there is no requirement to seek shareholder approval if the requirement has already been approved when adopting or amending the business plan or during any in year changes.

No	Reserved Matter	Special Reserved Matters
25.	Giving notice of termination of any arrangements, contracts or transactions the total value of which the Board reasonably expects will exceed £1,000,000 per annum or materially varying any such arrangements, contracts or transactions and such termination or variation is likely to have an adverse impact on the financial status of a Company	Referral to Cabinet
26. *	Granting rights (by licence or otherwise) in or over any intellectual property owned or used by the Company	
27. *	Changing the Company's auditors or bankers	
28.	Making any borrowing	
29.	Agreeing to make or making any loan (otherwise than by way of a deposit with a bank or other institution, the normal business of which includes the acceptance of deposits or in the ordinary course of business) or granting any credit (other than in the normal course of trading or the granting of trade credit to a Company which has been approved under the Business Plan) or giving any guarantee or indemnity (other than in the normal course of trading)	
30.	Changing the Financial Year of the Company	
31.	Increasing or reducing the amount of its issued share capital, grant any option over or in its share capital, redeeming or purchasing any of its own shares or otherwise altering, or effecting any reorganisation of, its share capital (where applicable)	
32.	Declaring or paying any end of year dividend of the Company (where applicable)	

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REGISTERED NUMBER: 10832066 (England and Wales)

Report of the Directors and

Financial Statements

for the Year Ended 31 March 2021

for

Aequus Construction Limited

Contents of the Financial Statements for the Year Ended 31 March 2021

Aequus Construction Limited

Company Information
for the Year Ended 31 March 2021

DIRECTORS:	D P E Quilter T Richens
REGISTERED OFFICE:	Guildhall Bath BA1 5AW
REGISTERED NUMBER:	10832066 (England and Wales)

Aequus Construction Limited

Report of the Directors for the Year Ended 31 March 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of property development and construction.

REVIEW OF BUSINESS
It gives us great pleasure to present this Annual Report to the shareholder, showing the continued progress of the company.

ACL is as a wholly owned subsidiary of Aequus Developments Limited (ADL), established to deliver the construction and development of sites for Bath & North East Somerset Council (the Council).

The separation of ADL and ACL allows them to focus on their differing businesses, taking advantage of the different areas of expertise of management and professional advisors, together with separating the risks associated with the specific areas of operation.

Operational progress: during the year, 2020/21 has been hugely successful with the sale of 62 Riverside View apartments completed during the year bringing the total to 83 completions as at the 31st March 2021, leaving 12 apartments reserved remaining.

Our second development at Sladebrook Road, Bath is progressing well and the site will deliver 9 low energy family homes on a site acquired from the market. Two of the properties will be acquired by the Council for affordable shared ownership. The show home will be finished by the end of August 2021 and Gregorys our sales agent will be marketing the properties with considerable interest already registered.

We also completed the transfer of 117 Newbridge Hill, Bath from the Council at the end of May 2021. The property is now undergoing refurbishment to create 6 apartments including at least two affordable units for the Council.

As a group of companies, we are now working with our Shareholder to develop a housing pipeline that meets the shareholder's objectives for the company going forwards and anticipate an updated Business Plan being brought forward in Autumn 2021.

We have continued discussions with South Gloucestershire Council, working in partnership to support future developments in their area. Following approval by the South Glos Cabinet in July 2021, we are now progressing a number of sites in accordance with the agreed partnership approach.

COVID-19 Pandemic has had unprecedented impact on business and the economy nationally. The lockdowns experienced during the last 12 months have had limited impact on our business from a construction and property sales perspective. As we move out of the pandemic however, the shortage of material and labour in the market has slowed down our ability to progress development activity. These impacts are currently being managed and the companies have detailed actions and plans in place to deal with the issues arising.

Future, specific risks, including housing market risk, related to the long-term impact of COVID-19 for the companies are being reviewed on a regular basis by the Board and included in regular update briefings provided to the Shareholder.

The total turnover of ACL for 20/21 was £15,710,530 (2020: £5,531,861), this includes sales of Riverside View apartments of £15,119,750 (2020: £4,722,083) and Management Services of £590,780 (2020: £809,778).

The profit before tax is £3,653,341 (2020: £1,002,818), largely due to the profit on Riverside View apartments.

Revenue financial returns to the Council shows £415,593 (2020: £14,129) of interest and arrangement payments on loans.

Looking forwards, the Council target for revenue returns from ADL and ACL for 21/22 is £1,000,000. This will be met by anticipated interest returns, and potential dividend payments.

The ability of ADL and ACL to meet this target is largely dependent on the development pipeline; at this point we are encouraged by the performance of our existing developments and the work to secure this pipeline from the Council which, gives us confidence for the ongoing sustainability of the company.

We will continue to focus on the objectives set for the company by our Shareholder.

FUTURE DEVELOPMENTS
Information relating to events since the end of the year is given in the notes to the financial statements.

Report of the Directors
for the Year Ended 31 March 2021

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

D P E Quilter
T Richens

FINANCIAL INSTRUMENTS
Aequus Construction's financial risk management objectives and policies, including exposure to market risk, credit risk and liquidity risk are set out in note 17 to the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, MHA Monahans, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

....
T Richens - Director

Date: 20th Sept 2021

Report of the Independent Auditors to the Members of Aequus Construction Limited

Opinion
We have audited the financial statements of Aequus Construction Limited (the 'company') for the year ended 31 March 2021 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Report of the Independent Auditors to the Members of Aequus Construction Limited

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety, employment law and company legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements of the Company. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the audit engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding of management's internal controls designed to prevent and detect irregularities, and fraud;
- Reviewing the Company's legal costs to check for non-compliance with laws and regulations and fraud;
- Reviewing Board of Directors minutes;
- Review of tax compliance with the involvement of our tax specialists in the audit;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing of expenses;
- Testing transactions entered into outside of the normal course of the Company's business; and
- Identifying and testing journal entries, in particular any journal entries with fraud characteristics such as journals with round numbers.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of
Aequus Construction Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Longmore (Senior Statutory Auditor)
for and on behalf of MHA Monahans
Statutory Auditor
Chartered Accountants
Lennox House
3 Pierrepont Street
Bath
Somerset
BA1 1LB

Date: 23 September 2021

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 March 2021

	Notes	2021 £	2020 £
CONTINUING OPERATIONS			
Revenue	3	15,710,530	5,531,861
Cost of sales		(11,596,712)	(4,051,823)
GROSS PROFIT		4,113,818	1,480,038
Other operating income		10,222	-
Administrative expenses		(450,344)	(450,113)
OPERATING PROFIT		3,673,696	1,029,925
Finance costs	5	(21,461)	(29,633)
Finance income	5	1,106	2,526
PROFIT BEFORE TAXATION	6	3,653,341	1,002,818
Taxation	7	(660,297)	(178,917)
PROFIT FOR THE YEAR		2,993,044	823,901
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,993,044	823,901

The notes form part of these financial statements

Aequus Construction Limited (Registered number: 10832066)

Statement of Financial Position
31 March 2021

	Notes	2021 £	2020 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Property, plant and equipment	8	4,680	12,511
Right-of-use			
Property, plant and equipment	8, 16	5,301	155,265
		9,981	167,776
CURRENT ASSETS			
Inventories	9	4,963,744	11,148,389
Trade and other receivables	10	272,597	154,673
Cash and cash equivalents	11	4,785,256	1,703,866
		10,021,597	13,006,928
TOTAL ASSETS		10,031,578	13,174,704
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	12	100	100
Retained earnings	13	3,304,568	311,524
TOTAL EQUITY		3,304,668	311,624
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	15	3,342,875	11,574,037
Deferred tax	18	889	2,377
		3,343,764	11,576,414
CURRENT LIABILITIES			
Trade and other payables	14	773,902	1,141,714
Financial liabilities - borrowings			
Interest bearing loans and borrowings	15	1,913,621	67,887
Tax payable		695,623	77,065
		3,383,146	1,286,666
TOTAL LIABILITIES		6,726,910	12,863,080
TOTAL EQUITY AND LIABILITIES		10,031,578	13,174,704

The financial statements were approved by the Board of Directors and authorised for issue on 20th Sept 2021 and were signed on its behalf by:

J.R...

