



## AYLESBURY VALE DISTRICT COUNCIL

### Democratic Services

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5 December 2019

### CABINET

A meeting of the **Cabinet** will be held at **3.00 pm** on **Tuesday 17 December 2019** in **The Paralympic Room, Aylesbury Vale District Council, The Gateway, Gatehouse Road, Aylesbury, HP19 8FF**, when your attendance is requested.

**NOTE:** There will be an informal session starting at 6.15 pm to give Members the opportunity to comment on issues on the Agenda. The press and public may attend as observers.

**Membership:** Councillors: A Macpherson (Leader), S Bowles (Deputy Leader), P Irwin, H Mordue, C Paternoster, Sir Beville Stanier Bt, P Strachan, J Ward and M Winn

Contact Officer for meeting arrangements: Bill Ashton; [bashton@aylesburyvaledc.gov.uk](mailto:bashton@aylesburyvaledc.gov.uk);

### AGENDA

**1. APOLOGIES**

**2. MINUTES** (Pages 3 - 8)

To approve as a correct record the Minutes of the meeting held on 12 November, 2019, copy attached as an appendix.

**3. DECLARATIONS OF INTEREST**

Members to declare any interests.

**4. RISK, PERFORMANCE AND FINANCE REPORT** (Pages 9 - 48)  
**Cabinet Member for Finance and Resources**  
**Councillor Mordue**

To consider the attached report

Contact Officer: Tamsin Ireland (01296) 585004

**5. AYLESBURY VALE ESTATES BUSINESS PLAN** (Pages 49 - 56)  
**Councillor Bowles**  
**Deputy Leader and Cabinet Member for Economic Development**

To consider the attached report.

Contact Officer: Teresa Lane (01296) 585006



## **6. EXCLUSION OF THE PUBLIC**

The following matter is for consideration by Members "In Committee". It will therefore be necessary to

RESOLVE –

That under Section 100(A)(4) of the Local Government Act, 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in the Paragraph indicated in Part 1 of Schedule 12A of the Act:-

Item No. 7 – Aylesbury Vale Estates Business Plan (Part 3)

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because the report contains information relating to the financial or business affairs of organisations (including the Authority holding that information) and disclosure of commercially sensitive information would prejudice negotiations for contracts and land disposals or transactions.

## **7. AYLESBURY VALE ESTATES BUSINESS PLAN (Pages 57 - 118) Councillor Bowles Deputy Leader and Cabinet Member for Economic Development**

To consider the attached confidential information.

Contact Officer: Teresa Lane (01296) 585006

## CABINET

11 SEPTEMBER 2019

**PRESENT:** Councillor A Macpherson (Leader); Councillors S Bowles (Deputy Leader), H Mordue, C Paternoster, P Strachan, J Ward and M Winn. Councillor C Adams attended also.

**APOLOGIES:** Councillors P Irwin and Sir Beville Stanier Bt.

### 1. MINUTES

RESOLVED –

That the Minutes of 13 August, 2019, be approved as a correct record.

### 2. NEW HOMES BONUS - PARISHES SCHEME

Cabinet considered a report, posted in full on the Council's Website, detailing the outcome of the consideration given by the informal New Homes Bonus Grants Panel to the latest round of applications for capital projects. The grants scheme was designed to help alleviate the impacts of housing growth on local communities. The applications considered by the informal Grants Panel related to major schemes, concerning which £800,378 was available for allocation. £80,000 had been set aside for micro grants (smaller projects).

In total 20 expressions of interest/enquiries had been received. Of these, 18 Parish/Town Councils had applied for assistance but one application had subsequently been withdrawn. 17 applications had therefore been considered by the informal Grants Panel. Grant funding totalling £872,565 had been applied for towards projects totalling £1,007,748. As referred to above only £800,378 was available, meaning that this funding round was £72,187 over subscribed.

The Cabinet report contained a schedule detailing the schemes, total project costs, the amounts being sought by way of grants and the informal Grants Panel's recommendations and rationale for reaching those decisions. That schedule could also be viewed on the Council's website. The Panel's recommendations amounted in total to £794,125, which represented over 99% of the budget available. The underspend of £6,253 would be used in connection with the micro grants scheme.

Members commented that this scheme had been well appreciated by Parishes and expressed the hope that it would be carried forward to the new unitary authority. Circa £6.4m had been made available over the last seven years or so. Members also asked that their thanks be conveyed to Jan Roffe the Council's grants officer, who administered the scheme for the professional manner in which she had dealt with the applications received. Strong relationships had been developed with Parishes, many of whom, through local Members, had also complimented Jan Roffe.

RESOLVED –

That all the recommendations of the New Homes Bonus Grants Panel as set out in Appendix A to the Cabinet report, be approved.

NOTE:

As a Member of Buckingham Town Council, Councillor Mordue declared a personal interest in the application relating to that authority.

A number of applications had been received from Parishes in the District Ward represented by Councillor A Macpherson and she declared a personal interest.

### **3. AVDC ENVIRONMENTAL INITIATIVES**

Cabinet received a report highlighting the work undertaken by AVDC to improve the environment of the Vale and seeking resources to enable this work to continue up to the coming into existence of the new unitary authority. The report, which included a list of the initiatives taken by the Council to reduce CO2 emissions and protect and enhance the local environment, could be viewed on the Council's website.

The report of the Inter-Governmental Panel on Climate Change (IPCC), published in October, 2018, had highlighted the fact that the world had 12 years during which to make a positive change in the way the environment was managed, before irreparable damage was done to the planet. In June, 2019, Central Government had responded to the report by announcing that the UK would cut emissions to net zero by 2050. A number of local councils had declared a "climate emergency" and had pledged to significantly reduce their carbon emissions or become carbon neutral by 2050 or earlier.

Whilst these declarations had been well received, there had been criticism in some quarters that these councils had not put in place an action plan to achieve their aims. With the new Buckinghamshire Council replacing the existing councils in April, 2020, it was important for any AVDC initiatives to be deliverable in months rather than years. AVDC already had a strong track record in addressing environmental concerns and had worked with businesses and other stakeholders to reduce carbon emissions across the Vale. This work had been successful in reducing significantly overall carbon emissions and per capita emissions across the Vale since 2005. This represented a 27% reduction in CO2 across the Vale overall and a 38% reduction in the per capita figure. In essence AVDC had built environmental considerations into every aspect of its work. The report highlighted a number of case studies to illustrate this.

Currently, considerable officer and Member time was being taken up with delivering the new unitary council and this might result in a pause in the environmental programme until after the new council was in place. Cabinet felt however that the size of the environmental challenge facing the country as a whole was such that it was important for AVDC locally to drive forward change across the Vale and also support residents in maintaining/creating the best possible environment in which to live. It was therefore proposed to establish a budget of £60,000 to fund the administrative, capital and other resource costs of producing an options report and then delivering the next phases.

The suggested budget would fund the production of a full options and appraisal paper, but it was felt that the focus of future actions should be on projects that deliver in the relatively short term. Already, there were a number of possibilities which had been considered and would be referred to at the next Council meeting.

RESOLVED –

- (1) That the work already being undertaken on environmental issues be noted.
- (2) That the focus for future environmental actions should continue until vesting day (for the new council), focussing on:-

- Providing environmental leadership.
- Supporting local initiatives.
- Partnership working.

(3) That Council be recommended to allocate a budget of up to £60,000 to facilitate the continuation of AVDC's environmental initiatives programme.

#### **4. AYLESBURY VALE ESTATES (AVE): REVIEW OF PERFORMANCE AGAINST 2018-19 BUSINESS PLAN**

Cabinet received a report also submitted to the Economy and Business Development Committee on 10 September, 2019, reviewing the performance of Aylesbury Vale Estates (AVE) against the Business Plan for 2018/2019.

Each year AVE prepared a Business Plan which was considered by the Scrutiny Committee and subsequently Cabinet. The Business Plan included a review of performance during the previous financial year. The Asset Managers' report to the AVE Board for the period January to the end of March formed the basis of the review of performance against the 2018/19 Business Plan, together with the year end accounts. Both of these documents were submitted as part of the confidential agenda. The Asset Managers gave a presentation to Cabinet (during the confidential part of the meeting), which covered both performance against the 2018/19 Business Plan and a high level overview of progress against the current 2019/20 Business Plan. As far as the 2018/19 Business Plan was concerned, the key highlights were as follows:-

##### **Strategy as set out in the 2018/19 Business Plan**

The core aims were to increase investor revenue flows and support the Council's economic development programme,

##### **Achieved by:**

- The sale of high value land with low income for re-investment.
- Pay off existing debt in order to reduce the cost of finance.
- Reduce amortisation, which absorbed surplus income.
- Target a distribution of £600,000pa.
- Maintain current levels of occupancy.
- Retain tenancies at Hale Leys.

##### **Sale of high value land with low income for re-investment**

The sale of land known as Gateway Phase 2 and the sale of the front part of the Askeys site at Stocklake did not take place as originally anticipated. However the sale of the Stocklake site to Lidl had subsequently been and the sale of the Gateway Phase 2 to a housing developer was expected to be completed shortly.

Progress had been made in 2018/19 on preparing a small site at Adams Close, Buckingham for sale had also now been completed.

##### **Pay off expensive debt in order to reduce the cost of finance**

The capital receipt from the sale of the Stocklake site had been used to achieve this, albeit later than had been planned. The reduction in the cost of finance would help improve cash flow and in 2019/20 provide a degree of comfort to help AVE manage the new market and financial pressures which were emerging as a consequence of Brexit.

### **Reduce amortisation, which absorbed surplus income**

This had been achieved in relation to the amortisation of the senior debt with AVDC. In 2018/19, AVE had made substantial repayments of debt.

### **Target a distribution of £600,000 pa**

This had largely been dependent on the sale of the two key sites. As this had not happened, the distribution had been deferred. AVDC still expected to receive its 50% share of the distribution and also had planned for a distribution in 2019/20. This meant that there was an expectation that two distributions would be received by the end of 2020.

### **Maintain current levels of occupancy**

In an important move, Cinram Novum had been secured as new tenants for the large Sony site. Work had begun to develop options for the long term future of the site. There continued to be strong demand for the units on the industrial estates following an extensive investment plan to refurbish units and improve services to tenants. At the end of the year the void rate had been 1.8%.

### **Retain major tenancies at Hale Leys**

Nationally, the retail market had proved even more challenging in 2018/19. Clarks had relocated to Friars Square and Poundworld had gone into administration. However other key tenants, notably Boots, had been retained in the centre.

Concentrated efforts had begun during the financial year to attract different uses for vacant units. Negotiations had commenced for the conversion of the former Next unit to a Play and Stay and a restaurant, bar and roof top terrace. These negotiations had now been completed, with permission for change of use being granted. Construction work was now underway.

