

Shareholders Committee

Brierley Group Financial Update

2020-21: Quarter 4 and Future Outlook

## **Brierley Group Headlines**

The performance of the Brierley Group through the 2020/21 financial year has continued in a similar way to 2019/20 with a mixed performance across the Group and the added complication of the Covid-19 pandemic. Based on provisional figures, the overall Group delivered an actual loss after tax for the 2020/21 financial year of £639k against a Budgeted loss of £99k. This represents an adverse variance of £539k for the Brierley Group as a whole.

Total revenue generated of £59.9m was under Budget by £4.8m. This reduction to revenue was partially offset by a reduction in the associated cost of sales, where expenditure of £53.4m delivered a £3.4m favourable variance against budget and this resulted in an adverse overall variance for the year. The main factors driving this performance are set out in the paragraphs below with further details of the specific implications relating to the outbreak of the Covid-19 pandemic in the subsequent section.

NYES have prioritised continuity and development of appropriate services for school leaders, who remain focused on maintaining a high level of education and supporting the well-being of students and staff. Although each service has faced unique challenges throughout the year, the pandemic has mostly had an adverse impact on the catering function who experienced vastly reduced numbers throughout the year due to school closures followed by local pockets of isolation in autumn and the prolonged and ongoing delivery of remote learning throughout. Following school reopening in March, Government data suggests 99.9% of state funded schools remain open as at the end of April 2021. Attendance levels were at approx. 96%, whilst meal number have continued to rise with preliminary uptake at approx. 92% of budget. NYES continues to monitor Government guidance around general school reopening and engage with schools to plan operations and assist in supporting them with their key priorities.

While First North Law's trading in the first half of the year resulted in a £14k underperformance against budget, revenue streams ended 2020-21 much healthier than in previous years. The existing client base has been buoyed by improved performance and an agreement struck around monthly retainers. This arrangement will be used to offer the client base competitive rates, while also guaranteeing FNL an income stream to invest in additional services, employees and marketing to target external clients over the next 12 months. The company is well positioned to deliver improved performance during 2021/22.

NYnet experienced some challenging trading conditions throughout 2020-21, particularly with regard to new customer sales. An account manager was recruited to drive these new sales and push LFFN (Local Full Fibre Networks) into the private sector. The Company has become the largest federator of Govroam services, which improves the way it is viewed in the market place. NYnet is also progressing with the delivery of a public wifi and Internet of Things (IoT) network, with the first towns expected to go live in the next few months.

Brierley Homes financial performance was broadly in line with its Business Plan with the lack of any scheduled sales period in 2020/21 acting to deliver a negative trading performance for the year. Construction work is well advanced on both Woodfield Square and Pateley Bridge sites with practical completion forecast for late 2021 and early 2022 respectively. Construction work has also started on site at Marton-cum-Grafton with practical completion forecast for May 2022.

The Marketing launch commenced on all 3 sites, with early off plan sales secured on each of them at a level above business plan forecasts. In broader terms, markets are proving extremely resilient and demand for housing in North Yorkshire is high with confidence in sales pace and property values being adjusted upwards in business forecasting accordingly.

For Align Property Partners, a general increase in enquiries, both from NYCC and external clients, continued into Q4 with sustained profitability through the final months of the financial year. Some timing issues around NYCC projects resulted in reduced March income for that area but it is

anticipated these monies will be recovered during Q1 2021/22. Projections are for profit margins to return to historical levels of around 10% of turnover throughout the 2021/22 financial year.

Yorwaste performed well during Q4 despite trading continuing to be difficult and at times uncertain. Yorwaste achieved its contractual waste tonnages target and services have performed well with Household Waste Recycling Centres having significant footfall in Q4. Commercial trade declined from the Christmas peak but started to return in the last few weeks of Q4 finishing at around 80% of budgeted lifts. Third-party tipping was close to budget. The transition to longer operating hours, higher route densities, and reduced fleet numbers provided a significant, but not complete cost offset to sales shortfall.