T Richens - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 March 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2019	100	(512,377)	(512,277)
Changes in equity			
Total comprehensive income	-	823,901	823,901
Balance at 31 March 2020	100	311,524	311,624
Changes in equity			
Total comprehensive income	-	2,993,044	2,993,044
Balance at 31 March 2021	100	3,304,568	3,304,668

The notes form part of these financial statements

Statement of Cash Flows
for the Year Ended 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	9,805,554	(1,669,411)
Interest paid		(415,593)	(14,129)
Lease interest paid		(8,248)	-
Tax paid		(43,227)	-
Net cash from operating activities		9,338,486	(1,683,540)
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,092)	(3,858)
Interest received		1,106	2,526
Net cash from investing activities		(3,986)	(1,332)
Cash flows from financing activities			
New loans in the year		1,265,124	3,325,000
Loan repayments in year		(7,495,000)	-
Payment of lease liabilities		(23,234)	(31,481)
Net cash from financing activities		(6,253,110)	3,293,519
Increase in cash and cash equivalents		3,081,390	1,608,647
Cash and cash equivalents at beginning of year	2	1,703,866	95,219
Cash and cash equivalents at end of year	2	4,785,256	1,703,866

The notes form part of these financial statements

Notes to the Statement of Cash Flows for the Year Ended 31 March 2021

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Profit before taxation	3,653,341	1,002,818
Depreciation charges	34,337	33,986
Gain on lease modification	(3,767)	-
Finance costs	21,461	29,633
Finance income	(1,106)	(2,526)
	3,704,266	1,063,911
Decrease/(increase) in inventories	6,587,025	(3,138,741)
Increase in trade and other receivables	(117,924)	(17,362)
(Decrease)/increase in trade and other payables	(367,813)	422,781
Cash generated from operations	9,805,554	(1,669,411)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	4,785,256	1,703,866

Year ended 31 March 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	1,703,866	95,219

1. **STATUTORY INFORMATION**

Aequus Construction Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Based on their assessment of the company's financial position, future performance, liquidity and risks, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next twelve months. Thus the company adopts the going concern basis of preparation for the financial statements.

Critical accounting judgements and key sources of estimation uncertainty
There are no key accounting judgements (excluding estimates). The key estimates in drawing up the financial statements are accrued expenses and the allocation of costs to cost of sales and work in progress .

Allocation of costs to cost of sales - cost of sales is determined on the basis of the forecast cost of the project, allocated by the floor area of each individual unit sold.

Allocation of costs to work in progress - costs are allocated to work in progress on the basis that they will be realisable when transferred to cost of sales.

Changes in accounting policies
On 31 December 2020 EU-adopted IFRS was brought into UK law and became UK-adopted international accounting standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board. The financial statements will transition to UK-adopted international accounting standards for financial periods beginning 1 April 2021.

In the current financial year, the Company has adopted a number of minor amendments to standards effective in the year issued by the IASB, none of which have had a material impact on the company. These amendments include IAS 1 and IAS 8 - Definition of Material, and IFRS 3 - Definition of a Business.

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective for the current accounting period. These amendments include amendments to IFRS 16, 'Leases' - Covid-19 related rent concessions, amendments to IAS 1, Presentation of financial statements on classification of liabilities, a number of narrow-scope amendments to IFRS 3, IAS 16 and some annual improvements on IFRS 1, IFRS 9 and IFRS 16 and narrow scope amendments to IAS 1, Practice statement 2 and IAS 8. The above amendments are not expected to have a significant impact on the Company's results.

Revenue recognition
The company's revenue derives principally from the sale of homes that it has built and it also provides management services to group undertakings.

Revenue from the sale of properties is recognised when control has been transferred to the purchaser. This generally occurs on completion. Revenue is measured at the fair value of consideration received or receivable for the property, net of discounts and VAT.

Revenue from providing services is recognised in the accounting period in which the services are rendered.

Deposits received for properties sold off plan are initially recognised at fair value and held as deferred income until completion of the property sale when they are recognised as income.

continued...

2. **ACCOUNTING POLICIES - continued**

Property, plant and equipment
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	-	over period of lease
Motor vehicles	-	33% on straight line basis
Computer equipment	-	33% on straight line basis

Financial instruments
Debtors and creditors are initially recognised at fair value and subsequently measured at amortised cost and discounted as appropriate. For trade receivables, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

At the end of each reporting period, financial assets are assessed for impairment. Impairments and reversals of impairments are recognised in profit and loss.

Offsetting
Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Borrowings
Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Cash and cash equivalents
Highly liquid investments with less than three months maturity from the date of acquisition to be cash equivalents. Cash and cash equivalents are measured at cost.

Assets recognised from costs to fulfil a contract
Assets are recognised in relation to costs incurred in developing assets that will be used to fulfil future contracts. Contract assets are initially stated at cost or at the fair value at acquisition date and then held at the lower of this initial amount and net realisable value. Costs comprise direct materials and, where applicable, direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Land is recognised in inventory when the significant risks and rewards of ownership have been transferred to the company.

Taxation
The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax is provided on items that may become taxable in the future, or which may be used to offset against taxable profits in the future, on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes on an undiscounted basis.

Deferred tax assets and liabilities are offset when their is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority and there is an intention to settle the balances on a net basis.

continued...

2. **ACCOUNTING POLICIES - continued**

Leases
Lessees are required to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

The lease liability is initially recognised at the present value of the lease payments which have not yet been made and subsequently measured under the amortised cost method. The initial cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, lease payments made prior to the lease commencement date, initial direct costs and the estimated costs of removing or dismantling the underlying asset per the conditions of the contract.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

Borrowing costs
Borrowing costs are recognised on an accruals basis. Also included in borrowing costs is the amortisation of fees associated with the arrangement of financing.

Government grants
Government grant income in relation to the Covid-19 pandemic is accounted for under the accruals model and is recognised in the period in which it becomes receivable, shown in the income statement under other income, matched against expenditure incurred under the accruals concept.

3. **REVENUE**

Revenue from contracts with customers
All revenue was generated within the United Kingdom.

	2021	2020
	£	£
Property sales	15,119,750	4,722,083
Services and management fees	590,780	809,778
	15,710,530	5,531,861

The company derives revenue from the sale of properties recognised on the completion of the sales contract.

Contract balances

The company has not recognised liabilities related to contracts with customers this year end or in the previous year end.

4. **EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 31 March 2021 nor for the year ended 31 March 2020.

The average number of employees during the year was as follows:

	2021	2020
Directors	2	2

	2021	2020
	£	£
Directors' remuneration	-	-

5. **NET FINANCE COSTS**

	2021	2020
	£	£
Finance income:		
Deposit account interest	1,106	2,526

continued...

5. NET FINANCE COSTS - continued

	2021	2020
	£	£
Finance costs:		
Loan interest	13,213	14,129
Leasing	8,248	15,504
	21,461	29,633
Net finance costs	20,355	27,107

6. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging:

	2021	2020
	£	£
Cost of inventories recognised as expense	11,596,712	4,051,823
Depreciation - owned assets	12,923	11,226
Depreciation - assets on hire purchase contracts or finance leases	21,414	22,760
Auditors' remuneration	16,835	12,028
Auditors' remuneration for non audit work	5,977	2,910

7. TAXATION

Analysis of tax expense

	2021	2020
	£	£
Current tax:		
Tax	661,785	77,065
Deferred tax	(1,488)	101,852
Total tax expense in statement of profit or loss and other comprehensive income	660,297	178,917

Factors affecting the tax expense

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit before income tax	3,653,341	1,002,818
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	694,135	190,535
Effects of:		
Disallowed expenses	-	85
Capital allowances in excess of depreciation	1,489	1,400
Changes to prior year charge	(33,839)	-
Losses utilised	-	(114,955)
Deferred tax on timing differences	(1,488)	101,852
Tax expense	660,297	178,917

The deferred tax expense in 2021 relates to the origination and reversal of temporary differences.

continued...

8. PROPERTY, PLANT AND EQUIPMENT

	Short leasehold £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 April 2020	165,169	12,856	33,677	211,702
Additions	-	-	5,092	5,092
Impairments	(157,607)	-	-	(157,607)
At 31 March 2021	7,562	12,856	38,769	59,187
DEPRECIATION				
At 1 April 2020	18,352	4,408	21,166	43,926
Charge for year	17,006	4,408	12,923	34,337
Charge written back	(29,057)	-	-	(29,057)
At 31 March 2021	6,301	8,816	34,089	49,206
NET BOOK VALUE				
At 31 March 2021	1,261	4,040	4,680	9,981

	Short leasehold £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 April 2019	-	-	29,819	29,819
Additions	165,169	12,856	3,858	181,883
At 31 March 2020	165,169	12,856	33,677	211,702
DEPRECIATION				
At 1 April 2019	-	-	9,940	9,940
Charge for year	18,352	4,408	11,226	33,986
At 31 March 2020	18,352	4,408	21,166	43,926
NET BOOK VALUE				
At 31 March 2020	146,817	8,448	12,511	167,776

9. INVENTORIES

	2021 £	2020 £
Work-in-progress	4,963,744	11,148,389

10. TRADE AND OTHER RECEIVABLES

	2021 £	2020 £
Current:		
Trade debtors	18,026	-
Amounts owed by group undertakings	165,005	96,030
Other debtors	18,763	6,625
VAT	38,786	42,277
Prepayments and accrued income	32,017	9,741
	272,597	154,673

continued...

11. CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Bank accounts	4,785,256	1,703,866

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
100	Ordinary	£1	100	100

All shares rank equally in regards to voting rights. The shares have a nominal value of £1 and were issued at par. All shares rank equally in regards to dividends. All shares rank in proportion to the nominal amount paid up with regards to distributions on winding up or other repayment of capital.

13. RESERVES

	Retained earnings £
At 1 April 2020	311,524
Profit for the year	2,993,044
At 31 March 2021	3,304,568

14. TRADE AND OTHER PAYABLES

	2021	2020
	£	£
Current:		
Trade creditors	133,341	63,117
Amounts owed to group undertakings	264,507	418,268
Social security and other taxes	5,426	-
Other creditors	5,087	18,500
Accruals and deferred income	365,541	641,829
	773,902	1,141,714

15. FINANCIAL LIABILITIES - BORROWINGS

	2021	2020
	£	£
Current:		
Bank loans	7,125	-
Intercompany loans	1,900,000	50,000
Leases (see note 16)	6,496	17,887
	1,913,621	67,887
Non-current:		
Bank loans - 1-2 years	42,875	-
Intercompany loan - 1-2 years	3,300,000	11,429,876
Leases (see note 16)	-	144,161
	3,342,875	11,574,037

continued...

15. **FINANCIAL LIABILITIES - BORROWINGS - continued**

Terms and debt repayment schedule

	1 year or less £	1-2 years £	2-5 years £	More than 5 years £	Totals £
Bank loans	7,125	9,709	30,627	2,539	50,000
Intercompany loans	1,900,000	2,650,000	650,000	-	5,200,000
Leases	6,496	-	-	-	6,496
	1,913,621	2,659,709	680,627	2,539	5,256,496

16. **LEASING**

Right-of-use assets

Property, plant and equipment

	2021 £	2020 £
COST		
At 1 April 2020	178,025	-
Additions	-	178,025
Impairments	(157,607)	-
	20,418	178,025
DEPRECIATION		
At 1 April 2020	22,760	-
Charge for year	21,414	22,760
Charge written back	(29,057)	-
	15,117	22,760
NET BOOK VALUE	5,301	155,265

continued...

16. **LEASING - continued**

Lease liabilities

Minimum lease payments fall due as follows:

	2021	2020
	£	£
Gross obligations repayable:		
Within one year	6,775	31,482
Between one and five years	-	110,567
In more than five years	-	79,500
	6,775	221,549
Finance charges repayable:		
Within one year	279	13,595
Between one and five years	-	36,129
In more than five years	-	9,777
	279	59,501
Net obligations repayable:		
Within one year	6,496	17,887
Between one and five years	-	74,438
In more than five years	-	69,723
	6,496	162,048

The total cash outflow for leases in 2021 were £31,482 (2020 : £31,482).

 continued...

17. FINANCIAL INSTRUMENTS

This section gives a comprehensive overview of the significance of financial instruments for the company and provides additional information on Statement of Financial Position items that contain financial instruments.
The following table presents the carrying amounts of each category of financial assets and liabilities:

	2021 £	2020 £
Financial assets		
Financial assets measured at amortised cost	201,794	102,655
Cash and cash equivalents	4,785,257	1,703,866
	4,987,051	1,806,521
Financial liabilities		
Financial liabilities measured at amortised cost	(768,477)	(1,141,714)
Loans and hire purchase	(5,256,496)	(11,641,923)
	(6,024,973)	(12,783,637)

The following table presents the fair values and carrying amounts of financial assets and liabilities measured at cost or amortised cost:

	2021		2020	
	Fair value £	Carrying value £	Fair value £	Carrying value £
Financial assets measured at cost or amortised cost				
Cash and cash equivalents	4,785,257	4,785,257	1,703,866	1,703,866
Other current financial assets	201,794	201,794	102,655	102,655
	4,987,051	4,987,051	1,806,521	1,806,051
Financial liabilities measured at cost or amortised cost				
Trade payables	(133,342)	(133,342)	(63,116)	(63,116)
Other current financial liabilities	(2,591,631)	(2,591,631)	(1,146,484)	(1,146,484)
Non current financial liabilities	(3,300,000)	(3,300,000)	(11,574,037)	(11,574,037)
	(6,024,973)	(6,024,973)	(12,783,637)	(12,783,637)

There are no financial assets and liabilities measured at fair value. All financial assets and liabilities are measured at amortised cost.

The fair values of cash and cash equivalents, current receivables, other current financial assets, other assets, trade payables and other current financial liabilities and other liabilities approximate their carrying amount largely due to the short-term maturities of these instruments.

Interest is charged on the amounts borrowed from the ultimate company's parent at a rate of between 1% and 4% above the base rate (the EC reference rate) and is payable at 6 monthly intervals. The amounts borrowed from the parent are secured by a fixed and floating charge over the property held for development, included within inventory.

continued...

FINANCIAL RISK MANAGEMENT
Exposure to foreign currency, credit, liquidity and cash flow interest rate risks arises in the normal course of the company's business. These risks are limited by the company's financial management policies and practices described below.

Foreign currency risk
The company has limited exposure to foreign currency risk. Substantially all of the company's purchases are denominated in sterling.

Credit risk and market risk
The majority of the company's customers are based within the real estate market and therefore industry related changes or economic changes in the housing market present a risk to the company as opposed to credit risks.

Liquidity risk
Liquidity risk results from the company's potential inability to meet its financial liabilities, e.g. settlement of its financial debt, paying its suppliers and settling finance lease obligations. Beyond effective net working capital and cash management, the company mitigates liquidity risk by arranging borrowing facilities with its parent company BANES.

Cash flow interest rate risk
The company is exposed to interest rate risk through the impact of rate changes on interest-bearing borrowings. The company's policy is to obtain the most favourable interest rates available for its borrowings. At 31 March 2021 the company's borrowings were in the region of £5.3m (2020: £11.5m) and it is therefore estimated that a general change of one percentage point in the interest rate would affect profit before tax by approximately £53,000 (2020: £115,000).

The company does not use any derivative instruments to reduce its economic exposure to changes in interest rates.

Equity price risk
The company does not hold investments in publicly traded companies. No equity price risk is therefore foreseen for the company.

The following table reflects all contractually fixed undiscounted pay-offs for settlement, repayments and interest resulting from recognised financial liabilities.

	2022 £	2023 £	2024 to 2026 £	2027 and thereafter £
Trade payables	133,342	-	-	-
Other financial liabilities	2,806,895	2,779,800	722,258	2,662

(i) There are no derivative financial liabilities.

(ii) Cash outflows for financial liabilities without fixed amount or timing, including interest, are based on the conditions existing at 31 March 2021.

(iii) Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant, equipment and investments in working capital - e.g. trade receivables. These assets are considered in the company's overall liquidity risk.

continued...

The following table reflects the calculation of the company's net liquidity:

	2021	2020
	£	£
Cash and cash equivalents	4,785,257	1,703,866
Receivables from group companies	165,005	96,030
Total liquidity	4,950,262	1,799,896
Short term debt and current maturities of long term debt	(1,913,900)	(67,887)
Amounts due to group companies	(264,507)	(418,268)
Long term debt	(3,342,875)	(11,574,037)
Total debt	(5,521,281)	(12,060,192)
Net liquidity	(571,019)	(10,260,296)

Capital management

The company defines its capital structure as net debt and equity. The primary objective of the company's capital management is to ensure that it makes optimal use of the working capital generated from its trading profits. The company's management focus is on generating positive cash flow from operations and maintaining a positive relationship of the company's current assets and current liabilities.