### **General Financial Performance**

- The voids percentage by rental value across the whole portfolio was 6.9% at the end of March compared to a target of 3.8% in the Business Plan. Of this, the multi let industrial portfolio accounted for 1.8% of the 6.9%, with Hale Leys accounting for the rest of the voids. The refurbishment of the units had contributed to the uptake.
- Rent invoiced for 2018/19 was down 12% for the portfolio as a whole, Hale Leys accounting for much of this.
- The overall value of the portfolio had decreased, reflecting the challenging retail market that Hale Leys was facing. However the value of the rest of the portfolio had increased.
- Debt had fallen in line with the Business Plan strategy and the loan to value ratio had decreased from the previous year.

The Economy and Business Development Scrutiny Committee had asked that the following comments be drawn to Cabinet's attention:-

- Whilst impressed with the efforts to increase the take up of industrial units and the relationships built with tenants, and whilst appreciating the challenges

currently existing in the retail market, the Committee had felt that in relation to Hale Leys, AVE could perhaps be more imaginative in their strategy for encouraging a better take up of units at the Centre by specialist retailers. In response, the Asset Managers referred to the innovative scheme to develop a roof top terrace at the Centre and the discussions to encourage the introduction of a food outlet at the High Street entrance, in the unit formerly occupied by Clarks.

- In appreciating that there was probably no easy solution, the Committee had felt that AVE might be more proactive in providing larger (15 – 20,000 sq. ft.) units. The Asset Managers noted the comment.
- The Committee had felt that perhaps more consideration could be given as to how it might be possible to achieve a better integration between the use of land for both Commercial and residential use. The Asset Managers referred to the options being given to the Cinram site which might open up this possibility.
- The Committee had commented that planners needed to respond more quickly to commercial/industrial demands, although it had been appreciated that the Council was actively trying to address this issue.

RESOLVED –

- (1) That the Scrutiny Committee be thanked for its input to the review of the AVE Business Plan.
- (2) That the position on the Business Plan as outlined in the Cabinet report be noted.

NOTE:

As one of the Council's representatives on the AVE Board, Councillor J Ward declared a prejudicial interest in the above item. She remained to answer specific questions in relation to AVE activities then left the meeting whilst Cabinet deliberated on the Business Plan review.

## **5. EXCLUSION OF THE PUBLIC**

RESOLVED –

That under section 100 (A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act:-

AVE Business plan: Review of performance.

The public interest in maintaining the exemption outweighed the public interest in disclosing the information because the report contained information relating to the financial of business affairs of organisations (including the authority holding that information) and disclosure of commercially sensitive information would prejudice negotiations for contracts and land disposals or transactions.

**6. AYLESBURY VALE ESTATES (AVE): REVIEW OF PERFORMANCE AGAINST THE 2018-19 BUSINESS PLAN**

As referred to above, Cabinet received a presentation on the performance of AVE against the Business Plan for 2018/19.

**Cabinet**  
**17 December 2019**

**FINANCE, PERFORMANCE AND RISK - SEPTEMBER 2019**  
**Councillor Mordue**  
**Cabinet Member for Finance and Resources**

**1 Purpose**

- 1.1 This report presents the financial digest, the Corporate Plan Report and the Risk Register for September 2019.

**2 Recommendations/for decision**

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| 2.1 To review the attached reports on Finance, Performance and Risk and note any actions for further consideration. |
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**3 Reasons for Recommendation**

- 3.1 To allow Cabinet Members to review the Financial Outturn, Corporate Plan Report and the Corporate Risk Register.

**4 Resource implications**

- 4.1 None

Contact Officer	Tamsin Ireland 01296 585004
Background Documents	none

AVDC Corporate Risk Register

Last review date: 25 November 2019

Ref	Risk Owner	Delegated Manager	Risk	Potential Consequences	Inherent Risk Rating			Capacity to Manage Risk	Existing Controls & Mitigation	Residual Risk Rating			DoT (up = increasing risk)	Proposed Actions/Comment	Completion Date
					Likelihood	Impact	Overall Risk Rating			Likelihood	Impact	Overall Risk Rating			
1	Andrew Small	Strategic Board	Fail to achieve the Medium Term Financial Plan. Annual sector budgets are not delivered.	Failure to meet statutory obligations and business objectives; Pressure on budgets increase; Inefficient and ineffective use of resources; Poor publicity and reputation damage; Inability to meet the demands of the future and ensure continuous improvement of services.	4	5	20	Substantial	Longer term view, still maintain 4 years balanced budget, but working towards March 2020. Strategic Board monitoring the budget; regular reporting through Cabinet. Quarterly financial digest. Budget managers review cost centre reports.	2	3	6	↑	Forecasting to balance the budget for the 2019-20 financial year. However, a number of risks and issues have been identified and are being monitored and managed, incl: · Income shortfalls including Property, Planning, Garden Waste · Higher than budgeted costs of waste disposal (additional costs of £440k) · Offset by budget underspends and largely related to Corporate Financing items and Business rates Financial outlook is reviewed on an on-going basis to both reduce financial risks that may impact adversely on the financial forecast and to identify additional efficiencies.	
2			Removed - combined with #3			0	Limited								
3	Andrew Small	Strategic Board	Loss of Snr Officers/Key staff (external or to Unitary programme) & inability to recruit high performing individuals.	Core service - deterioration in delivery due to loss of key staff & inability to recruit or retain high performing staff. Competing demands of Unitary programme impacts on capacity to deliver BAU. Projects - (capital, improvement, transformation) are delayed/cancelled; Financial cost of agency staff. Snr Management - capacity is stretched, lack of support to team members, lack of day-to-day direction/leadership	5	5	25	Moderate	Additional support to Leadership Team in place. Roles & responsibilities agreed across LT. Regular monitoring or leadership p and mgmt workloads. Retention - various retention strategies in place and regular review of risk for "key posts". Project prioritisation process concluded and ongoing review. Employee Relations - Collaboration and healthy challenge with trade union and staff representatives and challenges addressed in partnership. New E'ee reps added to current group Wellbeing -Outplacement scheme implemented. Coaching programme in place. Use of contractors to cover permanent vacancies. Staff communication, smooth handover, additional support to leadership team; Ongoing monitoring of KPIs and metrics	5	4	20	↑	Risk may further increase as recruitment into Tier 3 posts progresses and concludes. Ongoing BAU risk analysis and clear process for assessing project priorities. Member engagement in priorities and risks. Change Freeze in operation, phased from 1 November. Additional work associated with snap general election.	
4	Andrew Small	Strategic Board	Staff morale, mental, physical wellbeing deteriorates, increased demand on HR resource to support staff	increased sickness, Increase in staff stress levels; impact on service delivery	4	4	16	Moderate	Continued focus on Staff Comms. Increase in training spend, Staff Roadshows. Continued focus on Wellbeing and Mental Health including external providers for support. regular review by ADs; opportunities for recognition, additional responsibilities etc	4	4	16	↑	Unitary demands are increasing. Staff grades 1-3 less impacted, but 4 upwards increasingly involved. T3 recruitment in progress, TUPE consultation commencing, paydate move; increasing volume of change being felt. TUPE & T&C announcements mid Nov.	
5	Andrew Small	Will Rysdale	Lack of clarity and/or political engagement with partners hinders ability to engage in & influence next round of growth including consideration of CaMKOx Corridor, HS2, housing need targets. A Bucks wide plan could result in even more housing in the Vale geography.	Lack of engagement in planning issues impacting the Vale geography; expose district to "planning by appeal"; developer challenge; Government sanctions; lack of ability to secure strategic infrastructure; additional housing growth absorbed by Aylesbury Vale.	4	4	16	Moderate	AVDC interests represented in the Bucks Growth Board rather than separately as AVDC.	2	4	8	↓	AVDC is part of Econ & Regen Unitary workstream looking at how to tackle Bucks wide growth after 1 April 2020 - incl. CaMKOx, HS2 and response to consultation. 18 Sept Council resolved to "Oppose the expressway project and support the electrification of the East-West Rail route..." Need focus on delivering local plans as a priority (refer risk #13) - Growth Board paper sets out our position. E-W paper due in Autumn. Clarity on comms with external partners and key stakeholders. Visibility of AVDC and "seat at the table" important to maintain. Remain in SEMLEP.	
6	Andrew Small	Maryvonne Hassall	Failure to deliver the Connected Knowledge Strategy and achieve the Council's Digital objectives within AVDC lifetime. Lack of alignment to wider strategic / unitary authority objectives. New and existing systems/processes are not fully integrated.	Unitary - AVDC achievements and plans for digitisation of services is not pursued. Operational - New systems lack robust business processes and controls; poor integration between systems; failure to comply with GDPR and other legislative requirements exposing the Council to potential breaches; Data sharing of personal & sensitive information, cyber risk. Financial - VFM & unbudgeted costs Reputational - damage to reputation and standing as a "Digital Council", relationship with suppliers, disengage community through lack of access to digital services. Staff - capacity issues to implement changes whilst still delivering "day job" - flight risk of key people.	4	4	16	Moderate	CK Programme Board combined with wider Project Board (May19) to ensure prioritisation of all projects considering capacity and unitary. Funding agreed for 2019/20 Programme governance arrangements, steering group Project prioritisation process complete and there are a number of projects which were not yet started which will not be delivered. The scope and scale of others has being reviewed inline with resources capacity and alignment to Unitary. AVDC Digital programme lead is engaged with Unitary Workstream.			Closed		CK Strategy and Programme as originally envisaged will not be achieved. The risk has materialised and will now be moved to "closed". Programme close-down in progress. Paper to be presented (Nov19) setting out final position wrt achievements, savings identified, savings foregone (for AVDC) and opportunities for Buckinghamshire Council to consider in future. Overriding goal for AVDC is to deliver robust systems that can fully showcase the benefits of AVDC digital strategy and the efficiencies this can bring to the new Council - this has been reflected in the "project prioritisation" exercise.	
7	Andrew Small	Will Rysdale	Inhousing of Street and Horticulture service (Streetscene) is not completed by the end of the current contracts (January 2020), and in line with AVDC Council decision.	Failure to deliver services, financial costs, damage to AVDC reputation.	3	3	9	Substantial	Full Council approval, Project Manager, Operations Board for oversight & governance, budget approved, Project plan developed and work has commenced.	2	3	6	→	Project on track and progressing well. Review of indicative TUPE info complete and request to bring forward to allow more time before Christmas. Need to keep on radar for Unitary wrt Localism agenda and decisions re devolution which may have contractual / TUPE implications .	Jan-20