The Veritau group exceeded its budgeted profit for 2020/21. While income from non-member councils was below target and additional expenditure incurred on IT and office related equipment, this was fully offset by savings in travel and other overheads. The group is to attract new clients with a number of new academy schools and trusts signing up for services during both 2020-21 and 2021-22. Ad-hoc work has also been requested by a number of other clients. Client satisfaction and retention rates remain high.

The Brierley Group continues to explore areas of synergy from which benefits of scale and shareholder value can be derived. Examples of these synergies include shared sales and marketing functions as well as non-operational overheads, where packages of support for Finance, HR, Legal and other professional services are delivered across the Group. The leveraging of the group's scale is integral to generating further efficiencies and remaining cost competitive. Following the April 2019 decision by NYCC's Executive to migrate the existing Highways operation from Ringway into a wholly owned company, work continues in order to meet the required implementation date of June 2021. The project is now in its final stages with significant work taking place to ensure appropriate systems and processes are in place for day 1 on the 1 June 2021. Staff briefings continue to take place with both existing NYCC staff and staff moving from Ringway (the existing provider of the service) to the new North Yorkshire Highways company. A company business plan has been developed which sets out a clear direction of travel for the Company. This company will sit within the Brierley Group and areas of synergy as highlighted above have already been identified for several areas of support.

### **Impact of Covid-19**

Throughout 2020/21, the Brierley Group dealt with the emergence of Covid-19. The subsequent lockdown, the ongoing Covid-19 restrictions and changes to trading arrangements have all presented significant practical and financial challenges to the Group. While more clarity has been added around the roadmap for lifting restrictions in 2021/22, it is recognized that the constantly evolving circumstances mean the potential for further uncertainty and complexity around trading arrangements still exists.

Covid-19 continues to be present and influencing decision making in schools and organisations around the world. To meet the changing demands and challenges within the education sector, NYES has had to adapt its service delivery models in order to remain as close to the business plan as possible. Throughout the year a number of services have utilised the Coronavirus Job Retention Scheme (CJRS) to furlough and protect frontline workers. The scheme has been used extensively in the Catering service throughout school closures and reduced periods of activity in line with government guidance. During the course of the year, central government has issued multiple revisions to the CJRS, which has further influenced the costs to these services. Following Government procurement guidance to support suppliers throughout the pandemic and ensure continuity of supply during and post Covid, the NYES Catering service have made supplier relief payments to support their local supply chain.

As well as the CJRS, the government has offered support via Sales, Fees and Charges (SFC) funding to businesses in the UK who have suffered loss of revenue due to lockdown and imposed tier restrictions. NYES has also utilised this scheme where it can be evidenced that a clear loss of revenue occurred due to reduced school activity as a result of Covid.

NYES continues to assess the true financial impact of Covid into FY21/22, taking into account evolving Government support and guidance..

The Covid-19 pandemic resulted in an unprecedented 40% reduction of construction activity in the UK and the temporary closure of the majority of construction sites. This led to a dramatic reduction in new commissions during Q1 and Q2 from both NYCC as well as APP's portfolio of non NYCC clients; a short term reduction to income and a consequential impact on APP's 20/21 Profit and Loss account. Since the initial shock of the first lock down in Construction the industry appears to now accept that there is a new way of working and consequently enquiries commissions and appointments have returned to pre Covid levels.

While Yorwaste has experienced some positive Covid-19 tests, all are thought to have originated from outside of the workplace, with no "Hot Spots" being identified. The Company has robust Covid-19 safe operating practices in place and continues to reinforce their importance. The Company is seeing a continued return of customers as restrictions ease. However, this is on the back of a difficult 12 months and Yorwaste may see the permanent closure of some customers, even if they manage to initially reopen.

The primary Covid-19 related challenge for Brierley Homes remains the effect on the UK economy and the consequential impact on sales revenues and/or construction partner capacity and cost. Extended Health and Safety risks associated with undertaking construction activities are also being considered in relation to Covid-19.