18. DEFERRED TAX

	2021	2020
	£	£
Balance at 1 April	2,377	(99,475)
Charge to income statement	(1,488)	101,852
Balance at 31 March	889	2,377

	2021	2020
	£	£
Assets:		
Provisions and tax losses	-	-
Deferred tax asset	-	-
Liabilities:		
Property, plant and equipment	(889)	(2,377)
Provisions and tax losses	-	-
Deferred tax liability	(889)	(2,377)
Net deferred tax assets/(liability)	(889)	(2,377)

19. ULTIMATE PARENT COMPANY

The ultimate parent undertaking is Bath and North East Somerset Council (BANES). BANES is the only group entity of which the company is a member for which group accounts are prepared. Copies of Group accounts are available at:
www.bathnes.gov.uk/services/your-council-and-democracy/budgets-and-spending/annual-accounts

continued...

20. RELATED PARTY DISCLOSURES

Transactions and balances between the company and other members of the group to which it is a member are disclosed below:

Transactions with BANES.

	2021	2020
	£	£
Other goods and services	(35,091)	(518,593)
Interest recharge	(415,593)	(526,395)
Loan arrangement fees	(1,500)	(5,580)
Services Income	547,471	734,155

Year end balances arising from loans received and other amounts from BANES amount to:

	2021	2020
	£	£
Loan payable to parent undertaking		
Due in less than one year	(1,900,000)	(50,000)
Due in more than one year	(3,300,000)	(11,429,876)
	(5,200,000)	(11,479,876)
Trade receivables	165,005	100,729
Trade payables	(168,024)	(291,207)

The loan payable to BANES is secured by a fixed and floating charge over the company assets. Interest is charged on the loans at EU base plus 4% or a flat 6%. BANES has also provided a guarantee to certain company suppliers.

Transactions with Aequus Developments Limited (immediate parent)

	2021	2020
	£	£
Other goods and services	(770,263)	(228,915)
Services income	9,171	80,420
Property Sales	1,895,000	600,000

Year end balances arising from from Aequus Developments Limited amount to:

	2021	2020
	£	£
Trade receivables	-	(4,699)
Trade payables	(96,483)	(127,061)

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The remuneration during the year was as follows:

	2021	2020
	£	£
Directors	325,037	287,460

These costs were paid to the members of key management by Aequus Developments Limited and recharged to Aequus Construction Limited.

REGISTERED NUMBER: 10060817 (England and Wales)

Report of the Directors and

Financial Statements

for the Year Ended 31 March 2021

for

Aequus Developments Limited

Contents of the Financial Statements for the Year Ended 31 March 2021

Aequus Developments Limited

Company Information
for the Year Ended 31 March 2021

DIRECTORS:	C D Gerrish L J Kew R H Marshall D P E Quilter T Richens D P Robathan A Wright Mrs M Hyde
REGISTERED OFFICE:	Guildhall Bath BA1 5AW
REGISTERED NUMBER:	10060817 (England and Wales)

Aequus Developments Limited

Report of the Directors
for the Year Ended 31 March 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of an investment property company.

REVIEW OF BUSINESS
It gives me great pleasure to present this Annual Report to the shareholder. This report focusses on the business of Aequus Developments Limited (ADL) with the results for our 100% subsidiary, Aequus Construction Ltd (which deals with the construction and development sites) being reported separately in the Annual Report of ACL.

During this fifth full year of operation, I have had the opportunity to see the continued development of the residential rental portfolio ADL provides. We continue to create a sustainable business, to the benefit of our shareholder and most importantly bringing homes back into use for our wider community.

Operational progress during the year has seen ADL purchase a further nine units for rental from the ACL Riverside View, Keynsham development and these were all fully occupied just a few days after completion. A further four properties which transferred in the previous year are now fully refurbished following a small delay due to COVID-19 pandemic and, these are now fully occupied.

Rental income levels have remained healthy during the year. ADL has adopted a standard approach to revaluation of properties across the portfolio based on sector specific data from an independent source giving rise to a positive lease portfolio revaluation exercise. This will be reviewed annually and reflects the current state of the market and a good level of demand for rental properties.

Underlying void levels were 4.65% over the year, after exclusion of new property void and rooms at Stall Street whilst ADL undertook some refurbishments to some of the rooms. We anticipate this void level remaining within the target of 5% as the size of the portfolio continues to increase.

We have continued to work with the Council on the potential to repurpose void properties within its commercial estate for future residential and other uses and this included presenting feasibility options for a Phase 1 list of properties. Following approval to the process for repurposing by the Council Cabinet in July 2021, we will be working with Council officers on bringing these plans to delivery.

As a group of companies, we are now working with our Shareholder to develop a housing pipeline that meets the shareholders objectives for the company going forwards and anticipate an updated Business Plan being brought forward in Autumn 2021.

Financial performance: the total turnover of ADL has increased from £558,018 in 2019/20 to £1,444,202 in 2020/21, this is mainly due to staff now being employed by ADL following a TUPE transfer from the Council in Feb 2020. The ADL staff provide services mainly to ACL generating an income of £1,003,984 (2020: £240,501). The rental income increased from £317,518 in 2019/20 to £440,217 in 20/21 and will continue to grow as the portfolio expands.

Following the Transfer Agreement with the Council in Feb 2020, the Total Comprehensive Income for 2020 was £726,165. This was due to the recognition of accounting standard IAS19 relating to the transfer of the local government pension scheme and the pension liability into the ADL financial statements and the impact on the ADL profit and loss account. As at 31st March 2021 the comprehensive income is £80,889 this reflects the profit for the year of £277,719 less the movement on the actuarial valuation of £196,830.

Excluding the pension expenses included in administrative costs of £97,000 the profit before tax would have been £488,434 instead of £391,434 this is largely due to the lease revaluation in the year of £376,177; this cannot be released as dividend as the lease revaluation is non-distributable; all capital appreciation is though retained for the Council.

In total, £387,619 (2020: £382,067) worth of capital receipts have been paid to the Council for property refurbishments during the year together with interest, arrangement payments on loans and rental income from one exceptional holding outside the core portfolio to a total of £108,941 (2020: £77,641).

The financial performance in the year has been solid which continues to give us confidence for the future. Our executive team continues to look at opportunities to grow ADL in a sustained manner that delivers value to its shareholder and the wider community.

With the progress of the ACL developments we will explore options to expand our rental portfolio through investment in developments as we have with Riverside View in Keynsham. This will support plans to diversify from central Bath and provide good quality rental properties to other areas within Bath & North East Somerset.

Report of the Directors
for the Year Ended 31 March 2021

COVID-19 Pandemic is having an unprecedented impact on business and the economy nationally. The resulting lockdowns have, to date only had a limited impact on our rents received and housing sales together with a short delay in progress of ACL development activity. These impacts are currently anticipated to be relatively short-term in nature and the companies have detailed actions and plans in place to deal with the issues arising.

Future, specific risks, including housing market risk, related to the long-term impact of COVID-19 for the companies are being reviewed on a regular basis by the Board and included as part of regular update briefings provided to the Shareholder.

FUTURE DEVELOPMENTS
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

C D Gerrish
L J Kew
R H Marshall
D P E Quilter
T Richens
D P Robathan
A Wright
Mrs M Hyde

FINANCIAL INSTRUMENTS
Aequus Developments' financial risk management objectives and policies, including exposure to market risk, credit risk and liquidity risk are set out in note 16 to the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, MHA Monahans, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the Directors
for the Year Ended 31 March 2021

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

....
C D Gerrish - Director

Date: 20th Sept 2021

Report of the Independent Auditors to the Members of Aequus Developments Limited

Opinion
We have audited the financial statements of Aequus Developments Limited (the 'company') for the year ended 31 March 2021 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Report of the Independent Auditors to the Members of Aequus Developments Limited

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety, employment law and company legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements of the Company. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the audit engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding of management's internal controls designed to prevent and detect irregularities, and fraud;
- Reviewing the Company's legal costs to check for non-compliance with laws and regulations and fraud;
- Reviewing Board of Directors minutes;
- Review of tax compliance with the involvement of our tax specialists in the audit;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing of expenses;
- Testing transactions entered into outside of the normal course of the Company's business; and
- Identifying and testing journal entries, in particular any journal entries with fraud characteristics such as journals with round numbers.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of Aequus Developments Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Longmore (Senior Statutory Auditor)
for and on behalf of MHA Monahans
Statutory Auditor
Chartered Accountants
Lennox House
3 Pierrepont Street
Bath
Somerset
BA1 1LB