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					Likelihood	Impact	Overall Risk Rating			Likelihood	Impact	Overall Risk Rating			
8	Andrew Small	Will Rysdale	Waste & Operations Transformation Programme fails to deliver commercial, customer, H&S, Environmental objectives.	Inability to deliver services to public; death or injury to public or staff; regulatory fines; criminal prosecution or civil litigation; reputational damage; financial cost.	3	5	15	Moderate	Programme of works to March 2019 mapped out. Dedicated programme manager. Monthly Programme Board oversight; quarterly updates to Strategic Board	2	3	6		First LA to successfully achieve Competent Management System (CMS) (Sept 19) - remove need for reliance on key individuals to ensure compliance with EA licence requirements. Commercial business case for Workshop to be revisited and engagement with Unitary workstream required. Need to assess ROI for new Authority.	
9	Andrew Small	Teresa Lane /Will Rysdale	Pembroke Road Redevelopment programme is not delivered to time or budget,	Delay to the scheme, and potential to fail to deliver part/all of scheme. This would allow us to maintain our current service provision but could cause a reduction of service linked to the level of growth in the district. Costs exceed budget; inability to expand services and generate commercial income (e.g. HGV MOTs); damage relationships with future/existing tenants; Reputation damage	3	5	15	Substantial	External specialist consultant and programme manager recruited to help assess appropriate mitigation measures. Working with the Env Agency to understand their requirements and re-designing scheme where appropriate. Major Capital Projects Member group – Highlight reports, challenge from legal, finance and risk; Project teams with external contractors in place with established governance processes.	3	3	9		Governance processes being strengthened between Operations and Capital Projects to ensure alignment. Paper presented to cabinet 1 July 19 to update and confirm priority in light of Unitary decision. Plans redesigned to meet FPP requirements within original £9.2m budget window. Updated FPP plans approved by EA Nov19.	Nov-19
10	Andrew Small	Teresa Lane	Fail to manage and deliver major capital projects on budget and to time - The Exchange	Costs exceed budget; damage relationships with future/existing tenants; Reputation damage; impact on wider Town Centre Regeneration programme and ability to enhance existing assets.	3	3	9	Substantial	Major Capital Projects Member group – Highlight reports, challenge from legal, finance and risk; Project teams with external contractors in place with established governance processes.	1	3	3		Exchange opened 8 March. 3/4 of the F&B units have been let with interest in fourth. More positive outcomes of recent negotiations with potential tenants. Commercial units let on Long Lional. Financial impact (2019/20) being monitored through budget pressures	
11	Andrew Small	Teresa Lane	Decline in retail sector reduces ongoing viability of AVDCs Town Centre assets and limits success of regeneration programme	Decline in town centre investment, vacant property, reduced return on investment, increasing unemployment, reduction in business rates income.	4	4	16	Moderate	Aylesbury Town Centre plan and regeneration programme; joint Officer Steering Group (AVDC, BCC, ATC) monitors progress against action plan and receives ned ideas/challenges. AGT Board and Project Team is overseeing & reviewing the masterplan for the Garden Town which includes the town centre.	3	3	9		Need to consider future Regeneration plans in line with staff capacity and prioritise activities during AVDC transition year. AVDC investment in The Exchange will deliver new public space, restaurants, businesses, helping to change the town centre offering. AGT Masterplan will provide further opportunities to bid for funding and progress with small and major projects. AVDC&BCC mtg to discuss future strategy for Ayl Town Centre.	
12	Andrew Small	Teresa Lane	Aylesbury Vale Estates (AVE) does not deliver capital receipts and objectives of business plan.	Inability to achieve expected distribution from the partnerships and grow AVDC's investments; security of loans. Satisfaction/relationship with existing customers/community deteriorates; Reputational damage to Council and Members if high profile ventures fail; negative impact of "commercial" decisions on Council's wider strategic & community objectives.	4	4	16	Moderate	Internal audit review of AVE governance arrangements (Jan19). Partnership Agreement in place, business plan process in place and plan subject to scrutiny and cabinet approval. AVDC representatives on AVE abreast of issues. On-going monitoring and monthly meetings taking place. Asset Managers have been directly advised of performance concerns.	3	2	6		Private sector uncertainty may place dividend at risk. Continue to monitor	
13	Andrew Small	Will Rysdale	Fail to deliver a sound Vale of Aylesbury Local Plan before the transition to new unitary council.	Opportunistic planning applications; Loss of local control; Government send in own planning team; Loss of New Homes Bonus.	3	3	9	Moderate	VALP approved by Council 18 October. Project manager in place. Weekly action plans and progress monitoring. Regular engagement and communication with CLG to discuss timeframes. Early engagement of QC. Support from the Planning Officers Society; Advice from Planning Inspectorate; Working with the Bucks Planning Officers Group.	2	3	6		Consultation on main modifications commenced Nov 19. Once done hopefully we will take the plan forward for adoption(refer also risk #5).	Mar-20
14	Andrew Small	Jeff Membery	Inadequate working with "responsible parties" to ensure safety of residential buildings following Grenfell. There is potential for financial cost to the Council if management company folds leaving Council to do works in default.	Death or injury to public; loss of public trust; damage to reputation; Financial cost	3	5	15	Substantial	Liaising with MHCLG, working with leaseholder and housing association	3	4	12		Friars House in Aylesbury is over 18 meters tall and is fitted with ACM cladding. We are working closely with Moreland Estate Management, the Vale of Aylesbury Housing Trust (VAHT), Bucks Fire and Rescue and MHCLG to ensure the safety of residents. 5.9.19 mtg with BFS; keeping them informed of our enforcement activity in respect of the ACM. Nov 19 - working directly with MHCLGs Joint Inspection Team. Seeking some financial indemnification if work in default is required.	TBA
15	Andrew Small	Andy Barton	Impact of BREXIT - financial (eg fuel costs), procurement, employment, regulatory, environmental, major projects/partnering arrangements	Impacts all areas of Council activities	4	4	16	Substantial	Detail risk register and action plan, working group monitoring	2	2	4		Brexit deadline now 31 Jan2020. Planning for "no deal" Brexit ongoing, inline with MHCLG guidance. Engaged with BCC and LRF. Continue to monitor Brexit risk.	Ongoing
16	Jeff Membery	Hazel Hutt	Deterioration of quality of planning service delivery, decisions and timeliness of response to applications in the face of increasing growth demand; compounded by vacancies in the planning team, reliance on consultants and the national reduction in applicants; challenge locally due to job market and growth, unitary uncertainty	Damage to reputation, customer complaints/appeals, delayed applications, status as Planning Authority.	4	4	16	Moderate	Planning Advisory Authority workshop and review. Planning performance report to Audit Committee October 18; customer journey analysis, member case load, planning updates & communications etc., range of recruitment strategies	3	4	12		Planning improvement is a priority as part of Transition year and plan in progress to deliver Performance Improvement, incl. case load management, proactive contact etc. . Still vacant posts and challenges to recruit. 2 resignations (Sept 19) . Exploring Bucks wide recruitment through Unitary. Decision not to go live with new Built Env system given resource challenges - work now progressing to update and extend Uniform contract - negotiation taken forward through Unitary.	

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					Likelihood	Impact	Overall Risk Rating			Likelihood	Impact	Overall Risk Rating			
17	Andrew Small	Andy Barton	Health & Safety - Non compliance with Fire and Health and Safety legislation. Failure to provide a safe place for staff and visitors on AVDC property and/or events.	Death or injury to public or staff; criminal prosecution or civil litigation; Service stopped; Loss of public trust; Action by Health and Safety Executive or Bucks Fire and rescue, e.g. fine up to £4m, corporate manslaughter charges; Insurance claims/ financial loss	2	4	8	Moderate	Revised H&S policy & strategy approved Sept 17. Fire Risk Assessments performed for all property (Apr17) and reviewed (Dec17). Strategic Health and Safety Board monitor risk and performance. H&S Committee meets every 3 months. Management of contractors procedure in place and training provided. Ongoing training planned throughout 2018. New M&E service provider selected (Apr18) which will see a more uniformed and monitored approach to pre-planned maintenance and reactive work. New lone working devices and 3 year contract purchased. Community safety manager appointed (Apr17) with responsibility for Emergency Plan and Community Resilience. Table top exercise run Dec2018. Public Events Management steering group set up & Duty holders established. Security contract in place and Silver command. Crowd Safety Management consultancy review. Resilience workshop with Local Resilience Forum to focus on long term response planning. Thames Valley Local Resilience Plan in place with AVDC representation at District level.	2	3	6	→	Sept 19 full H&S team in place (3xFTE): Corp H&S manager, Operations H&S Manager, H&S Officer. Now need to reprioritise work plan. 1. Management of asbestos & legionella currently being reviewed in line with new M&S service contract. 2. Sector risk assessments and risk profiling in progress 3. Review vulnerability assessment action plan general security of the building (Set 19).	Oct-19
18	Andrew Small	Will Rysdale	Fail to plan for a major or large scale incident (accident, natural hazard, riot or act of terrorism). Risk to safety of public & staff	Public safety. Service delivery disruption and impact on the Council's ability to deliver critical services. Reputational damage to the council.	2	4	8	Moderate	EP & BC Steering Group established to ensure coordination. Increased use of cloud technology, less paper documents.	2	3	6	→	Events Safety Management Framework agreed to ensure consistent approach and accountability. Crowd Safety consultancy has advised on Safety Plans prior to WhizzFizz. Future events will build on this.	
19	Andrew Small	Andy Barton	Business interruption affecting the Council's resources and its ability to deliver critical services. Loss of IT due to failure or cyber attack.	Service delivery disruption and impact on the Council's ability to deliver critical services. Reputational damage to the council.	2	4	8	Moderate	Data Governance Officer with responsibility for DP and info governance. IGG monitors specific risks and has its own action plan. Information Management Strategy has been revised in readiness for GDPR. Mandatory training; Investigations into data breaches. Periodic data sweep. HB Law supporting. Information Asset Registers, identified Information Asset Owners, retention schedules in place. Privacy Impact Assessments for all projects. Dual factor sign in.	2	3	6	→	All the BCPs being reviewed and updated to ensure fit for purpose. Work is aligning with Unitary work streams. Need to ensure plans tested in view of potential Brexit no-deal scenario.	Sep-19
20	Andrew Small	Andy Barton	Information Governance - Non compliance with legislation, a significant data breach, inappropriate access, corruption or loss of data.	Exposure of confidential information or corruption of data; Prosecution or fine for statutory breach; Loss of public trust	3	4	12	Substantial	Internal AVDC safeguarding board with membership across all sectors. Mandatory training rolled out to all staff. Use self reporting template/ RAG framework (S11); Meeting with Chair of Bucks safeguarding board – questions asked about current safeguarding arrangement and recommendations made; AVDC Chairs Community Safety Partnership (Prevent). Check applications for taxi licenses with disclosure Scotland. Whistleblowing policy in place and Managing volunteers policy in place. Members training on Prevent (WRAP) (Oct17). Internal audit (May17). Member training on Safeguarding 2018.	2	3	6	→	GDPR programme targets achieved for compliance by May2018. Post GDPR programme to complete remaining tasks. No further work will be done on Policy Review as this all now falls under Unitary workstreams. Customer Data processes project commenced to address system issues and cleanse data prior to unitary	
21	Andrew Small	Will Rysdale	Safeguarding arrangements are not adequate to effectively address concerns about vulnerable adults & children who may be at risk of significant harm. Requirements of "Prevent" are not implemented and applied. Internal processes and controls are inadequate to effectively prevent dangerous individuals from gaining access to opportunities where that may place vulnerable adults and children at harm (e.g. Taxi licensing/Housing).	Failure to refer concerns to the appropriate agency for investigation; Damage to reputation; Harm to vulnerable adult or child as a result of failure to refer. Reputational damage to the council should perpetrator of terrorism be living or radicalised within the borough. A known sex offender is not prevented from having access to vulnerable adults and children.	2	4	8	Moderate	Compliance team focus on CT liability, Housing Benefit, Tax Reduction entitlement, exemptions and discounts. New Fin Regs & Procedures update financial controls. Internal audit reviews and oversight of fraud action plan. Fraud Awareness session provided at Manager Training.	2	3	6	→	Training needs assessment for different roles is complete. Training for level 2,3,4, booked in. With onset of winter, implement severe weather emergency protocol actions for Housing/Homelessness.	
22	Andrew Small	Andy Barton	Fraud, financial impropriety or improper business practices. Potential for fraud, corruption, malpractice or error, by internal or external threats.	Immediate financial loss; reputational harm; inquiry costs and penalties.	2	3	6	Substantial	Equalities steering group. Equality Impact Assessments performed. Annual Equalities report to Cabinet Jan18Post restructure, AVDC profile has been reviewed and is broadly consistent.	1	3	3	→	Fraud risk assessment to be undertaken as part of 2019/20 internal audit plan	Dec-19
23	Andrew Small	Andy Barton	Equalities - Decisions taken by the Council do not consider equalities resulting in Judicial Review and other litigation	Reputational risk to the authority and inability to progress with strategic objectives of the organisation; potential cost to the Council if decisions made against the authority.	2	3	6	Moderate		1	2	2	→		