The latest lockdown restrictions (and the related economic challenges), coupled with the ending of the Stamp Duty holiday are expected to weigh on construction activity going forward. However, key market indicators such as national transactional volumes, mortgage market activity, mortgage product range and pricing all point to a more normally functioning market.

First North Law and the Veritau Group are not currently experiencing any negative financial impacts due to Covid-19, with key challenges not being significantly aligned with the pandemic. This will continue to be kept under regular review as the situation progresses.

### **Current Challenges**

The majority of the past year has been spent adapting the NYES service delivery framework to support schools to remain open. However, current indications around the lockdown roadmap show encouraging and positive signs towards a return to pre Covid conditions. Whilst certain challenges in terms of face-to-face interaction start to gradually ease, NYES also continue to deliver in some areas in a much more streamlined and cost-effective way with vastly reduced overheads seen throughout most services.

Traditional areas of commercial challenge are still present, with an upcoming focus on 2 key areas: The DfE have set aside a £7m fund to increase the capacity of its SRMA (School Resource Management Advisor) programme with a remit to pursue cost efficiencies through its supplier base that could increase cost competitiveness in our markets as schools push costs down through procurement rounds.

Guidance has also been issued via the Education Secretary Gavin Williamson to push and promote schools to adopt the academy trust model. The DfE are trialing a flexible and "try before you buy" approach, with a credit of up to £10k if a suitable MAT partnership can be explored. Acadamisation can involve insourcing many of the services NYES provide and or disrupt long-standing relationships NYES have with schools. It is vital to the success of NYES that their offer remains based on superior service delivery and performance across the portfolio as a whole, with the provision of bespoke solutions to the customer across a diverse range of settings and needs.

This NYES service offer is heavily reliant on having the right calibre of people within the organisation to maintain and manage high standards of service delivery; key vacant roles within NYES have caused constraints in promoting and fully supporting school needs. A key challenge is to ensure sufficient capacity and resilience within teams to maintain and grow the sales pipeline and optimise opportunities presented for an evolving traded offer.

NYES activity continues to be aligned with the aspirations of the business plan, with the promotion of the professional offering aligned with proactive bidding for packages of work across a range of services, both in and out of county. Service excellence will be a key area of focus for NYES in the year ahead, building, yet not reliant upon, the strengthened relationships developed through significant, positive Covid response and support.

First North Law continues to operate in a challenging market. The ability to tender for external work had previously been hampered by the lack of a dedicated resource and some under utilisation of the document management system. These legacy issues inherited by the new Company Director have largely been addressed, and the company has now started submitting formal tenders for work. These are initially smaller tenders in line with present capacity as well as barriers such as the current PII insurance; both areas will need to be reviewed as the company grows throughout 2021/22.

The regular concerns for Brierley Homes are still present with the ability to procure land and/or secure residential planning consents to deliver homes at the required capacity being central to the success of the business. Another key issue is the potential for construction cost inflation as a consequence of high demand in the sector and material supply interruptions following a reduced period of manufacturing capacity during 2020 combined with Brexit trade changes.

Heightened Health and Safety risks associated with undertaking construction activities during a pandemic also continues to present a challenge to Brierley Homes.

The key issue and challenge for Align Property Partners is to re-establish and maintain its position in the market and attract new business following the Covid-19 related disruption. Rebuilding its workload via an existing and new client-base is dependent upon securing more external client income as NYCC-related revenues are likely to reduce in future years. The Company undertakes this against the backdrop of an increasingly competitive market place as competitors aggressively chase market opportunities. The retention of key staff and the recruitment of new expertise in what is currently a very buoyant market will present the Company with a challenge over the next 6 months.

For NYnet, significant progress has been made with the delivery of the Local Full Fibre Networks project, which suffered delays in obtaining wayleaves and access to sites. While significant advancement has been achieved, the hurdles with the NHS remain.