Date: 23 September 2021

Statement of Profit or Loss
for the Year Ended 31 March 2021

	Notes	2021 £	2020 £
CONTINUING OPERATIONS			
Revenue	3	1,444,202	558,018
Cost of sales		(314,767)	(90,771)
GROSS PROFIT		1,129,435	467,247
Other operating income		14,654	-
Gain/loss on revaluation of investment property		376,177	316,750
Administrative expenses		(992,625)	(446,526)
OPERATING PROFIT		527,641	337,471
Finance costs	5	(136,207)	(77,641)
PROFIT BEFORE TAXATION	6	391,434	259,830
Taxation	7	(113,715)	(48,015)
PROFIT FOR THE YEAR		277,719	211,815

The notes form part of these financial statements

Aequus Developments Limited

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 March 2021

	2021 £	2020 £
PROFIT FOR THE YEAR	277,719	211,815
OTHER COMPREHENSIVE INCOME		
Item that will not be reclassified to profit or loss:		
IAS 19 actuarial gain/loss	(243,000)	69,000
Income tax relating to item that will not be reclassified to profit or loss	46,170	(13,110)
	(196,830)	55,890
Item that may be reclassified subsequently to profit or loss:		
Recognition of IAS 19 pension scheme	-	(1,227,000)
Income tax relating to item that may be reclassified subsequently to profit or loss	-	233,130
	-	(993,870)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	(196,830)	(937,980)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	80,889	(726,165)

The notes form part of these financial statements

Statement of Financial Position
31 March 2021

	Notes	2021 £	2020 £
ASSETS			
NON-CURRENT ASSETS			
Investment property	8	7,858,698	5,316,075
Investments	9	100	100
Deferred tax	17	28,025	68,737
		7,886,823	5,384,912
CURRENT ASSETS			
Trade and other receivables	10	215,645	143,778
Cash and cash equivalents	11	113,252	56,266
		328,897	200,044
TOTAL ASSETS		8,215,720	5,584,956
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	12	100	100
Other reserves	13	1,319,936	964,827
Pension reserve	13	(1,134,810)	(937,980)
Retained earnings	13	(334,636)	(257,246)
TOTAL EQUITY		(149,410)	(230,299)
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	15	6,165,983	4,137,824
Pension liability	18	1,579,000	1,239,000
		7,744,983	5,376,824
CURRENT LIABILITIES			
Trade and other payables	14	491,952	340,337
Financial liabilities - borrowings			
Interest bearing loans and borrowings	15	101,362	98,094
Tax payable		26,833	-
		620,147	438,431
TOTAL LIABILITIES		8,365,130	5,815,255
TOTAL EQUITY AND LIABILITIES		8,215,720	5,584,956

The financial statements were approved by the Board of Directors and authorised for issue on 20th Sept 2021 .... and were signed on its behalf by:

....
C D Gerrish - Director

....
T Richens - Director

The notes form part of these financial statements

Statement of Changes in Equity for the Year Ended 31 March 2021

	Called up share capital £	Retained earnings £	Other reserves £	Pension reserve £	Total equity £
Balance at 1 April 2019	100	(253,288)	749,054	-	495,866
Changes in equity					
Total comprehensive income	-	211,815	-	(937,980)	(726,165)
Transfer to non distributable reserve	-	(215,773)	215,773	-	-
Balance at 31 March 2020	100	(257,246)	964,827	(937,980)	(230,299)
Changes in equity					
Total comprehensive income	-	277,719	-	(196,830)	80,889
Transfer to non distributable reserve	-	(355,109)	355,109	-	-
Balance at 31 March 2021	100	(334,636)	1,319,936	(1,134,810)	(149,410)

The notes form part of these financial statements

Statement of Cash Flows
for the Year Ended 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	300,915	171,106
Interest paid		(108,941)	(77,641)
Net cash from operating activities		191,974	93,465
Cash flows from investing activities			
Purchase of investment property		(2,166,445)	(1,095,666)
Net cash from investing activities		(2,166,445)	(1,095,666)
Cash flows from financing activities			
New loans in year		2,488,867	1,132,067
Loan repayments in year		(457,410)	(204,412)
Net cash from financing activities		2,031,457	927,655
Increase/(decrease) in cash and cash equivalents		56,986	(74,546)
Cash and cash equivalents at beginning of year	2	56,266	130,812
Cash and cash equivalents at end of year	2	113,252	56,266

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 31 March 2021

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Profit before taxation	391,434	259,830
Gain on revaluation of fixed assets	(376,177)	(316,750)
Pension costs	69,000	81,000
Finance costs	136,207	77,641
	220,464	101,721
Decrease in inventories	-	4,293
Increase in trade and other receivables	(71,867)	(132,514)
Increase in trade and other payables	152,318	197,606
Cash generated from operations	300,915	171,106

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	113,252	56,266

Year ended 31 March 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	56,266	130,812

The notes form part of these financial statements

1. STATUTORY INFORMATION

Aequus Developments Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, except for investment property which has been measured at fair value.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Based on their assessment of the company's financial position, future performance, liquidity and risks, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next twelve months. Thus the company adopts the going concern basis of preparation for the financial statements.

Preparation of consolidated financial statements
The financial statements contain information about Aequus Developments Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Critical accounting judgements and key sources of estimation uncertainty
There are no key accounting judgements (excluding estimates). The key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in connection with the valuation of investment property and the valuation of pension liabilities.

Valuation of property - The fair value of investment property is determined by real estate valuation experts and using recognised valuation techniques and the principles of IFRS 13.

Defined pension liabilities - Note 18 contains the principal assumptions underlying the valuation of defined benefit pension liabilities. These assumptions were set out on the advice of the scheme's actuaries having regard to current market conditions, past history and factors specific to the scheme.

Changes in accounting policies
On 31 December 2020 EU-adopted IFRS was brought into UK law and became UK-adopted international accounting standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board. The financial statements will transition to UK-adopted international accounting standards for financial periods beginning 1 April 2021.

In the current financial year, the Company has adopted a number of minor amendments to standards effective in the year issued by the IASB, none of which have had a material impact on the company. These amendments include IAS 1 and IAS 8 - Definition of Material, and IFRS 3 - Definition of a Business.

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective for the current accounting period. These amendments include amendments to IFRS 16, 'Leases' - Covid-19 related rent concessions, amendments to IAS 1, Presentation of financial statements on classification of liabilities, a number of narrow-scope amendments to IFRS 3, IAS 16 and some annual improvements on IFRS 1, IFRS 9 and IFRS 16 and narrow scope amendments to IAS 1, Practice statement 2 and IAS 8. The above amendments are not expected to have a significant impact on the Company's results.

continued...

2. **ACCOUNTING POLICIES - continued**

Revenue recognition
Rental income from operating leases on investment property is accounted for on a straight-line basis over the lease term except for contingent rental income which is recognised when it arises.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight term basis over the term of the lease. The lease term is the non cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidation are recognised in the income statement when the right to receive them arises.

Income arising from expenses recharged to tenants is recognised in the period in which the compensation becomes receivable. Service and management charges and other such receipts are included in rental income gross of related costs, as the directors consider that the company acts as a principal in this respect.

Investment property
Investment property is initially measured at cost including transaction costs and subsequently at fair value at each reporting date.

Investment property is valued every five years by a qualified independent valuer. In other years the directors use Parry's Valuation and Investment tables, rental values, and yields provided by Knight Frank to estimate values.

Gains or losses arising from changes in the fair values are included in the income statement.

Investment property disposals are recognised on completion. Profits and losses arising are recognised in the income statement. The profit on disposal is determined as the difference between the net sales proceeds and the carrying amount of the asset at the commencement of the accounting period plus capital expenditure in the period.

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost.

Financial instruments
Debtors and creditors are initially recognised at fair value and subsequently measured at amortised cost and discounted as appropriate. For trade receivables, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

At the end of each reporting period, financial assets are assessed for impairment. Impairments and reversals of impairments are recognised in profit and loss.

Offsetting
Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Borrowings
Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Cash and cash equivalents
Highly liquid investments with less than three months maturity from the date of acquisition to be cash equivalents. Cash and cash equivalents are measured at cost.

continued...

2. **ACCOUNTING POLICIES - continued**

Taxation
The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax is provided on items that may become taxable in the future, or which may be used to offset against taxable profits in the future, on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes on an undiscounted basis.

Deferred tax assets and liabilities are offset when their is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority and there is an intention to settle the balances on a net basis.