# Corporate Plan Report Summary – Q2

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- 1.1 The Council's Corporate Plan sets out 4 priorities: Financially Fit, Leading and Shaping our Places, Customer and Innovation and Partners, Community and Environment. There are 17 themes which sit under these 4 priorities. Key projects and performance measure have been identified to report on progress against these priorities.
- 1.2 The 17 themes are high level and selected to give an overview of performance in each area. Projects and performance measures are assessed to see if they are on target (green), near target (amber) or need improvement (red).
- 1.3 Of the 51 Projects and Measures 33 are green,10 are amber and 6 are red. One indicator is monitor only and does not have a target. We have not received data for one indicator this quarter. The red items are detailed below and the detail for the remaining items can be found in attached report.
- 1.4 **Information Security Incidents (R)** - None of the Information security incidents were reportable to the ICO. The incidents have all been investigated and action taken to prevent or mitigate this happening again.
- 1.5 **Affordable Homes (R)** - A total of 56 properties were completed in the second quarter; of these 29 were for shared-ownership and 27 were for affordable-renting, bringing the total for 2019/20 to 115. Current data suggests that a further 208 dwellings will be completed in Q3, which will bring us back on target.
- 1.6 **Exchange phase 2 (R)** - Future plans will link to the Garden Town masterplan. AVDC and BCC working closely together and liaising closely with other stakeholders.
- 1.7 **Staff turnover (R)** - Staff turnover is higher than the local government average which is 13% although it is lower than in April. It is thought that the higher turnover rate at the moment is due to the move to a Unitary Council and the current level of uncertainty for staff at this time
- 1.8 **Staff sickness (R)** - Rolling sickness has increased since the last quarter and is now at 9.48 days per FTE for the rolling year. This is in part, due to an increase in long term absence during the twelve month period which is being supported and actively managed.
- 1.9 **Secure sponsorship and external funding for events (R)** - With a suggested target of £15,000, we managed to secure a total of £12,500 in sponsorship. Toyota have pulled out of corporate sponsorship of the official Paralympic Games, making it harder to secure sponsorship for our local Flame Lighting event.

# Corporate Plan Summary

September 2019

To lead, shape and enhance the economic, social and environmental wellbeing of the vale, embedding AVDC values in the new unitary council

## Financially Fit



### Balanced Budget

#### Comments

**Portfolio Financial Position (A)** - At the end of September, a net overspend against budgets of £783,376 is reported, at portfolio level. Over the remaining months of the financial year, it is forecast that following a review of corporate budgets and the use of reserves, overspends at portfolio level will be offset by savings on corporate budgets. There are a few underlying factors to the reported YTD and forecast overspend, including cost pressures in relation to staff overspends within housing benefit, enforcement and planning teams, above budgeted level of spends in relation to waste disposal and also income shortfalls in relation to SEED, planning PPA income and property income. Overspends are offset partially on staff savings in areas e.g. Project Management Office, Communications and the Electoral and Democratic teams. **Financial Outturn (G)** - The Council are forecasting to balance the budget for the 2019-20 financial year. Several risks and issues have been identified and are being monitored and managed. The financial outlook is being reviewed on an on-going basis to both reduce financial risks that may impact adversely on the financial forecast and to identify opportunities to improve on the current forecast position. **Grow our income streams (G)** - Year to date, there is a variance to budget with some areas performing better than others. Income levels can fluctuate by month. The budget is being monitored and it is anticipated that income levels will recover to budgeted levels over the remaining months of the year.

Quantitative Measures					
Measure Name		Actual	Target	Unit	Source Date
Portfolio Financial Position	🟡	12,281,515.00	11,498,139.00	£s	Sep-2019
Financial Outturn	🟢	0	0	£s	Sep-2019
Continue to grow our income streams	🟢	1,020,279	903,030	£s	Sep-2019



### Well run and well governed

#### Comments

**Management Information reporting embedded (G)** - The strategic dashboard is now well established and is regularly reviewed by Strategic Board and Cabinet. Joint finance, performance and risk reports are regularly reported to cabinet. The BI team are heavily involved in unitary work. **Robust control environment (G)** - Action on the post GDPR programme continues. Privacy Notices continue to be created and reviewed, concentrating on areas of high risk and demand. Data Protection Impact Assessments created where appropriate, staff are sent regular reminders and the template has been replaced by the ICO's template which is easier to use.. Data Sharing Agreements are being reviewed by the data governance workstream as part of the move to a unitary council. The Data Governance Manager and HR Manager have been heavily involved in unitary work. Going forward the focus is on unitary and maintaining strong risk management at AVDC. **Information Security Incidents (R)** - None of the Information security incidents were reportable to the ICO. The incidents have all been investigated and action taken to prevent or mitigate this happening again. **% audit actions that are high risk (G)** - As reported to the July Audit Committee 52% of outstanding actions had been completed including 2 high risk actions, there are currently 66 individual actions identified of which 5 are high risk relating to general ledger reconciliation.

Quantitative Measures					
Measure Name		Actual	Target	Unit	Source Date
% of audit actions that are high risk	🟢	7.58	10.00	Percentage	Sep-2019
Information Security Incidents	🔴	10	0	Number	Sep-2019



## Efficiency in service delivery

### Comments

**Successful delivery of streetscene programme (G)** - All work streams are on track with no issues or concerns raised. **Consultant Spend** - Please see financial digest. **Reduction in debt (G)** - Awaiting comment **Contract cost reduction (G)** - We have saved £263,882 for the life of the contracts. The saving so far in this financial year is £119,732. *The three exercises undertaken to achieve these savings were a tender for Car Leasing services, a reduced scope and specification of Salesforce licences and award using CCS framework, and re-negotiation of Arcus platform licences which delivered lower cost per user and discount for upfront payment. We also had income of £1,703 and cost avoidance of £95,808.*

Quantitative Measures					
Measure Name		Actual	Target	Unit	Source Date
Reduction in debt owed to the council	★	5,751,744.00	7,304,671.00	£s	Sep-2019
Consultant Spend	?!	?	?	£s	Sep-2019
Improved procurement efficiency	★	230,426.00	50,000.00	£s	Sep-2019

# Leading & shaping our places



## Adoption of a clear spatial & infrastructure plan

### Comments

*VALP adoption progress (A)* - The Proposed Modifications to the Vale of Aylesbury Local Plan have been submitted to the Inspector for his consideration. The Main Modifications will be subject to public consultation starting in October 2019.



## Delivery of planned homes and jobs for our people

### Comments

*Affordable homes built (R)* - A total of 56 properties were completed in the second quarter; of these 29 were for shared-ownership and 27 were for affordable-renting, bringing the total for 2019/20 to 115. Current data suggests that a further 208 dwellings will be completed in Q3, which will bring us back on target. *Housing completions (G)* - There have been 434 dwellings completed in the second quarter of 2019/20, bringing the total for the year to date to 873. Of these dwellings completed in Q2, 118 were built on brownfield sites and 316 on greenfield sites. *Housing starts on site* - At the end of September there were 1451 properties under construction.

Quantitative Measures					
Measure Name		Actual	Target	unit	Source Date
Affordable homes built	▲	115		150 Number	Sep-2019
Housing Completions	★	873		726 Number	Sep-2019
Housing Starts on site	!	1,451		? Number	Sep-2019



## Enhancing the character of our built and green places

### Comments

**Garden town masterplan progress (G)** - The draft Masterplan was approved for public consultation at the AGT Board on 10 September. The Vision document is in final draft stage and will be reported to the AGT Board on 22 October, with a public launch of the document scheduled on Monday 4 November. A series of briefings will be held for Members of AVDC, BCC and parish councils in the AGT area including the Town Council; community forum; and the built environment forum. A public consultation on the draft Masterplan 2050 will commence on Monday 6 January for four weeks including a multi-media, multi-channel marketing campaign. The draft framework and infrastructure SPD to accompany the Masterplan will be available in early 2020. A key risk to the AGT programme remains delays to the adoption of VALP. **Delivery of four conservation area reviews (A)** - The formal consultation period of the Mentmore Conservation Area review is underway. Following any required changes the document will be presented to Cabinet with the consultation findings. The presentations by Dr Sarah Rutherford organised by AVDC officers and Mentmore Parish Council were well attended. The Little Horwood Conservation Area review has progressed and will be presented to Cabinet. Work is underway to review the Brill Conservation Area; this is subject to recruitment of a Senior Heritage Officer. The complexity of the reviews and staff resources means the number of Conservation Area reviews approved during 2019/20 will be lower than expected.