Due to wayleave issues and subsequent delays in migrating these sites to LFFN, the drive for new sales onto LFFN has been pushed back so that resources are not withdrawn from the main task of migrating sites. The roll out of public WiFi and IoT network will increase pressure on the NYnet technical resources but this has been anticipated in the funding of the later projects.

Challenges for Yorwaste continue to be focused around cost-effective operation, efficient asset utilisation, staff optimisation and the control of business costs in light of the considerable uncertainty that exists into 2021/22.

The Veritau group are faced with the need to maintain the required client-base and income streams in a competitive market, while continuing to provide the full suite of professional audit and assurance services.

### **Current and future areas of development**

The arrival of Covid undoubtedly accelerated planned digital developments and challenged NYES to review delivery models, embracing innovation and new opportunities where possible. In July 2020, NYES launched its first digital training brochure. Aimed at education professionals, the brochure highlighted not only the extended portfolio of products and support for existing CPD requirements, but also the changing needs of the whole school community.

Covid has also impacted schools who through restrictions, lockdown and periods of isolation, have had to adapt from traditional teaching to remote or blended learning, through digital delivery and

increased use of Educational Technology (Edtech). The Edtech market in the UK is expanding year on year, and is on track to reach over £3bn in the near future. NYES sees Edtech as having market potential for business growth, allowing them to work closely with schools in developing an offering to meet digital needs and support all stakeholders in this arena. To this end, NYES have recently advertised a long awaited tender opportunity, for a supplier to build and manage an NYES Edtech portal, with the aim of signposting tried and tested quality Edtech solutions to schools nationally. As well as engaging with a wider audience with cross and upselling potential and raising brand awareness and credibility on a national stage, the platform is intended to generate a new revenue stream (though fees paid by carefully selected, featured companies).

A number of Edtech webinars were successfully facilitated with a range of expertise shared, as well as participation in the Great North Yorkshire Edtech Show, seeing representations from key companies and respected individuals from the sector. NYES are working closely in partnership with a number of companies, such as Century Tech, Pobble and its own Schools ICT service, with the intention being to develop existing services and collaborate with internal and external professionals, to ensure all technology needs within schools are met via 'NYES Digital' – the updated Schools ICT service. One of the advantages of digital delivery is the increased reach and potential audience; NYES has proved its ability to attract a national audience through the effective promotion of quality content and have welcomed the participation of international educators in webinars over recent months. There is significant demand for support towards digital skills and strategy development. NYES intend to meet this demand through the timely launch of appropriate product development, including unique accredited training.

In addition to the increasing digital needs of schools, Covid has also impacted on students and teachers significantly and NYES aims to work with a team of internal experts to develop a range of products that address new and increased demand in this area. This will include products and services which support staff and student wellbeing, HR issues, Health and Safety and not least 'catch up' related support, which will be needed for some time to come, given the gaps in learning and additional assistance that will be required as students transition to new Key Stages of education.

A further key development is a research project currently underway (funded by Innovate UK) which is exploring the development and effectiveness of an online alternative to traditional moderation. In collaborating with NY founded Edtech company Pobble on this exciting project, NYES are well positioned to become trailblazers of this new model and generate novel revenue streams, as well as raising writing standards and reducing teacher workload as a result.

Aside from Covid and digital delivery, the NYES strategy is to focus on enhancing a customer centric model and in servicing the Academy market with a bespoke offer in development for multi academy trusts (MATs). Plans are underway to develop key partnerships with a small number of trusts who are keen to work with NYES to develop its offer and become Ambassadors of a quality MAT product. A working group is being established, with representatives from across the portfolio, exploring collaboration and interdepartmental innovation in this key area. Retention levels are high but the intention is to improve this through the implementation and delivery of consistent excellent customer service, systems and management, with a commitment to remaining competitive on price.