Employee benefit costs
Retirement benefits to employees of the company are provided by the Local Government Pension Scheme (LGPS). This is a defined benefit scheme.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the profit or loss and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Borrowing costs
Borrowing costs are recognised on an accruals basis. Included in borrowing costs is the amortisation of fees associated with the arrangement of financing. The company pays and receives interest on some of its intercompany loan balances. These are recognised within interest in the statement of income when incurred or receivable. All costs directly attributable to the cost of a qualifying asset are capitalised.

Government grants
Government grant income in relation to the Covid-19 pandemic is accounted for under the accruals model and is recognised in the period in which it becomes receivable, shown in the income statement under other income, matched against expenditure incurred under the accruals concept.

continued...

3. REVENUE

Revenue from contracts with customers
All revenue was generated within the United Kingdom.

	2021	2020
	£	£
Rental income	440,217	317,518
Management fees	1,003,984	240,501
	1,444,201	558,019

The company derives revenue from the transfer of services over time and from the rental of properties mainly to residential tenants.

Contract balances

The company has recognised the following liabilities related to contracts with customers:

	2021	2020
	£	£
Deferred revenue - rental income	24,860	18,576
	24,860	18,576

Revenue recognised in relation to contract liabilities
The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities at the beginning of the year:

	2021	2020
	£	£
Rental income	18,576	14,884

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	693,085	241,221
Social security costs	73,250	23,335
Other pension costs	7,365	17,853
	773,700	282,409

The average number of employees during the year was as follows:

	2021	2020
Directors	8	8
Staff	8	3
	16	11

	2021	2020
	£	£
Directors' remuneration	300,682	94,749
Directors' pension contributions to money purchase schemes	-	7,230

The number of directors to whom retirement benefits were accruing was as follows:

	2021	2020
Defined benefit schemes	2	2

continued...

4. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director for the year ended 31 March 2021 is as follows:

	2021
	£
Emoluments etc	141,467

In the prior year, directors were TUPE'd across from BANES in February 2020 to the Company's payroll. Also in the prior year the Company was recharged £32,259 relating to directors costs.

5. NET FINANCE COSTS

	2021	2020
	£	£
Finance costs:		
Other loan interest	108,207	77,641
Interest on pension scheme	28,000	-
	136,207	77,641

6. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging:

	2021	2020
	£	£
Auditors' remuneration	16,750	9,028
Auditors' remuneration for non audit work	2,780	4,410

7. TAXATION

Analysis of tax expense

	2021	2020
	£	£
Current tax:		
Tax	26,833	-
Deferred tax:		
Deferred tax	105,312	63,405
Deferred tax on pension payments	(18,430)	(15,390)
Total deferred tax	86,882	48,015
Total tax expense in statement of profit or loss	113,715	48,015

Factors affecting the tax expense
The tax assessed for the year is higher (2020 - lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit before income tax	391,434	259,830
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	74,372	49,368
Effects of:		
Disallowed expenses	39,515	10,806
Allowable expenses	(15,580)	-
Gain/loss on revaluation	(71,474)	(60,174)
Timing differences	86,882	48,015
Tax expense	113,715	48,015

continued...

7. **TAXATION - continued**

The deferred tax expenditure in 2021 relates to the origination and reversal of temporary differences.

8. **INVESTMENT PROPERTY**

	Total £
FAIR VALUE	
At 1 April 2020	5,316,075
Additions	2,166,445
Revaluations	376,178
At 31 March 2021	7,858,698
NET BOOK VALUE	
At 31 March 2021	7,858,698

	Total £
FAIR VALUE	
At 1 April 2019	3,903,659
Additions	1,095,666
Revaluations	316,750
At 31 March 2020	5,316,075
NET BOOK VALUE	
At 31 March 2020	5,316,075

Fair value at 31 March 2021 is represented by:

	£
Valuation in 2018	280,524
Valuation in 2019	458,052
Valuation in 2020	316,750
Valuation in 2021	376,178
Cost	6,427,194
	7,858,698

9. **INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 April 2020 and 31 March 2021	100
NET BOOK VALUE	
At 31 March 2021	100

	Shares in group undertakings £
COST	
At 1 April 2019 and 31 March 2020	100
NET BOOK VALUE	
At 31 March 2020	100

continued...

9. **INVESTMENTS - continued**

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Aequus Construction Limited
Registered office: Guildhall, Bath, England, BA1 5AW
Nature of business: Property development

Class of shares:	% holding
Ordinary	100.00

	2021 £	2020 £
Aggregate capital and reserves	3,304,668	311,624
Profit for the year	2,993,044	823,901

10. **TRADE AND OTHER RECEIVABLES**

	2021 £	2020 £
Current:		
Trade debtors	2,198	-
Amounts owed by group undertakings	186,824	142,001
Other debtors	1,740	-
Prepayments and accrued income	24,883	1,777
	215,645	143,778

11. **CASH AND CASH EQUIVALENTS**

	2021 £	2020 £
Bank accounts	113,252	56,266

12. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
100	Ordinary	£1	100	100

All shares rank equally in regards to voting rights. The shares have a nominal value of £1 and were issued at par. All shares rank equally in regards to dividends. All shares rank in proportion to the nominal amount paid up with regards to distributions on winding up or other repayment of capital.

13. **RESERVES**

	Retained earnings £	Other reserves £	Pension reserve £	Totals £
At 1 April 2020	(257,246)	964,827	(937,980)	(230,399)
Profit for the year	277,719			277,719
Actuarial gains on pension scheme	-	-	(196,830)	(196,830)
Transfer to non distributable reserve	(355,109)	355,109	-	-
At 31 March 2021	(334,636)	1,319,936	(1,134,810)	(149,510)

13. RESERVES - continued

	Retained earnings £	Other reserves £	Pension reserve £	Totals £
At 1 April 2019	(253,288)	749,054	-	495,766
Profit for the year	211,815			211,815
Pension scheme liability transferred from BANES	-	-	(993,870)	(993,870)
Actuarial gains on pension scheme	-	-	55,890	55,890
Transfer to non distributable reserve	(215,773)	215,773	-	-
At 31 March 2020	(257,246)	964,827	(937,980)	(230,399)

Other reserves represents non distributable retained earnings from revaluation gains on investment property. The pension reserve represents IAS 19 pension liabilities arising as a result of staff having been TUPE'd from to the Company from BANES and subsequent actuarial gains/losses on defined benefit pension scheme, net of deferred tax.

14. TRADE AND OTHER PAYABLES

	2021 £	2020 £
Current:		
Trade creditors	72,715	88,631
Amounts owed to group undertakings	99,812	59,275
Social security and other taxes	18,355	18,675
Other creditors	9,762	11,664
Accruals and deferred income	243,752	123,665
VAT	47,556	38,427
	491,952	340,337

15. FINANCIAL LIABILITIES - BORROWINGS

	2021 £	2020 £
Current:		
Bank loans	7,924	-
Intercompany loans	93,438	98,094
	101,362	98,094
Non-current:		
Bank loans - 1-2 years	42,076	-
Intercompany loans - 1-2 years	6,123,907	4,137,824
	6,165,983	4,137,824

Terms and debt repayment schedule

	1 year or less £	1-2 years £	2-5 years £	More than 5 years £	Totals £
Bank loans	7,924	9,730	30,691	1,655	50,000
Intercompany loans	93,438	99,138	304,083	5,720,686	6,217,345
	101,362	108,868	334,774	5,722,341	6,267,345

continued...

16. FINANCIAL INSTRUMENTS

This section gives a comprehensive overview of the significance of financial instruments for the company and provides additional information on Statement of Financial Position items that contain financial instruments.
The following table presents the carrying amounts of each category of financial assets and liabilities:

	2021 £	2020 £
Financial assets		
Financial assets measured at amortised cost	215,645	143,778
Cash and cash equivalents	113,252	56,266
	328,897	200,004
Financial liabilities		
Financial liabilities measured at amortised cost	(401,181)	(264,660)
Loans	(6,267,345)	(4,235,918)
	(6,668,526)	(4,500,578)

The following table presents the fair values and carrying amounts of financial assets and liabilities measured at cost or amortised cost:

	2021		2020	
	Fair value £	Carrying value £	Fair Value £	Carrying Value £
Financial assets measured at cost or amortised cost				
Cash and cash equivalents	113,252	113,252	56,266	56,266
Other current financial assets	215,645	215,645	143,778	143,778
	328,897	328,897	200,004	200,004
Financial liabilities measured at cost or amortised cost				
Trade payables	(72,714)	(72,714)	(88,631)	(88,631)
Other current financial liabilities	(471,905)	(471,905)	(274,123)	(274,123)
Non current financial liabilities	(6,123,907)	(6,123,907)	(4,137,824)	(4,137,824)
	(6,668,526)	(6,668,526)	(4,500,578)	(4,500,578)

There are no financial assets and liabilities measured at fair value. All financial assets and liabilities are measured at amortised cost.