## Seizing the opportunities and mitigating the negative impacts of growth

### Comments

**New depot opens (A)** - The Depot project is progressing with works on site. We are in discussions with the Environment Agency linked to the submission of our EA permit application and will provide updates accordingly. **New homes bonus microgrants awarded (G)** - 30 micro grants have been awarded from April to September 2019. The scheme has proved popular indeed since the maximum amount VCS organisations can apply for rose to £2k in April 2019. Cabinet agreed to allocate the £6k underspend on the NHB project grants to the micro grant scheme. This increases the budget available in 2019/20 to £86k of which the remaining balance is £37,334. This will take us up to the last round in March 2020 when the scheme will come to an end. **Our vale crowd funding platform (G)** - At the closing deadline of 30 September 2019 there were 7 live projects on the Our Vale platform. The Panel will meet on 12 November to consider the projects for an AVDC pledge of up to £5k each. Please note that criteria apply (e.g. we do not usually fund fundraising activities or improvements to religious buildings) but each project will be considered for a possible pledge of up to 5k from AVDC. All may crowdfund on the platform regardless of whether AVDC pledges or not.

Measure Name	Quantitative Measures			Unit	Source Date
	Actual	Target			
Number of live projects on Our Vale crowdfunding platform	7	7		1 Number	Sep-2019
Number of New Homes Bonus micro-grants awarded	30	30		20 Number	Sep-2019

## Regenerating and improving our towns



### Comments

*The exchange phase 1 (G)* - The popularity of the public space continues to grow and is included on the Design awards entry. Roccocos, The Grill and Zizzis are all reporting very positive trading - better than expected. More regional operators for unit 4 are being targeted and a local letting agent has been appointed to increase the marketing effort on the Long Lion units after the planned occupier defaulted on the lease agreement. *Exchange phase 2 (R)* - Future plans will link to the Garden Town masterplan. AVDC and BCC working closely together and liaising closely with other stakeholders. *Kingsbury and market square regeneration A)* - An excellent response has been received to the invite for Expressions of Interest for public space architects. Shortlisting will be the next stage before tenders are issued. *Car parking strategy (A)* - AVDC and Wycombe DC are working together on a joint procurement to replace the pay and display equipment. Once signed off, the specification will go out to tender. Further consideration of the draft strategies for Buckingham, Winslow and Wendover has been deferred until after 1 April.

# Customer & Innovation



## Lead public sector innovation & delivery

### Comments

Connected knowledge programme on track (A) - 23 projects are still in flight, with 17 of those on target. The programme is due to end in March so work is underway to formally evaluate and close the programme.



## Deliver high quality and reliable services

### Comments

*Deliver targets in the customer charter (G)* - The team are successfully meeting the targets for processing times for housing benefit and council tax reduction despite huge customer demands through the garden waste sticker project. The waiting times and abandonment rate for call are also well under target. *Extended hours of customer service delivery (A)* - There are no changes to the opening hours at present however we have gone live with Project Sparkle during our office opening hours, this means customers can report a missed bin using our fully automated telephony system. Once this is signed off we will expand this service to customers out of hours. *% of missed bins (G)* - Since the round changes introduced last year missed bins has remained below target and steadily reduced.

Quantitative Measures					
Measure Name	Actual	Target	Unit	Source Date	
% of missed bins	★ 0.04		0.10 Percentage	Sep-2019	



## Improve our customer satisfaction levels

### Comments

*% of CSC customers satisfied with their overall experience (G)* - Customers continue to be satisfied with the service they receive in the customer service centre, with satisfaction scores consistently above the target of 85%. Plans for extending our customer satisfaction monitoring are now on hold due to the unitary work programme.

Quantitative Measures					
Measure Name		Actual	Target	Unit	Source Date
% of CSC customers satisfied with their overall experience	★	85.71	85.00	Percentage	Sep-2019



## Enabling our staff to improve delivery & support our customers



### Comments

*Staff turnover (R)* - Staff turnover is higher than the local government average which is 13% although it is lower than in April. It is thought that the higher turnover rate at the moment is due to the move to a Unitary Council and the current level of uncertainty for staff at this time. *Staff & member engagement with workplace (G)* - We introduced Workplace by Facebook as a replacement for our intranet in March 2019. *Staff sickness (R)* - Rolling sickness has increased since the last quarter and is now at 9.48 days per FTE for the rolling year. This is in part, due to an increase in long term absence during the twelve month period which is being supported and actively managed.

Quantitative Measures					
Measure Name		Actual	Target	Unit	Source Date
Staff Turnover	▲	13.94	13.00	Percentage	Sep-2019
Staff & Member engagement with Workplace	★	94.31	90.00	Percentage	Sep-2019
Average number of days lost to Sickness per FTE (rolling year)	▲	9.48	7.50	Days	Sep-2019

# Partners, community & environment



## Placing local councils at the heart of our approach

### Comments

**Parish engagement (G)** - During the quarter we held a planning forum for Parishes. Where parishes could view a series of presentations including; planning, planning enforcement, democratic & electoral services, garden town and east west rail. It is worth noting that there is less contact with Parish & Town Councils between August and September due to the summer holidays. There were 230 contacts from parishes between July – September.



## Influencing partners to ensure delivery of our plans

### Comments

**HS2 assurances (A)** - The assurances are being monitored as part of the HS2 process with discussions taking place, although this is still early stages in the design process. This continues to remain a controversial development for local communities and we are committed to ensuring the benefits sought through assurances are delivered. **Input into the route planning of the expressway (A)** - AVDC now formally opposing the Expressway and didn't sign the NDA regarding route options for the Expressway. AVDC working with EEH and BCC though to input into potential alternative proposals to the Expressway which are being presented to DfT. The Highways England route consultation is due to commence Autumn 2019 (but still not started yet) and we have confirmed we will publicise it when it does start to ensure the public are aware of it as much as possible. Maintaining quarterly meetings with HE. **Engage with government & partners on the Ox/Cam arc (G)** - AVDC continue to engage at Arc Leaders and CEX level and in officer groups relating to the four pillars of workstreams (productivity, place, connectivity, environment) as Arc continues to be an economic priority in Government. Bucks growth board and officer group established to try and help coordinate single voice to government for Bucks (one of four blocks) within the Arc.



## Protecting & supporting our vulnerable people

### Comments

**Percentage of people prevented from becoming homeless (G)** - We continue to review working practices having recently amalgamated the Housing Pathway Team into Housing from Customer Relationship. Representatives from the HAST team at MHCLG also visited recently to review implementation of the Homelessness Reduction Act. We are looking at some potential opportunities to further improve our service offering which will potentially have a positive effect on this indicator. **Number of rough sleepers helped (G)** - £9 rough sleepers were helped into a long term housing solution, the remaining 15 were offered short term accommodation then either returned to the family home or failed to engage and have been evicted. **Percentage of long term empty properties (G)** - Work in the last quarter has been mostly reactive as officers are predominantly focusing on unitary work and identifying unlicensed HMO's. **Anti-social behaviour reports (G)** - We have seen a slight decrease in calls this quarter, with 28% of calls being attended to and response times of: immediate: 14.99 mins and Urgent: 98 mins.

Quantitative Measures					
Measure Name		Actual	Target	Unit	Source Date
Anti-social Behaviour calls received by TVP	★	469	505	Number	Sep-2019
% of long term empty properties	★	0.20	0.30	Percentage	Sep-2019
% of people prevented from becoming homeless	★	62.00	50.00	Percentage	Sep-2019
Number of rough sleepers helped	★	54	12	Number	Sep-2019



## Continue to host iconic events for the community

### Comments

**Number of activity/stall providers at play in the park (G)** - Another successful event, with 39 stalls/activities and 4 Sports Demo Sessions. Despite a couple of rain showers the event was well attended and feedback from families who attended was very positive. **Parishes booked into play in the parishes (G)** - Programme successful with excellent feedback from participants and Parish Councils. Some Parishes have already booked for their session next summer. 22 parishes, 40 sessions and over 2000 children in attendance. **Deliver WhizzfizzFest in budget (G)** - Event very successful, with 470 tickets sold for wonder of whizzfizz show and 407 tickets sold for main marquee. COMt considering a report regarding holding the event next summer. **Deliver Paralympic heritage flame lighting ceremony (G)** - Plans progressing well, finalising appointment of external creative company to produce/ create the ceremony aspects. Regular working group meetings set up and starting security / health and safety planning meetings shortly. **Secure sponsorship and external funding for events (R)** - With a suggested target of £15,000, we managed to secure a total of £12,500 in sponsorship. Toyota have pulled out of corporate sponsorship of the official Paralympic Games, making it harder to secure sponsorship for our local Flame Lighting event. **Deliver a Programme of high quality town centre events (G)** - In Q2 the town centre management team organised eight street entertainers and four school holiday children's events. Highlights include launching the Aylesbury Refill scheme; improved community safety in Kingsbury; conducting social media training for market traders; introduced planters for traffic calming; launching campaign to reducing rat/pigeon population in the town centre; initiating Summer Socialising campaign to encourage workers to stay in town after work and the second Waterside Festival attracting over 10,000 visitors.

Quantitative Measures					
Measure Name		Actual	Target	Unit	Source Date
Number of parishes who have booked at least one play in the parishes	★	22	18	Number	Sep-2019
Sponsorship and external funding secured for events	▲	12,500	15,000	£s	Sep-2019
Number of activity/stall providers in attendance at play in the park	★	43	35	Number	Sep-2019



## Environmental Wellbeing

### Comments

**Promotion of clean air day (G)** - National Clean Air Day 20 June 2019. Internal posts provided information on the day. District councils within Buckinghamshire agreed to focus on wood burning this year as it is a major source of particulate air pollution. All businesses located within the district selling wood burning stoves and local chimney sweeps were contacted to make them aware of the Day and advise them of various documents/leaflets DEFRA have produced. **Secure green flag awards (G)** - We were successful in securing the last Green Flags for AVDC at Bedgrove Park and Vale Park in Aylesbury, and Heartlands open space in Buckingham. Flag raising ceremonies were held and well supported by AVDC's Chairman, Members, and stakeholder groups. Applications will be made later this year to try and secure the awards again for the new Buckinghamshire Council. **Plant 200 trees (G)** - Sites and tree species are being identified for planting at the end of 2019. **Delivery of volunteer hours for ecology projects (G)** - AVDC support several volunteer groups across Aylesbury Vale. Vale Countryside Volunteers undertake general conservation work mainly on farmland, woodland meadows, protected sites, including some AVDC owned sites, while others have focus on particular species. **Delivery of two play area replacements (G)** - Work is on-going for a new toddler/junior play area to be provided at Alfred Rose Park, Aylesbury. Currently getting feedback on stakeholders requirements. Design brief for improvements to equipped play provision at Calvert Green to be informed by Calvert Green Parish Council Consultation.

