

AEQUUS - Company Performance against Objectives 2022/23 - Quarter Ended 31st Dec 2022

Ref	PERFORMANCE OBJECTIVE	ACTUAL PERFORMANCE COMMENTARY	Performance vs Objective
OPERATIONAL			
1	To identify and progress residential development opportunities for both Social Housing and Private Sales subject to consents and approvals.	<p>The St Josephs Court development at Sladebrook Road was finished and all sales completed in June 2022. This included 2 Shared Ownership properties to B&NES.</p> <p>The sale of the development at 117 Newbridge Hill was completed in December 2022. This provides 7 new social housing units for the Council and we supported B&NES to remedy a historic contamination issue.</p> <p>The acquisition of the Malmaims Drive, Frenchay site was completed in April and started on 25th July. Construction is scheduled to take 77 weeks and is progressing well. The contract for sale of the affordable homes to Alliance Homes was completed on 5th Sep.</p> <p>Work on Crescent Gardens Lodge and Theobold House for B&NES temporary accommodation commenced in Sep and both are progressing well.</p> <p>The Argyle works site receive planning permission for 8 affordable units on 21st Sep and design and tender work is underway.</p> <p>We are working with both B&NES (300 units+) and SGC (200+ units) to progress a number of sites through the planning process, in line with approved Business Plan.</p>	<i>On target.</i>
2	To deliver repurposing of the Council's commercial estate in accordance with agreed Business Cases.	<p>A number of properties have progressed through the feasibility stage of the process in accordance with the agreed Council Briefs. This includes properties identified for potential affordable housing, private rented sector and other options.</p> <p>Business Case options have been submitted and updated to reflect challenges with the market arising from recent high interest rates.</p> <p>B&NES are considering these proposals including specific legal advice.</p>	<i>Progressed as far as practicable.</i>
3	To continue to identify suitable opportunities for affordable housing led developments on land owned or acquired by the Council.	<p>Sites at Argyle Works (planning approved), Danes Lane, Westgate Street (planning approved) and Upper Borough Walls (Listed Building App) are progressing per Council instructions.</p> <p>Cotterel Court was identified as potential for affordable housing and a fee to progress planning has been approved.</p> <p>Refurbishment underway for temporary accommodation at Theobold House and Crescent Gardens Lodge - both progressing well.</p> <p>We are also working on a proposal to support delivery of 22 Units utilising the Local Authority Housing Fund.</p>	<i>On target.</i>
4	To be fully compliant with planning policy requirements for energy efficiency and sustainability and to continue to explore opportunities for improvement in energy and carbon efficiency to meet future Council aspirations for housing standards.	<p>The AECB Building standard was achieved on Sladebrook Road site with homes receiving an EPC 'A' rating and Zero carbon in use. This is now the baseline for new housing sites including the site at Malmaims Drive, SGC which is progressing well. The cost of Passivhaus standard is also being explored although, the premium for this appears to be currently unviable (based on the initial business case for a partner site).</p>	<i>On target.</i>

5	To identify suitable land purchase opportunities to the Council, supporting acquisition as required.	A range of potential sites have been identified to the Council and are tracked at regular monthly meeting with Council lead officer. Priority given to potential One Public Estate sites although these appear limited at present. ACL completed the acquisition from South Glos of the site at Malmains Drive for 30 family homes (11 affordable) under a Sales and Overage Agreement in April 2022. This is the first in a pipeline of future South Glos sites for acquisition . The IBC's for The Grange (220 units) and The Castle School (100 units) were approved by SGC in July and August respectively. Aequus are in discussions with neighbouring authorities to explore potential options for similar sale and overage arrangements.	On target.
6	To ensure void levels on private rented homes remains below 5%	Actual ADL void levels are just 3.36% with void levels regularly monitored by the Board. Demand for private rental properties remains strong with rent reviews undertaken at the end of tenancy agreements. Currently working with B&NES to take on the management of 10 rental units as part of a corporate property acquisition made by the Council (these currently have a 50% void level).	On target.
7	To refurbish transferring stock of Council residential properties in line with planning policy.	No properties coming forward via this route for ADL refurbishments in YTD. B&NES undertaking condition survey work on a sample of properties to help determine next steps for the Council with current returned voids.	N/A
8	As a responsible Landlord, continue to ensure we review our response and maintenance standards to ensure our service is of a high quality.	All maintenance undertaken as a priority once reported by tenants in so far as it is within Aequus control. Work to maintain EPC ratings identified in two properties where improvement works have been undertaken. Rental arrears across the portfolio minimal although under close review due to cost of living challenges. We are also engaging with tenants to ensure the rises in energy costs do not adversely impact property conditions e.g. incidence of damp.	On target.
FINANCIAL			
9	To deliver the following total revenue financial returns to the Shareholder (tbc)		
9b	•2022/23 = £1,000K (structure & site dependant)	A return of £1,000K to the Council is currently anticipated to be met in full for 2022/23 recognising profits achieved and approved Business Plan pipeline of sites. In addition a £100K discount was achieved for the Council on shared ownership properties at Sladebrook Road with a further £150k discount for 117 Newbridge Hill together with potential overage.	On target.

10	To maintain loan to value ratio below 75% on all developments.	The development loan for Sladebrook road was fully repaid in the second quarter. The development loan for 117 Newbridge was fully repaid in December. The current LTV's for other development is as follows: - Malmains (South Glos) - 10% (£1.134M)	On target.
CORPORATE			
11	To continue to support partnership working with South Glos Council and develop a pipeline of partnership delivery sites using a "Sale and Overage Approach" .	Partnership work with South Glos Council is progressing well. The Malmains Drive Site, Frenchay is under construction and making good progress. The a pipeline of partnership delivery sites using a "Sale and Overage Approach" is as follows: - The Grange, Warmley (220 Units) - IBC approved, Master Planning Stage (pending SGC decision) - Castle School, Thornbury (100 Units) - IBC approved, Full Planning Stage - Charborough Road (40 Units) - Feasibility Stage - Vinney Green (30 Units) - Feasibility Stage We have also opened discussions with other neighbouring local authorities to explore similar opportunities following discussion with the Shareholder.	On target.
12	At the request of the Shareholder to share knowledge and experience with other local public body organisations	We have engaged with other LA housing development companies via the LATCO network, particularly in responding to Government proposals for changes to the MRP on council loans. We have also been approached other neighbouring local authorities to explore joint working options.	Progressed as far as practicable.
13	To attend relevant Housing Events to maintain awareness of industry best practise and future developments.	Attended the Room 151 Housing Conference, London which provided a range of industry and regulatory insights and issues. The company is member of House Builders Federation which provides information and support on a range of industry best practise and future developments impacting the house builders.	Progressed as far as practicable.
14	To promote the use of local suppliers when procuring works and services	Recent procurement activity includes technical and design work packages, local estate agents and works packages for CGL and Theobold House.	On target.
15	To lead the delivery of changes approved by the Shareholder to the corporate company structure.	The New Group Structure was completed and implemented in May 2022. Aequus Group Holdings is now the 100% owned Council Company with both ADL and ACL 100% subsidiaries of AGHL. All Council governance requirements in place. We are exploring the option of using SPV/LLP's for larger schemes going forwards working with the B&NES lead Officer.	On target.