The fair values of cash and cash equivalents, current receivables, other current financial assets, other assets, trade payables and other current financial liabilities and other liabilities approximate their carrying amount largely due to the short-term maturities of these instruments.

Interest is charged on the amounts borrowed from the company's parent at a rate of between 1% and 4% above the base rate (the EC reference rate) and is payable at 6 monthly intervals. The amounts borrowed from the parent are secured by fixed and floating charges over the investment property held by the company.

continued...

FINANCIAL RISK MANAGEMENT
Exposure to foreign currency, credit, liquidity and cash flow interest rate risks arises in the normal course of the company's business. These risks are limited by the company's financial management policies and practices described below.

Foreign currency risk
The company has limited exposure to foreign currency risk. Substantially all of the company's sales and purchases are denominated in sterling.

Credit risk and market risk
The company is at risk from its customers defaulting in making payments for services that have been supplied to them or from properties let out to them on long term leases. The majority of the company's customers are based within the real estate market and therefore industry related changes or economic changes in the housing market present a risk to the company as opposed to credit risks.

Liquidity risk
Liquidity risk results from the company's potential inability to meet its financial liabilities, e.g. settlement of its financial debt, paying its suppliers and settling finance lease obligations. Beyond effective net working capital and cash management, the company mitigates liquidity risk by arranging borrowing facilities with its sole shareholder BANES.

Cash flow interest rate risk
The company is exposed to interest rate risk through the impact of rate changes on interest-bearing borrowings. The company's policy is to obtain the most favourable interest rates available for its borrowings At 31 March 2021 the company's borrowings were in the region of £6.3m (2020: £4.2m), and it is therefore estimated that a general change of one percentage point in the interest rate would affect profit before tax by approximately £63,000 (2020: £42,000).

The company does not use any derivative instruments to reduce its economic exposure to changes in interest rates.

Equity price risk
The company does not hold investments in publicly traded companies. No equity price risk is therefore foreseen for the company.

The following table reflects all contractually fixed undiscounted pay-offs for settlement, repayments and interest resulting from recognised financial liabilities.

	2022 £	2023 £	2024 to 2026 £	2027 and thereafter £
Trade payables	72,714	-	-	-
Other financial liabilities	510,692	176,776	530,326	7,192,912

The company does not have any derivative financial liabilities.

Cash outflows for financial liabilities without fixed amount or timing, including interest, are based on the conditions existing at 31 March 2021.

Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant, equipment and investments in working capital - e.g. trade receivables. These assets are considered in the company's overall liquidity risk.

continued...

The following table reflects the calculation of the company's net liquidity:

	2021	2020
	£	£
Cash and cash equivalents	113,252	56,266
Receivables from group companies	186,824	142,001
Total liquidity	300,076	198,267
Short term debt and current maturities of long term debt	(101,362)	(98,094)
Amounts due to group companies	(99,812)	(59,275)
Long term debt	(6,165,983)	(4,137,824)
Total debt	(6,367,157)	(4,295,193)
Net liquidity	(6,067,081)	(4,096,926)

Capital management
The company defines its capital structure as net debt and equity. The primary objective of the company's capital management is to ensure that it makes optimal use of the working capital generated from its trading profits. The company's management focus is on generating positive cash flow from operations and maintaining a positive relationship of the company's current assets and current liabilities.

17. DEFERRED TAX

	2021	2020
	£	£
Balance at 1 April	(68,737)	103,268
Charged to income statement	86,882	48,015
Charged to other comprehensive income	(46,170)	(220,020)
Balance at 31 March	(28,025)	(68,737)

	2021	2020
	£	£
Assets:		
Pension Liability	300,010	235,410
Provisions and tax losses	-	33,838
Deferred tax asset	300,010	269,248
Liabilities:		
Investment property	(271,985)	(200,511)
Deferred tax liability	(271,985)	(200,511)
Net deferred tax asset/(liability)	28,025	68,737

18. EMPLOYEE BENEFIT OBLIGATIONS

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Current service cost	148,000	28,000
Net interest from net defined benefit asset/liability	28,000	2,000
Past service cost	-	65,000
	176,000	95,000
Actual return on plan assets	325,000	(213,000)

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Opening defined benefit obligation	3,060,000	-
Current service cost	148,000	28,000
Past service cost	-	65,000
Contributions by scheme participants	41,000	7,000
Interest cost	71,000	8,000
Actuarial losses/(gains)	(33,000)	(4,000)
Present value of defined benefit obligation on scheme transfer	-	3,240,000
Actuarial (gains)/losses from changes in financial assumptions	558,000	(284,000)
	3,845,000	3,060,000

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Opening fair value of scheme assets	1,821,000	-
Administration expenses	(3,000)	-
Contributions by employer	82,000	14,000
Contributions by scheme participants	41,000	7,000
Interest income	43,000	6,000
Actuarial gains/(losses)	282,000	(219,000)
Present value of defined benefit assets on scheme transfer	-	2,013,000
	2,266,000	1,821,000

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Actuarial (gains)/losses from changes in financial assumptions	(558,000)	284,000
Actuarial gains/(losses)	315,000	(215,000)
Income tax	46,170	(13,110)
	(196,830)	55,890

continued...

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Equities	851,000	793,000
Bonds	512,000	267,000
Property	163,000	181,000
Alternatives	674,000	540,000
Cash Accounts	66,000	40,000
	2,266,000	1,821,000

Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages):

	2021	2020
Discount rate	2.20%	2.30%
Future salary increases	4.20%	3.60%
Future pension increases	2.80%	2.20%
CPI Inflation	2.70%	2.10%

To assess the value of the Employer's liabilities as at 31 March 2021, the actuaries have rolled forward the value of the Employer's liabilities calculated for the latest Triennial valuation allowing for the different financial assumptions required under IAS 19.

The full actuarial valuation involved projecting future cash flows to be paid from the Fund and placing a value on them. These cash flows include pensions currently being paid to members of the Scheme as well as pensions (and lump sums) that may be payable in future to members of the Fund or their dependants. These pensions are linked to inflation and will normally be payable on retirement for the life of the member or a dependant following a member's death.

It is not possible to assess the accuracy of the estimated liability as at 31 March 2021 without completing a full valuation. However, the actuaries are satisfied that the approach of rolling forward the previous valuation data to 31 March 2021 should not introduce any material distortions in the results provided that the actual experience of the Employer and the Fund has been broadly in line with the underlying assumptions, and that the structure of the liabilities is substantially the same as at the latest formal valuation. The contributions expected to be paid in the year to 31 March 2022 are £82,000.

To calculate the asset share the actuaries have rolled forward the assets allowing for investment returns (estimated where necessary), contributions paid into, and estimated benefits paid from, the Fund by and in respect of the company and its employees.

Valuation Method
As required under IAS 19, pension fund liabilities and service costs have been calculated using the Projected Unit method of valuation.

Expected Return on Assets
The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 April 2020 for the year to 31 March 2021). The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

Sensitivity Analysis
The sensitivity regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumption at 31 March 2021	Approximate monetary amount (£000)
0.1% increase in discount rate	(84)
0.1% increase in inflation	86
0.1% increase in salary growth	20
1 year increase in life expectancy	107

continued...

18. - continued

Guarantee
As part of the conditions for entry of Aequus Development Limited into the Local Government Pension Scheme Bath and North East Somerset Council agreed to act as guarantor in the event that Aequus Development Limited fails to comply with any terms of the Admission Agreement. In default circumstances Bath and North East Somerset Council will assume all obligations and liabilities of Aequus Development Limited including indemnifying the pension scheme administrator for legal and other costs associated with enforcement of the guarantee.