Bid and tender activity has benefitted from the addition of graduate support, with systems and data now further improved - much needed in this increasingly competitive aspect of business

acquisition. Recent contract wins in and out of county continue to build a reputation and allow for further promotion of the NYES portfolio. A key strategic win during 2020/21, with a total contract value of up to £15m, was derived through relationships developed within NYES HR, NYES Digital and Veritau. This evidenced the strength of the collaborative partnership model within NYES.

NYnet is working with NYCC to develop a number of opportunities that will strengthen NYnet and allow alternative delivery methods for NYCC. NYnet is obtaining a Market Economic Operators Principals (MEOP) approval to allow NYnet to leverage and market the LFFN network to the private sector. NYnet is developing the IoT gateways and backhaul capability that will allow NYCC, other

Brierley Group companies, other public sector and private sector organisations to deploy IoT sensors that achieve efficiencies through real time data. From Govroam NYnet now has technical relationships with a significant number of public sector organisations outside the County border and will be building on them to try and bring in further opportunities.

The new Director of First North Law has focused on reducing the inefficiencies and leakage in the Company. Two training sessions have been provided by Case Management providers, which in turn have increased utilisation of this system and the Company is now carrying more work in progress into 2021/22

A draft business plan was finalised and agreed in Q4, with a marketing strategy to aid in the delivery of the overall growth plan, which is also in development. While the present trading environment is challenging, these elements are viewed as key in growing First North Law into a profitable enterprise. External recruitment is seen as essential and advertisements will go out in Q1 2021/22 for a part-time commercial solicitor. Paralegal and practice management support will also be required but this is likely to be sourced from within the existing NYCC legal team.

Communications and PR has been an increasing focus for Brierley Homes as it moves into the sales phase of the active schemes, with NYCC communications combining with a broader PR and communications strategy to further enhance the Brierley Homes brand and reputation in the marketplace.

As housing delivery rates increase in the business, mid-term recruitment needs are under review with a supporting role in sales and customer care being defined along with assistant project management resource. Business Cases for these roles are intended to be brought forward during the 2021/22 financial year with the intention of that resource being in place for the next financial year 2023/23.

Pipeline NYCC owned land assets at Osgodby (75 homes) and Leyburn (20 homes and dental facility) are in pre-application stages with the site at Leyburn on a trajectory for a planning application in 2021, whilst the Osgodby site is being prepared for submission in early 2022.

An additional land opportunity is being discussed with a land owner for another 25 – 30 homes with a view to delivering a planning consent on this land in advance of 2025.

A marketing launch has commenced on Woodfield Square, Pateley Bridge and Marton-cum-Grafton with early off plan sales being secured on all sites. At the time of writing 4 homes from 16 are reserved at Pateley Bridge, 2 from 19 at Woodfield Square and 2 from 13 at Yew Tree Farm. In broader terms, markets are proving extremely resilient and demand for housing in North Yorkshire is high with confidence in sales pace and property values being adjusted upwards in business forecasting accordingly.

Align Property Partners continue to recruit staff to service their increased workload and support client requirements around the completion of projects previously delayed due to Covid-19. APP continues to market to clients that can provide a consistency of work over a number of years and have been successful in establishing new framework agreements with North Lincolnshire and

Wigan Councils. APP is undertaking a review with all clients around their immediate and long-term capital spend.

All but a few APP staff are currently working from home and it is expected that all staff will return to an “office environment” in September 2021, however it is currently envisaged that a staff friendly policy of both office and home working will be introduced to assist in staff retention and recruitment. Additionally, key staff are being further identified and a clear career path is being scoped for these key personnel.

Yorwaste has continued to allow customers whose businesses were impacted by COVID to opt for a contract suspension without penalty. This approach has been well received and is viewed as preferable to customer contract terminations. The fleet reduction has been maintained, minimising costs.

New product development has been undertaken by the Veritau Group in order to enhance services. This is accompanied by heavy investment in professional training, a new website and client portal, and other back-office IT systems. The ongoing investment provides a firm foundation to both support future growth and maintain the pre-existing client base.

