

AYLESBURY VALE ESTATES – REVIEW OF PERFORMANCE AGAINST THE 2017/2018 BUSINESS PLAN

1 Purpose

- 1.1 This purpose of this report is to enable the Scrutiny Committee to comment on a review of the performance of Aylesbury Vale Estates (AVE), against the targets and commitments set out in the 2017/2018 business plan.

2 Recommendation

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| 2.1 The Scrutiny Committee is asked to review the report set out as Appendix 1 in the confidential part of the Agenda and highlight any issues they wish to report to Cabinet. |
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3 Supporting information

- 3.1 Each year AVE prepares a business plan which is considered by Scrutiny and Cabinet. The business plan includes a review of performance during the previous financial year. In order to reflect AVE's business plan and any financial benefits that would impact on AVDC's budget eg a dividend payment, the AVE draft business plan is considered during the council's autumn committee cycle. This means that when the business plan for 2018/19 was considered in December 2016, the review of 2017/2018 could not be completed. It was, therefore, agreed, that these reviews would be brought back to Scrutiny and Cabinet as soon after the year end as possible.
- 3.2 The review is set out in Appendix 1 in the confidential part of the agenda. More information, particularly in respect of the asset management initiatives planned, will be reported orally to the meeting.
- 3.3 However, in summary, these are the key headlines of AVE performance in 2017/2018:

Asset management initiatives

- Following CINRAM (occupants of the large former Sony site, Raban's Lane and the unit opposite), going into Administration, leases have been negotiated with new tenants.
- Negotiations are continuing on the sale of land off The Gateway, for residential development.
- Discussions are on-going between Lidl, AVDC and BCC regarding a new store at the front of the Askeys site.
- Cabinet has approved (subject to the seven day call-in period), the sale of land at Adam's Close/Western Avenue, Buckingham, for redevelopment for residential.
- Boots have signed a new 10 year lease for Hale Leys but there are a number of vacancies in the centre reflecting the global challenging retail market conditions.
- The Town Hall Arches, Aylesbury were sold to Bucks County Council.

- A number of key AVE assets are included in the Vale of Aylesbury Local Plan in response to the 'call for sites'.
- Tenant demand for the multi-let industrial units has been strong and lease renewals have been achieved at increased rents.
- A new more focused website has been launched
<https://www.aylesburyvaleestates.com>
- New signage has been erected across the multi-let industrial estate as part of the marketing strategy.

Financial performance

- The voids percentage by rental value across the whole portfolio was 6.8% at the end of March compared to a target of 8.1%. Of this, the multi-let industrial portfolio accounts for 2.99% of the 6.8%. The refurbishment of the units has contributed to the uptake.
- Rent invoiced for 17/18, was 1.4% up on budget. Rent collected of the total demanded was 98.8% against a 12 month Key Performance Indicator of 90%.
- Capital receipts predicted in the Business Plan are down or have been delayed.
- Debt has fallen in line with the Business Plan.
- A distribution has been made to members – higher than forecast in the 17/18 case base Business Plan.

4 Resource implications

4.1 None

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Background Documents	Aylesbury Vale Estates Business Plan 17/18 Report to AVE Board – 9 May 2018