

Cabinet Meeting Resolution

Executive
Forward Plan
Reference

E3647

**Establish a Limited Liability Partnership (LLP) for the
Regeneration of the Bath Quays Residential Development
Plots**

Date of Meeting	13-Nov-25
The Issue	Seeking approval to form a Limited Liability Partnership between B&NES Council and Aequus Group for the delivery of housing regeneration projects.
The decision	<p>(1) To agree to the establishment of a Limited Liability Partnership (LLP) between the Council and the Group.</p> <p>(2) To approve the proposed membership agreement of the LLP set out in Attachment 1 of the report.</p> <p>(3) To delegate to the Director of Capital & Housing Delivery the authority to take all steps necessary to form the Limited Liability Partnership for the regeneration of the Bath Quays North plots 6 & 7 and Bath Quays south (collectively referred subsequently as the Site) in the proportions provided for in attachment 1 of the report.</p> <p>(4) To agree to loan the LLP the Site development costs.</p> <p>(5) To agree in principle to the use of the existing Aequus Development Loan Facility and the Aequus Working Capital Facility by the LLP.</p> <p>(6) To delegate to the Director of Capital & Housing Delivery in consultation with the Leader, Cabinet Member for Resources and S151 Officer authority to transfer the Site to the LLP.</p> <p>(7) To delegate to the Director of Finance (S.151 Officer) in consultation with the Executive Director of Sustainable Communities, the power to approve the Full Business Case to develop the Site and enter into a loan agreement with and take security for the loan from the LLP.</p>
Rationale for decision	<p>The LLP will be a commercial entity and capable of taking risks that the Council might not. The LLP sits outside of the Council and does not carry balance sheet risks for it. Additionally, the LLP will be created solely for the redevelopment of the Site.</p> <p>Creating an individual LLP for each regeneration project will ringfence the risk to that site and not impact the viability of the Group or adversely impact the Council's finances.</p>

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	<p>The Council and the Group have been provided with accountant advice from Bishop Fleming that concluded that the most efficient model is for the Council and ACL to incorporate a limited liability partnership (LLP).</p> <p>The main reason for this model being financially efficient, being that:</p> <ul style="list-style-type: none">• The LLP can recycle any profit to support the Council's regeneration and housing duties.• As the LLP itself is not subject to corporation tax (unlike a company limited by shares), any profit of the LLP is taxed in the hands of the members. As the Council is exempt from corporation tax, the Council's share of the profits would be exempt (the Groups share of profits would be subject to corporation tax in the hands of ACL). <p>Any profit created by the regeneration of the Site which is subsequently received by the Council could be used to further regeneration activity in the Council area and provide subsidy for social housing on those future sites.</p>
Other options considered	None.

The Decision is subject to Call-In within 5 working days of publication of the decision