All staff are set up to work from home and to deliver services remotely. The group has also created a new Information Access team to exploit a number of potential business opportunities. Veritau is able to continue to provide services remotely and does not perceive any significant risk to either fee income or cost control in 2021/22 with a further objective being to embed these new ways of working.

#### **2020/21 Q4 Brierley Group Financial Summary**

The following table sets out the provisional 2020/21 financial performance as at the end of Q4 for North Yorkshire County Council’s share of the Brierley Group.

Brierley Group	Actuals 2020/21	Budget 2020/21	Variance 2020/21
	£,000	£,000	£,000
Revenue	59,913	64,668	(4,756)
Cost of Sale/Service	(53,429)	(56,790)	3,361
Gross Profit	6,484	7,878	(1,395)
Overheads & Other Costs	(6,266)	(6,506)	240
Other Trading Income/(Loss)	(586)	(523)	(63)
Other Gains/(Losses)	454	(336)	790
Operating Profit	86	514	(428)
Finance Income	32	44	(13)
Profit before Interest & Tax	117	558	(441)
Interest Paid	(530)	(619)	89
Tax (Expense)/Surplus	(226)	(39)	(187)
Profit after Tax	(639)	(99)	(539)

*\* Figures are provisional and based on NYCC Brierley Group shareholding.*

#### **North Yorkshire Education Services**

The final and consolidated trading performance for NYES is currently below the 2020/21 commercial target. The reduction in trading activity has been mitigated using CJRS and SFC

funding. The furlough scheme is due to end in September 2021, however with schools operating at high levels of activity following the reopening in March NYES anticipate a much lesser requirement during 2021/22.

NYES are working closely with services to look at how it can support business growth through targeted sales and marketing support as well as commercial intelligence. The NYES sales strategy outlines necessary activity to achieve realistic geographical growth targets, aided by support from new improved marketing operations, which following a period of consultation, subsequent restructure and collaboration with NYCC Corporate Communications, aims to provide a professional and resilient, account based service across the portfolio. In addition to the new marketing structure, the NYES logo has undergone a 'brand refresh', intended to bring uniformity across the traded services, whilst demonstrating the diversity of expertise and services within the one organisation.

Each service is currently going through a Traded Service Review with the NYES Commercial Director and the Commercial Head of Finance, with the aim of revising the business plans for each service, along with an associated bespoke marketing plan and necessary defined support to achieve agreed targets.

An investment has been made in Customer Relationship Management (CRM) functionality to improve consistency of communication between schools and NYES customer service teams, which has allowed an increased knowledge base that helps deal with any issues or concerns more effectively and aids goals with regard to customer service excellence. NYES are also progressing a financial business case to improve their E commerce platform functionality, to enhance the self-service offering and streamline some of the friction in the sales process.

### Property and Facilities Management

Meal uptake has been turbulent through the year and further reduced following restrictions to open only to the children of key and critical workers. The challenge for 2021/22 is to restore confidence and increase uptake using targeted marketing and school support. Catering continues to invest in locally sourced produce and technology such as integration to Parent Pay to stay innovative, adapt and respond to school and parent needs.

The MASS service has continued to operate essential responsive maintenance and compliance activity throughout the year. The period of reduced activity should not necessarily impact upon costs in the long term, with buildings continuing to deteriorate and requiring maintenance and upkeep.

The service ended the year with surplus funds, which was taken to an earmarked reserve in order to fulfil expenses throughout 2021/22.

Access to schools has been assessed based on urgency and levels of risk, some normal cyclical and planned works have been deferred into FY21/22 with funding from the current period ring-fenced into a deferred work reserve to match the expenditure.

NYES cleaning became a vital part of schools' services throughout the pandemic. Previously seen as a passive service, Cleaning became vitally important in keeping schools hygienic and safe. Additional cleaning duties have been undertaken however service capacity has been an issue. High levels of sickness have resulted in additional hours with teams following guidance on having to self-isolate and shield.

The management team have recently invested in attaining ISO9001 accreditation, which will assist in streamlining and aiding future commercial tenders, while providing some best practice learning throughout the wider services.