Quantitative Measures					
Measure Name		Actual	Target	Unit	Source Date
Delivery of volunteer hours for ecology projects	★	4,291	2,600	Number	Sep-2019
Plant 200 trees as part of the Trees Please project	★	0	0	Number	Sep-2019

**REPORT SUBMITTED TO FINANCE AND SERVICES SCRUTINY COMMITTEE  
ON 11 NOVEMBER 2019**

**FINANCIAL DIGEST : APRIL 2019- SEPTEMBER 2019**

**1 Purpose**

- 1.1 This report presents the Financial Digest for the period to 30<sup>th</sup> September 2019. This represents the financial position for the first six months of the financial year 2019-20.

**2. Recommendations**

- |     |  |
|-----|--|
| 2.1 | Members are requested to consider the digest and its contents. |
|-----|--|

**3 Supporting information**

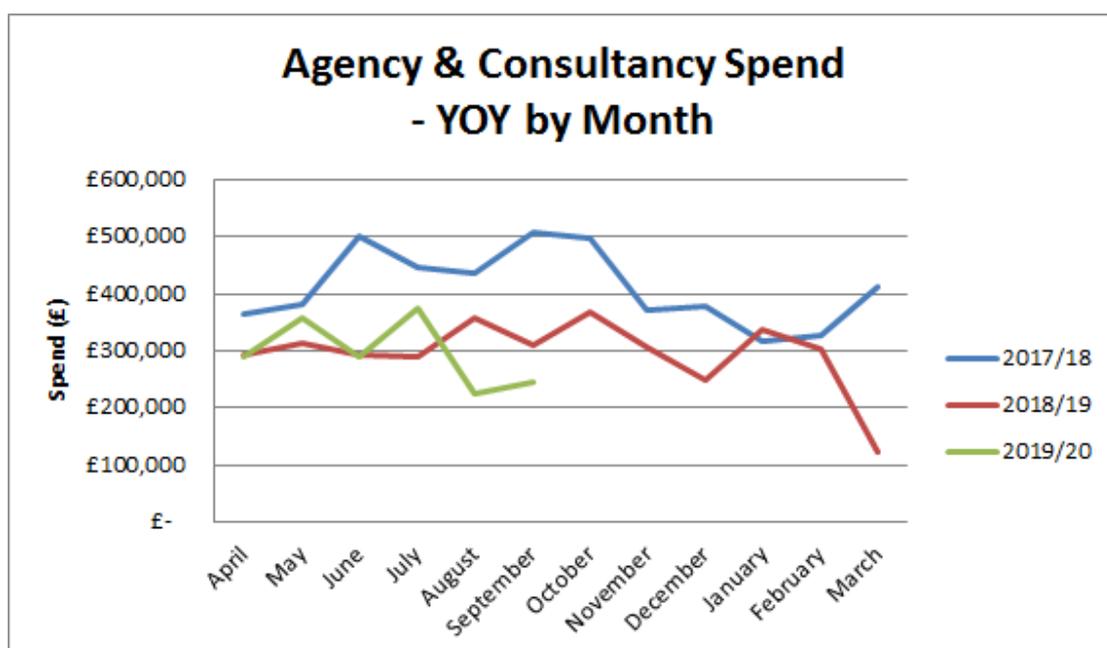
- 3.1 This report presents the financial digest for the period to the end of September 2019 for member's consideration.
- 3.2 The financial digest is attached as Appendix 1.
- 3.3 The year to date financial information is based on the actual income and expenditure for the first six months of the financial year. An estimate of the expected financial outturn position for 2019/20 is also provided.
- 3.4 As at the end of September, a net overspend against budgets of £783,376 is reported, at portfolio level. Over the remaining months of the financial year, it is forecast that following a review of corporate budgets and the use of reserves, overspends at portfolio level will be offset by savings on corporate budgets.
- 3.5 The Council are forecasting to balance the budget for the 2019-20 financial year. A number of risks and issues have been identified and are being monitored and managed and it is anticipated that any additional cost pressures will be offset by budget underspends and additional income across the Council.
- 3.6 The Medium Term Financial Plan (MTFP) agreed by Council in February 2019 assumed a break-even position for 2019-20.
- 3.7 Members can be assured that the timely reporting has allowed for mitigating actions to be identified by budget holders and managers across the Council to address the emerging financial position.
- 3.8 2019-20 represents an exceptional year for the Council, with the move to the single unitary council in April 2020. The Secretary of State's decision to create a single unitary council in Buckinghamshire fundamentally reshapes the drivers for financial planning. Whilst every effort is being made to deliver to budget and remain focused on continuity of service delivery, the decision still has a profound impact on strategy and future planning. Furthermore, the decision creates uncertainty over the direction of work programmes and uncertainty for staff.
- 3.9 The financial environment is challenging and the focus of the Council remains to delivering financial stability.
- 3.10 The financial outlook is being reviewed on an on-going basis to both reduce financial risks that may impact adversely on the financial forecast and to identify additional efficiencies.

**REPORT SUBMITTED TO FINANCE AND SERVICES SCRUTINY COMMITTEE  
ON 11 NOVEMBER 2019**

- 3.11 The forecast level of balances for the financial year is reported as £2.353m. This is higher than planned. The increase to the working balances is as a result of the 2018-19 financial outturn being better than forecast.
- 3.12 Earmarked reserves are held for legitimate reasons and the use of earmarked reserves is an essential part of sound financial planning.
- 3.13 The year to date forecast position currently assumes some use of reserves to offset agency costs for planning where there are unusual pressures. The use of further reserves will be assessed during the year.
- 3.14 There are a number of underlying factors to the reported YTD overspend.
- 3.15 Detail of the significant cost pressures and efficiencies for the period to date include:
- Savings against budget in relation to transitional relief for business rates (£110,000)
  - Budget savings arising as a result of the delay in implementation of the taxi token scheme (£16,000)
  - Within the environment and leisure portfolio, an overspend on staff of £103,000 relates to the use of agency staff working on planning enforcement during a period of change and restructure as a review of work processes is undertaken to realise service improvements. It is anticipated that the use of agency staff will cease in the final quarter of the financial year.
  - A year-to-date overspend against budget is also reported for the housing benefit department (£45,000). Additional staff have been engaged to address a back log of work. Vacancies in this area has also led to agency use at premium cost. The department is benchmarked to be lean compared to other authorities. Currently, the staffing position is much improved and all temporary staff have been released other than those covering current vacancies or those who are funded. No recurrent staffing pressures are assumed.
  - For the period to the end of September, a number of vacancies have arisen both as a result of secondments made to the unitary team and also staff leaving the organisation. This includes both members of the senior management team and also staff across the Project Management Office, Communications and the Electoral and Democratic teams. A number of the vacancies remain unfilled and not covered by agency, resulting in underspends. (£175,000).
  - Pressure on SEED income due to the impact of unitary decisions has resulted in a year to date income shortfall of £42,000. Whilst pipeline council to council income remains strong, the ability to deliver it is reducing pending Unitary. Resources in the team are also being diverted to support other corporate priorities.
  - Staffing pressures across the planning and building control teams remain a financial pressure in the reported budgets year to date. Staffing budgets are overspent by £150k (after the use of reserves). Work continues in this area to review working practices and spend levels whilst maintaining service provision.
  - A shortfall against income targets for the planning department (£277,000) is largely a result of reduced staffing capacity to deliver to targets together with a shortfall to the pre-planning application pipeline and income recovery levels.

## REPORT SUBMITTED TO FINANCE AND SERVICES SCRUTINY COMMITTEE ON 11 NOVEMBER 2019

- The Council are reporting a year to date overspend of £267,000 waste budgets. This relates largely to increased costs of waste disposal. The cost of disposal is based largely on the commodity value of each material (plastic, card, paper etc.) and therefore the cost paid is largely outside of the Council control. This has been highlighted as a future financial risk.
- 3.16 For the six months of the financial year to date, the main financial issues emerging are outlined in the paragraph above. Across the Council, many other budgets have less significant variances as spending patterns can be varied over the months and commitments not fully realised, resulting in smaller year to date variances. Budget holders review spend on a monthly basis.
- 3.17 The year to date financial position includes spend on agency staff. The spend on high cost agency staff continues to be monitored and managed in order to minimise overspends on salary budgets. The use of agency to cover vacancies and service pressures incurs a premium and often results in an adverse variance to agreed budgets.
- 3.18 Members have previously considered a paper outlining the management arrangements for agency and temporary staff.
- 3.19 Agency spend is incurred for a number of reasons including
- To support funded project work e.g. Connected Knowledge programme
  - To support service delivery where there are vacancies or activity related pressures.
- 3.20 The graphs below detail the current spend across the organisation, and also comparative information for previous years.



## REPORT SUBMITTED TO FINANCE AND SERVICES SCRUTINY COMMITTEE ON 11 NOVEMBER 2019

- 3.21 Agency spend for the period July to September 2019 is 10.5% lower than the spend over the first three months of the financial year. Members will also note that agency spend for the period to date in 2019/20 is 4.4% lower than 2018/19.
- 3.22 Detail of the reserves and provisions currently held by the Council are listed on page 14 of the digest. These reserves are held against specific risks and commitments. The table details the closing balances for reserves at the end of March 2019 and gives an estimate of known/anticipated movements. The level of reserves held will change during the financial year as commitments are confirmed and approved.
- 3.23 As well as the revenue budget the digest, on page 15 also reports on the level of capital spend to 30<sup>th</sup> September 2019. A spend of £1,286,183 is reported. The spend is primarily on existing projects. Spend on existing and planned projects will be reviewed over the coming months to assess any capital slippage for the financial year.
- 3.24 On page 16 there is information on the level of investments and borrowings during the first six months of the financial year. No new borrowing has been taken out so the current level remains at £18.5m.
- 3.25 The council had £36.2m invested at the end of September, in a combination of banks, building societies and money market funds.