19. **ULTIMATE PARENT COMPANY**

The ultimate parent undertaking is Bath and North East Somerset Council (BANES). BANES is the only group entity of which the company is a member for which group accounts are prepared. Copies of Group accounts are available at:
www.bathnes.gov.uk/services/your-council-and-democracy/budgets-and-spending/annual-accounts

20. **RELATED PARTY DISCLOSURES**

Transactions and balances between the company and its parent company BANES are disclosed below:

	2021	2020
	£	£
Purchase of investment property	(387,619)	(382,067)
Other goods and services	(33,772)	(20,765)
Interest expense	(108,207)	(77,641)
Loan arrangement fees	(3,191)	(2,182)
Sales - Recharges	245,206	21,270

Year end balances arising from loans received and other amounts from BANES amount to:

	2021	2020
	£	£
Loan payable to parent undertaking		
Due in less than one year	(94,405)	(98,094)
Due in more than one year	(6,122,940)	(4,137,824)
	(6,217,345)	(4,235,918)
Trade receivables	90,341	14,940
Trade payables	(99,812)	(63,974)

The loan payable to BANES is secured by a fixed and floating charge over the assets of the company. Interest is charged on the loans amounting to EU Base plus 1%.

Transactions and balances between the company and its subsidiary Aequus Construction Limited are disclosed below:

	2021	2020
	£	£
Sales - Recharges	770,263	228,915
Purchases - Recharged	(9,171)	(80,420)
Purchases - Investment Property	(1,895,000)	(600,000)

Year end balances arising from Aequus Construction Limited amount to:

	2021	2020
	£	£
Trade receivables	96,483	127,061
Trade payables	-	4,699

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The remuneration of key management personnel is provided in note 4 as the directors represent key management personnel.

Bath & North East Somerset Council

Access to Information Arrangements

Exclusion of access by the public to Council meetings

Information Compliance Ref: LGA- 774994
Meeting / Decision: Full Council
Date: Thursday 24th March 2022
Author: Simon Martin
Report Title: Aequus Group – Governance, Structure & Business Plan Appendix 1 – Current Company Structure Appendix 2 – Proposed New Company Structure Appendix 3 – Amended Reserved Matters Schedule Appendix 4 – Aequus Accounts for 2021/22 **Exempt Appendix 5 - Aequus Business Plan 2021/22 to 2023/24** Appendix 6 – Aequus Overview 2021

The Report contains exempt information, according to the categories set out in the Local Government Act 1972 (amended Schedule 12A). The relevant exemption is set out below.

Stating the exemption: 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

The public interest test has been applied, and it is concluded that the public interest in maintaining the exemption outweighs the public interest in disclosure at this time. It is therefore recommended that the exempt appendix be withheld from publication on the Council website. The paragraphs below set out the relevant public interest issues in this case.

PUBLIC INTEREST TEST

If the Council wishes to consider a matter with press and public excluded, it must be satisfied on two matters.

Firstly, it must be satisfied that the information likely to be disclosed falls within one of the accepted categories of exempt information under the Local Government Act 1972.

The officer responsible for this item believes that this information falls within the following exemptions and this has been confirmed by the Council's Information Compliance Manager.

The following exemptions are engaged in respect to this report:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

It is necessary to weigh up the arguments for and against disclosure on public interest grounds. It is considered that there is a public interest in information about property disposal being disclosed into the public domain. Other factors in favour of disclosure include:

- furthering public understanding of the issues involved;
- furthering public participation in the public debate of issues, in that disclosure would allow a more informed debate;
- promoting accountability and transparency by the Council for the decisions it takes;

Weighed against this is the fact that the exempt appendix contains strategic and financial information which could prejudice the commercial interests of the parties if disclosed at this time. The exempt appendices also includes the observations and opinions regarding the proposal. It would not be in the public interest if advisors and officers could not express in confidence opinions which are in good faith and on the basis of the best information available. It is important for public authorities to have some measure of 'private thinking space', and that they are able to share important information with Elected Members tasked with representing the local community.

It is in the public interest that the Council is able to deliver cost-effective solutions. This depends partly on the Council being able to protect its commercial position while the detailed terms of relevant schemes are agreed.

The Council considers that the public interest has been served by the fact that a significant amount of information regarding the report has been made available – by way of the main report. Therefore it is recommended that exemptions set out above apply. The Council considers that the public interest is in favour of not holding this matter in open session at this time and that any reporting on the meeting is prevented in accordance with Section 100A(5A).

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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AEQUUS

- Aequus and its associated companies are wholly owned by Bath & North East Somerset Council
- Aequus delivers housing rental and development projects for the Council

Key Achievements

95 new homes, all sold, at Riverside View, Keynsham (November 2021)

7 social rented homes under construction at 117 Newbridge Hill, Bath

52 Private Rented Sector units primarily let to city workers and young professionals

Full planning attained on behalf of the Council at Midland Road, Bath for **176** Units, including **44** affordable homes

9 exemplar, low energy (EPC A) family homes (2 shared ownership) nearing completion at Sladebrook Road, Bath

Total of **£5.5M** of Capital Receipts paid to the Council to date

Total of **£2.4M** of Revenue Returns have been paid to the Council/Shareholder to date

Partnership work is progressing well with South Gloucestershire Council

Aequus core aims:

- Increase housing stock for tenants and home-owners market meeting local housing need
- Operate in a commercially creative and innovative manner
- Support the Council in repurposing its surplus commercial and corporate estate
- Support the Council with climate and ecological emergency objectives; and best practice for residential development
- Support the Council delivering social housing on land owned and acquired by the Council
- Act as a responsible Landlord, ensuring properties are maintained to a good standard

Working with the Council on delivering further affordable, socially rented homes

Climate Emergency

Aequus baseline delivers EPC A rated new homes.

The Riverside View apartments are electric only, with additional levels of insulation to the structure, plus a heat recovery ventilation system to reduce energy use.

The Sladebrook Road site is being developed to Zero Carbon in use and at least 50% reduction in energy running costs.

Future

The Aequus Business Plan 2021/22 to 2023/24 identifies the following key areas of activity for this period:

- Private Rental market
- Commercial Estate repurposing
- Delivering Affordable Housing Sites
- Commercial Development Sites
- South Gloucestershire Council partnership sites

Aequus will deliver £1M of sustainable revenue financial returns to the Council as Shareholder.

Aequus target to deliver **£1M** of revenue each year to the Council

Future sites could provide over **500** further homes, subject to approval

"Aequus have established a good business plan that helps the Council provide greater housing choice and quality to local people whilst also helping to finance our services."

Leader of the Council, Kevin Guy

Bath & North East Somerset Council

CORPORATE POLICY DEVELOPMENT AND SCRUTINY PANEL

This Forward Plan lists all the items coming to the Panel over the next few months.

Inevitably, some of the published information may change; Government guidance recognises that the plan is a best assessment, at the time of publication, of anticipated decision making. The online Forward Plan is updated regularly and can be seen on the Council's website at:

http://democracy.bathnes.gov.uk/mgPlansHome.aspx?bcr=1

The Forward Plan demonstrates the Council's commitment to openness and participation in decision making. It assists the Panel in planning their input to policy formulation and development, and in reviewing the work of the Cabinet.

Should you wish to make representations, please contact the report author or, Democratic Services . A formal agenda will be issued 5 clear working days before the meeting.

Agenda papers can be inspected on the Council's website.

Ref Date	Decision Maker/s	Title	Report Author Contact	Director Lead
21ST APRIL 2022				
	Corporate Policy Development and Scrutiny Panel	**Commercial Property Estate**	Andy Rothery Tel: 01225 477103	Chief Finance Officer (S151)
	Corporate Policy Development and Scrutiny Panel	**ADL Business Plan**	Andy Rothery Tel: 01225 477103	Chief Finance Officer (S151)
Page 158	**Corporate Policy Development and Scrutiny Panel**	**Performance Management Reporting**	Steve Harman Tel: Mob: 07530263207	Chief Operating Officer
9TH MAY 2022				
9 May 2022	**Corporate Policy Development and Scrutiny Panel**	**Customer Service Standards**	Amanda George	Director of People and Policy
9 May 2022	**Corporate Policy Development and Scrutiny Panel**	**Customer Complaints Process**	David Langman Tel: 01225 477013	Director of People and Policy
11TH JULY 2022				

Ref Date	Decision Maker/s	Title	Report Author Contact	Director Lead
11 Jul 2022	**Corporate Policy Development and Scrutiny Panel**	**Emerging Digital Data**	Jeff Wring Tel: 01225 477323	Chief Operating Officer
11 Jul 2022	**Corporate Policy Development and Scrutiny Panel**	**Procurement Policy Annual Update**	Richard Howroyd Tel: 01225 477334	Chief Finance Officer (S151)
26TH SEPTEMBER 2022				
ITEMS TO BE SCHEDULED				
	Corporate Policy Development and Scrutiny Panel	**Parish Charter**	Dave Dixon	Director of People and Policy

The Forward Plan is administered by **DEMOCRATIC SERVICES**: Democratic_Services@bathnes.gov.uk

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