### Education and Skills

Covid restrictions have impacted on both the School Improvement and Specialist Careers Services, with typical service delivery reliant upon physical visits and support, resulting in significant loss of income from planned bespoke consultancy and face-to-face training (which transitioned into online learning from Sept 2020). The services have, where possible, utilised the Government support schemes to mitigate losses during the year, as well as redeploying staff into other areas within NYCC. The Clerking Service continues to look at extra capacity to support business growth and recent contract awards. As referred to above, opportunities now exist for product and service development, with plans underway for an enhanced Inclusion and School Improvement offer.

### Professional Services

The Professional services group have been the most resilient within NYES and have managed to adapt their delivery models to meet customer requirements. Costs associated with face-to-face marketing, selling and service delivery have been saved as services have shifted to a virtual approach. Some loss of revenue through commissioned work in HR and ESS has been mitigated by managing costs and levels of staffing to support and service the customer. The Occupational Health, FMS, Procurement and Training and Learning services ended the year in a strong position and ahead of target.

The restricted access into Schools has impacted the onsite Schools ICT service (NYES Digital). In addition to this, the service has encountered supply chain delays due to a huge demand for technology in the UK as companies shifted to home working. The associated installation support contracts and cross-selling opportunities were also displaced.

### NYnet

Measures implemented for the control of Covid-19 have resulted in challenging trading conditions for NYnet throughout the year. The company ended the 2020/21 with sales £203k above budget, and gross profit £35k above budget. Where sales growth was achieved, this was due mainly to increases in bandwidth delivery to both NHS and councils in order to enable them to deliver services and work remotely. NYnet came in below budget on Profit Before Interest and Tax due to the difficulties in migrating sites to LFFN as a result of wayleave issues.

### First North Law

Income levels picked up substantially in Q4, though not sufficiently to prevent 2020/21 financial results from underperforming against associated Budgets. However, this underperformance of £14k was largely attributable to the first half of the year, with the recruitment of a Company Director and a Solicitor seeing a swift revenue impact despite the increased direct costs associated with the roles. The addition of the dedicated resource along with the move to monthly retainer agreements and a focus upon marketing of the service offer should put the Company in a much stronger position to improve its trading performance during 2021/22.

### Brierley Homes

The loss for the year is due to a lack of any scheduled sales period in place for 2020/21. While projected direct costs for sites under active development have been capitalised as per company accounting policy, overheads and financing costs for the year both acted to deliver a negative trading outturn.

Schemes at Pateley Bridge and Bilton, Harrogate had associated land purchases completed in January 2021. Both sites have construction partners selected and work on-site commenced during Q4. In addition to this, construction on a third development at Marton cum Grafton is due to commence in Q1 of 2021/22, with a further 3 pipeline schemes being at an advanced planning stage and construction activity anticipated later in that year.

### **Align Property Partners**

Align Property Partners delivered a small pre-tax loss for 2020/21 financial year, against a revised break-even budget. The severe trading disruption felt during the first half of the FY resulted in significant full-year projected losses being presented as late as September 2020.

A strong and swift return to more normalised trading activity has acted to reduce APP's trading losses substantially and it is anticipated that this recovery will continue into 2021/22, allowing the Company to return to pre-Covid levels of trading performance.

### **Yorwaste**

The Company performed well during Q4 despite trading continuing to be difficult and at times uncertain. Commercial trade declined from the Christmas peak but started to return in the last few weeks of Q4 finishing at around 80% of budgeted lifts. Third-party tipping was close to budget.

The transition to longer operating hours, higher route densities, and reduced fleet numbers provided a significant, but not complete cost offset to sales shortfall.

### **Veritau**

The Veritau group delivered a provisional 2020/21 positive profit before tax outperformance against budget. Revenues and service delivery saw little to no impact as a result of Covid-related disruption, while cost savings derived from the move to remote provision allowed significant savings to be made in terms of both direct and indirect costs.