### **4 Options considered**

- 4.1 The financial forecast represents a view of the likely financial outturn for the financial year, given current working assumptions.
- 4.2 With six months of the financial year left, it is difficult to assess the financial outturn with absolute certainty. In preparing forecasts, best estimates of income and expenditure are made in line with known expectations and intelligence on emerging issues in liaison with budget managers.
- 4.3 Whilst currently reporting a break-even position, the following risks and issues have been identified and are being monitored and managed;
- Variances on budgeted staff costs
  - Income shortfalls in relation to property and garden waste income.
  - Higher than budgeted costs of waste disposal
  - Revision of corporate budgets in relation to financing items including Business rates.
- 4.4 Staff costs  
Across the Council, the financial position is influenced by the spend on staff costs. Despite known pressures on staff costs in areas including planning, enforcement and housing benefit, it has been possible to offset overspends with underspends and additional efficiencies in other areas including Project management office, democratic services and senior manager vacancies.
- 4.5 Income shortfalls: Across the council, budget holders are managing
- Planning income is behind planned levels due to staffing constraints and changes to the pre-planning applications pipeline. A revised PPA plan is being agreed and a proactive drive to increase activity is now in place.

## REPORT SUBMITTED TO FINANCE AND SERVICES SCRUTINY COMMITTEE ON 11 NOVEMBER 2019

- The tenants at 66 High Street, Aylesbury have given notice to vacate the property on 30<sup>th</sup> September 2019. The forecast has improved since the forecast at the end of Quarter 1 as the tenant has revised plans for occupancy to March 2020. The status of the letting remains under review.
- The forecast also reflects income foregone from keeping space vacant at the Gateway to meet unitary requirements.
- With the implementation of the improved garden waste subscription service during 2019 residents were offered pro-rata payments which has resulted in a non-recurrent shortfall in the current year (£200,000). Annual billing for all residents will occur in November 2019 for the year 2020.

### 4.6 Waste Disposal costs

- The Council have identified a cost pressure in relation to waste disposal costs. This is currently forecast to be £0.4m above budgeted costs for 2019-20
- This cost pressure is being flagged as a forecast overspend for the financial year, and also as a MTFP pressure for 2020-2021.

### 4.7 Financing items

A number of changes to budgets, held at a Corporate level, in relation to financing items have been actioned which have resulted in a better than planned position.

- An increase to dividend paid to the Council for the Crematorium and AVE
- The forecast position reflects savings on interest charges due to a lower than planned level of borrowing.
- Revision downwards of Minimum Revenue Provision (MRP) in line with revised borrowing requirements
- Above budgeted level of income recovery in relation to Business rates

4.8 The Council also holds a small contingency budget which can be used to offset some financial risk.

4.9 Limited use of reserves has been assumed at this stage. It is legitimate that reserves be applied to address some one-off or exceptional budgetary pressures. Reserves are held e.g. for planning related issues and this is currently identified as having exceptional finance pressures in year.

4.10 Timely forecasting is a vital function to support the financial management agenda. In preparing a financial forecast, it is possible to identify and flag any emerging issues in relation to finance and related activities, and early identification of issues allows for timely corrective action to be identified as required.

4.11 Monitoring processes are in place, during 2019-20, to measure and monitor performance in year against the agreed plan. The budgetary pressures facing the Council are understood and budget holders and managers are working hard towards delivering savings through efficiency and income generation.

4.12 The key financial management messages for the Organisation for the remainder of the financial year, based on the YTD financial position are highlighted as being:

- Reduce agency spend and dependency on temporary staffing solutions

## **REPORT SUBMITTED TO FINANCE AND SERVICES SCRUTINY COMMITTEE ON 11 NOVEMBER 2019**

- Identify where things could be done more efficiently, and at reduced cost
  - Maximise all opportunities to increase income to the Council
  - Reduce spend on non-pay items where possible
  - Manage financial uncertainties arising from external factors including Unitary decision
- 4.13 The financial outlook is being reviewed on an on-going basis to both reduce financial risks that may impact adversely on the financial forecast and also to identify opportunities to improve on the current forecast position.
- 4.14 Members should note that ongoing pressures and risk identified as part of the monitoring process are being raised for consideration in developing MTFP proposals for 2020/21 for the Buckinghamshire Council.
- 4.15 Aylesbury Vale Finance officers are working closely with colleagues from across the county to present a combined in-year monitoring position for the Shadow Executive.

### **5 Resource Implications**

- 5.1 The resource implications are as detailed within the digest. The digest represents the main forum for reporting budget performance to members.

### **6 Response to Key Aims and Objectives**

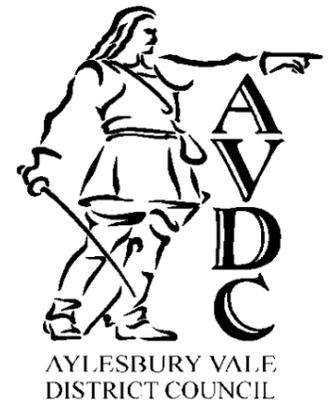
- 6.1 Budget monitoring helps us to ensure resources are deployed in a way that is consistent with our key aims and outcomes.

Contact Officer

Nuala Donnelly 01296 585164

Background Documents

Appendix : Financial Digest September 2019



# FINANCIAL DIGEST SEPTEMBER 2019

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## Main points of note contained within September's digest

### The Main Message

The Council spent £783,376 more on the provision of services during the first 6 months of 2019/20 than allowed for in the budget.

- Pay overspends of £0.5m (after the use of reserves and offset of income due) which includes the use of agency to support staffing.
  - For the Housing Benefit team, additional staffing and overtime costs have been incurred to address a significant backlog of work.
  - For the Enforcement team, a restructure has resulted in non-recurrent costs to deliver delivery efficiencies.
  - Higher than budgeted staff costs have been incurred at the depot.
  - A number of vacancies remain unfilled and not covered by agency, resulting in underspends. This is largely as a result of secondments made to the Unitary team leaving vacancies at AVDC.
  - The Council are reporting a year to date overspend on waste budgets of £267,000.
  - Budget savings arising as a result of the delay in implementation of the taxi token scheme
  - Savings against budget in relation to transitional relief for business rates
  - Above budgeted levels of income in relation to additional dividends paid
- Reviews are ongoing with services to ensure effective financial management
- General efficiencies have been achieved in the six months to the end of Sept, a number of cost centres are reporting underspends.

The Council are forecasting to balance the budget for the 2019-20 financial year.

A number of risks and issues have been identified and are being monitored and managed

- Variances on budgeted staff costs
- Income shortfalls in relation to property and garden waste income.
- Higher than budgeted costs of waste disposal
- Revision of corporate budgets in relation to financing items

### The Main Issues

The main issues arising are highlighted below, with further analysis included in the main body of the digest:

	Variance to Date £	Predicted Outturn £	
<b>Top 5 Over Budget</b>			
Planning Services	442,537	600,000	Increased agency staff costs and reduced planning fee income
Waste & Recycling - Non Commercial	265,170	390,000	Domestic waste disposal fees
Assistant Directors	104,521	110,000	Increased staffing and agency costs
Environmental Services	88,494	150,000	Increased staffing and agency costs
Housing Benefits	45,101	150,000	Increased staffing costs
<b>Top 5 Under Budget</b>			
Car Park Management	(105,390)	(164,600)	Savings from transitional relief in business rates
Economic Development	(67,876)	0	Recharge of costs to East/West Rail
Project Management Office	(45,332)	(64,000)	Staff secondment to Unitary
Personnel Services	(31,863)	0	Salary savings
Chief Executive's Support Services	(24,427)	(120,000)	Salary savings

## GENERAL FUND SUMMARY AS AT 30TH SEPTEMBER 2019

GENERAL FUND STATEMENT OF BALANCES	ACTUAL OUTTURN 2018/19 £'000	ORIGINAL BUDGET 2019/20 £'000	EXPECTED OUTTURN 2019/20 £'000
<b>Brought Forward 1st April</b>	<b>(1,977)</b>	<b>(1,927)</b>	<b>(2,353)</b>
Planned Use of/(Contribution to) Balances	(240)	0	0
Less General Overspend Assumption	(192)	0	0
Contribution to the HS2 Fund	6	0	0
Commercial Activities	50	0	0
Net Use of/(Contribution to) Balances	<b>(376)</b>	0	0
<b>Working Balance Carried Forward</b>	<b>(2,353)</b>	<b>(1,927)</b>	<b>(2,353)</b>

<b>Fund</b>	<b>General</b>		<b>Year to Date</b>		
	<b>Full Year</b>		<b>Budget to Date</b>	<b>Actuals to Date</b>	<b>Significant Variances</b>
<b>Portfolio</b>	<b>Current Budget</b>	<b>Expected Year End Variance</b>			
Civic Amenities	16,700	(183,000)	(58,175)	(184,048)	(125,873)
Communities	1,257,900	(33,400)	485,950	471,362	(14,588)
Economic Development	(612,400)	66,700	(259,240)	(254,093)	0
Environment & Leisure	2,894,000	150,400	438,080	534,812	96,732
Finance & Resources	6,476,900	172,000	5,875,310	5,899,781	24,471
Leader	1,617,200	(70,000)	793,305	876,504	83,199
Planning & Enforcement	(207,300)	600,000	(4,440)	421,904	426,344
Strategic Planning & Infrastructure	1,184,100	(35,000)	642,740	663,099	20,359
Waste & Licencing	5,853,900	625,000	3,584,609	3,852,195	267,586
<b>Total Portfolio Expenditure</b>	<b>18,481,000</b>	<b>1,292,700</b>	<b>11,498,139</b>	<b>12,281,515</b>	<b>783,376</b>
Net Interest Receivable	(1,216,800)	(193,600)			
Contribution To Reserves	1,539,800	0			
Contribution From Reserves	(1,080,600)	0			
Contingency Items	163,400	36,600			
Asset Management	(1,048,800)	28,500			
Financing Items	1,135,800	(436,900)			
<b>District Expenditure</b>	<b>17,973,800</b>	<b>727,300</b>			
Less Aylesbury Special Expenses	(849,300)	0			
Contribution (from)/to Special Expenses	(51,100)	2,700			
<b>Net District Expenditure</b>	<b>17,073,400</b>	<b>730,000</b>			
Government Grant	(5,690,700)	(730,000)			
Collection Fund	(11,382,700)	0			
<b>Overspend</b>	<b>0</b>	<b>0</b>			

