

Bath & North East Somerset Council

MEETING	Policy Development & Scrutiny Panel	
MEETING DATE:	13th March 2023	EXECUTIVE FORWARD PLAN REFERENCE:
		E 9999
TITLE:	Aequus Group – Performance Update	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: <i>Appendix 1 – Aequus Performance Update as at 31 December 2022</i>		

1 THE ISSUE

- 1.1 The report provides an update on the performance of the Aequus Group for the year to date (31st December 2022) against the approved company Business Plan Objectives.

2 RECOMMENDATION

The Panel is asked to;

- 2.1 Note the performance update report for the Aequus Group as at 31st December 2022.

3 THE REPORT

- 3.1 The objectives for the Aequus Group are set as part of the Business Planning process approved by the Shareholder and are used to focus the company's priorities and as the key benchmark for assessing company performance.
- 3.2 The company performance for the 9 months April 22 to December 22 is set out at *Appendix 1* against the specific approved Business Plan objectives for the period, together with a performance commentary for consideration and discussion by the Board. Key performance headlines include:

- The developments at St Joseph Court (Sladebrook Road) and 117 Newbridge Hill have been completed to a high standard. Sladebrook Road received Bath Property Award for Best Residential Development.
- The Malmains Drive, Frenchay development for 30 low energy homes has started on site and is progressing well with a “topping out” event being held in March.
- Works on Crescent Gardens Lodge and Theobold House for conversion into temporary accommodation have started on site and are progressing well.
- We are supporting B&NES with the progression of the BQN, BWR and Midland Road sites through various stages of feasibility and planning as part of a programme of potential future delivery sites.
- Proposals for affordable housing are proceeding with a number of identified sites now progressing through planning and design stages. The Argyle works site and 19 Westgate Street have both been granted planning permission and are at the tender stage.
- The completed new homes at Sladebrook Rd, achieved excellent low energy ratings with the low energy approach now adopted for new housing developments.
- Feasibility proposals for a number of Commercial Estate repurposing properties have been provided to the Council including proposals for the Local Authority Housing Fund.
- The Initial Business Cases for the development of the sites at The Grange, Warmley, The Castle School, Thornbury Filton as part of the ongoing partnership working arrangements have been developed for SGC. The IBC for Charborough Road, is also due to be considered in March.
- Demand for private rental properties remains strong with void levels well within target and a strong emphasis placed on acting as a responsible landlord.
- The financial targets set by the Shareholder are anticipated to be achieved with £1M of revenue returns delivered.
- The approved Company Restructure was implemented in May 2022.
- The company continues to engage with neighbouring local authorities for further potential partnership working similar to the arrangements in place with South Gloucestershire Council.

3.3 The Panel is asked to discuss and note the performance update for the Aequus Group as set out in details at Appendix 1.

4 STATUTORY CONSIDERATIONS

4.1 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. The current Aequus 3-year Business Plan was approved by the Council in March 2022 and included the setting of the company objectives.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 Section 7 of the approved Aequus Business Plan set 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.

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. The key dependencies in respect of the Business Plan are set out in Section 8 of that document. Aequus governance arrangements include a specific Audit and Risk Committee to oversee the company's audit and risk management arrangements.

7 EQUALITIES

7.1 Equalities impacts are considered through the local letting plans and Housing policies applicable to Housing Services under the relevant policy decision. The company's objectives are to deliver housing in compliance with the Councils policies. The Council undertakes specific equalities assessments relevant to the Decisions in enters through the Governance of the company as Shareholder

8 CLIMATE CHANGE

8.1 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 approach to low energy housing for new developments.

9 CONSULTATION

9.1 Consultation has taken place with the Statutory Officers, Cabinet Members and the Council's Client Board.

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