**Please Note:** Figures in brackets are underspending/additional income

<b>Fund</b>	<b>General</b>
<b>Portfolio</b>	<b>Civic Amenities</b>

Service	Full Year		Year to Date		
	Current Budget	Expected Year end Variance	Budget to Date	Actuals to Date	Significant Variances
Car Park Management	(772,300)	(164,600)	(141,625)	(247,015)	(105,390) ①
Leisure Centres	18,800	0	(264,140)	(274,496)	(10,356) ②
Market	1,100	(3,100)	4,760	2,801	0 ③
Public Burial Fees	3,000	0	1,500	208	0
Public Conveniences	129,000	(300)	72,600	76,519	0 ④
Theatre & Leisure Centre Management	80,900	(15,000)	42,520	52,226	0 ⑤
Town Centre Manager	191,400	0	82,330	75,089	0
Town Centre Open Spaces	45,300	0	18,000	9,000	0
Waterside Theatre	319,500	0	125,880	121,620	0
<b>Grand Total</b>	<b>16,700</b>	<b>(183,000)</b>	<b>(58,175)</b>	<b>(184,048)</b>	<b>(125,873)</b>

### Notes

- ① £105,390 lower costs - savings from transitional relief in business rates and operational changes to Waterside car park, reduced by building insurance costs in Hampden House car park. The forecast has been amended to reflect these savings and pressure.
- ② £10,356 higher income - increased contract income due to CPI uplift.
- ③ The forecast has been amended to reflect marginal savings from transitional relief in business rates.
- ④ The forecast has been amended to reflect marginal savings from transitional relief in business rates.
- ⑤ The forecast has been amended to reflect savings

### Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

<b>Fund</b>	<b>General</b>
<b>Portfolio</b>	<b>Communities</b>

Service	Full Year	
	Current Budget	Expected Year End Variance
Community Safety	403,100	0
Concessionary Travel	44,200	(33,400)
Grants	79,200	0
Housing Pathways	52,600	0
Housing Services	625,600	0
Strategy & Partnerships	53,200	0
<b>Grand Total</b>	<b>1,257,900</b>	<b>(33,400)</b>

Year to Date		
Budget to Date	Actuals Plus Commitments to Date	Significant Variances
163,280	141,238	(22,042) ①
22,140	5,460	(16,680) ②
40,880	37,823	0
19,040	10,940	0
194,270	229,561	35,291 ③
46,340	46,340	0
<b>485,950</b>	<b>471,362</b>	<b>(14,588)</b>

### Notes

- ① £22,042 higher income - increased local authority partnership contributions which are expected to be spent during the remainder of the year.
- ② £16,680 lower costs - the Taxi Token Scheme has been placed on hold whilst the service is under review. The forecast has been amended to reflect the anticipated outturn position.
- ③ £35,291 higher costs - increased homelessness bed & breakfast fees. The costs are being closely monitored, with the expectation that the increased costs will be offset by lower voids at the Lodge.

### Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

<b>Fund</b>	<b>General</b>
<b>Portfolio</b>	<b><i>Economic Development</i></b>

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Bus Station	146,400	0	39,160	41,705	0
Commercial Property	(1,965,900)	30,700	(956,270)	(916,507)	39,763 ①
Economic Development	253,600	0	103,770	35,894	(67,876) ②
Facilities Management	49,400	0	30,500	21,073	0
Highway and Amenity Areas	7,300	0	3,660	727	0
Industrial Estates and Town Centre Props	550,900	100	292,040	300,627	0 ③
Land Charges	(8,000)	6,000	(27,600)	(22,681)	0 ④
Non Operational Property	(28,300)	0	(14,430)	(24,008)	0
Office Accommodation	360,300	29,900	256,790	286,966	30,176 ⑤
Standby Services	10,200	0	5,100	4,636	0
Town Centre Open Spaces	11,700	0	8,040	17,471	0
<b>Grand Total</b>	<b>(612,400)</b>	<b>66,700</b>	<b>(259,240)</b>	<b>(254,096)</b>	<b>0</b>

### Notes

- ① £39,763 lower income - reduced income due to a tenant vacating 66 High Street. The forecast has been amended to reflect the anticipated outturn position.
- ② £67,876 higher income - recharge of 17/18 East West Rail costs. This additional income will be used to fund additional project work over the next 6 months.
- ③ The forecast has been amended to reflect increased spend on agency staff offset by savings in business rates.
- ④ The forecast has been amended to reflect lower than budgeted income from searches.
- ⑤ £30,176 higher costs - one off refund of rent deposit of £20,000 plus increased utilities costs. The forecast has been amended to reflect the anticipated outturn position.

### Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

<b>Fund</b>	<b>General</b>
<b>Portfolio</b>	<b>Environment &amp; Leisure</b>

Service	Full Year	
	Current Budget	Expected Year end Variance
Communities	484,500	0
Community Centres	469,900	200
Environmental Services	908,600	150,000
Facilities Management	52,500	0
Parks, Pitches & Open Space	976,200	200
Waste & Recycling - Non Commercial	2,300	0
<b>Grand Total</b>	<b>2,894,000</b>	<b>150,400</b>

Year to Date		
Budget to Date	Actuals Plus Commitments to Date	Significant Variances
230,140	236,959	0
205,135	204,303	0
(463,100)	(366,379)	96,721
26,280	19,426	0
438,425	440,094	0
1,200	408	0
<b>438,080</b>	<b>534,812</b>	<b>96,732</b>

**Notes**

- ① The forecast has been amended to reflect marginal overspend in business rates.
- ② £96,721 higher costs - increased planning enforcement employee costs. The forecast has been amended to reflect the anticipated outturn position.
- ③ The forecast has been amended to reflect marginal overspend in business rates.

Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

<b>Fund</b>	<b>General</b>
<b>Portfolio</b>	<b>Finance &amp; Resources</b>

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Car Pooling Scheme	115,900	0	46,270	37,595	0
Contract & Procurement Services	249,300	0	124,720	106,505	(18,215) ①
Core Costs	1,322,900	0	711,460	711,476	0
Democratic Services	513,900	0	256,140	256,911	0
Digital Services	316,400	14,000	158,160	166,644	0 ②
Enterprise Service Desk Support	190,500	0	107,440	124,022	16,582 ③
Facilities Management	4,200	0	4,200	10,998	0
Finance & Payroll Services	1,695,000	47,000	989,140	1,015,897	26,757 ④
Governance	0	0	(44,140)	(48,261)	0
Housing Benefits	1,499,200	150,000	2,532,420	2,577,521	45,101 ⑤
Insurances	(67,600)	0	202,500	202,500	0
IT Services - Strategic & Enterprise Service Desk	(48,300)	25,000	259,940	293,854	33,914 ⑥
Personnel Services	43,400	0	23,520	(8,343)	(31,863) ⑦
Project Management Office	621,000	(64,000)	310,600	265,268	(45,332) ⑧
Rating & Recovery Services	60,500	0	221,780	221,000	0
Training	(39,400)	0	(28,840)	(33,806)	0
<b>Grand Total</b>	<b>6,476,900</b>	<b>172,000</b>	<b>5,875,310</b>	<b>5,899,781</b>	<b>24,471</b>

#### Notes

- ① £18,215 lower costs - salary savings due to maternity. These savings are planned to be used to pay for training in the last 6 months of the year.
- ② The forecast has been amended to reflect additional employment costs.
- ③ £16,582 higher costs - higher employment costs covering maternity & sickness leave.
- ④ £26,757 higher costs - increased costs for the iTrent payroll system. The forecast has been amended to reflect the anticipated outturn position.
- ⑤ £45,101, higher costs - additional employment costs covering maternity and sickness leave, including agency staff costs required to cover staff training & operational needs. The forecast has been amended to reflect these additional employment costs.
- ⑥ £33,914, higher costs - additional consultancy costs to cover operational requirements. The forecast has been amended to reflect these additional costs.
- ⑦ £31,863 lower costs - salary savings due to the vacant HR lead role. Increased consultancy costs over the remainder of the year are expected to offset this.
- ⑧ £45,332 lower costs - savings in employment costs from transfer of staff to Unitary. The forecast has been amended to reflect these savings.

#### Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

<b>Fund</b>	<b>General</b>
<b>Portfolio</b>	<b>Leader</b>

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Assistant Directors	(4,000)	110,000	(25,920)	78,601	104,521 ①
Business Strategy	127,200	54,100	73,780	115,985	42,205 ②
Chairman's Expenses	23,700	0	10,440	3,035	0
Chief Executive's Support Services	30,200	(120,000)	11,600	(12,827)	(24,427) ③
Communications & Marketing	0	(38,800)	(40,880)	(50,355)	0 ④
Democratic Services	1,088,600	(10,000)	536,545	519,353	(17,192) ⑤
Director - AS	0	0	(40)	(1,910)	0
Director - TA	0	(80,000)	(1,300)	(13,129)	(11,829) ⑥
Electoral Services	388,700	(49,600)	179,300	171,233	0 ⑦
Legal Services	(44,200)	64,300	46,300	63,039	16,739 ⑧
Vale Lottery	7,000	0	3,480	3,480	0
<b>Grand Total</b>	<b>1,617,200</b>	<b>(70,000)</b>	<b>793,305</b>	<b>876,504</b>	<b>83,199</b>

### Notes

- ① £104,521 higher costs - additional employee & agency staff costs covering maternity leave & ongoing planning service operational requirements. The forecast has been amended to reflect these costs.
- ② £42,205 lower income - reduction in SEED team income streams. The forecast has been amended to reflect the anticipated lower income.
- ③ £24,427 lower costs - savings arising from the departure of the Chief Executive. The forecast has been amended to reflect these savings.
- ④ The forecast has been amended to reflect salary savings arising from the secondment of 2 employees to Unitary.
- ⑤ £17,192 lower costs - salary savings. The forecast has been amended to reflect the anticipated outturn position.
- ⑥ £11,829 lower costs - savings arising from the departure of the Director. The forecast has been amended to reflect these savings.
- ⑦ The forecast has been amended to reflect salary savings due to staff vacancies.
- ⑧ £16,739 higher costs - increased employee costs. The forecast has been amended to reflect the costs of an additional team member.

### Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

<b>Fund</b>	<b>General</b>
<b>Portfolio</b>	<b>Planning &amp; Enforcement</b>

<b>Service</b>	<b>Full Year</b>	
	<b>Current Budget</b>	<b>Expected Year End Variance</b>
Forward Plans	3,000	0
Heritage	527,800	0
Planning Services	(738,100)	600,000
<b>Grand Total</b>	<b>(207,300)</b>	<b>600,000</b>

<b>Year to Date</b>		
<b>Budget to Date</b>	<b>Actuals Plus Commitments to Date</b>	<b>Significant Variances</b>
1,500	0	0
281,900	294,134	12,234 ①
(287,840)	127,770	415,610 ②
<b>(4,440)</b>	<b>421,904</b>	<b>426,344</b>

**Notes**

- ① £12,234 higher costs - agency staff costs covering current vacant post.
- ② £415,610 higher costs/lower income - agency staff costs to reduce the backlog of Planning & Building Control applications, which is also impacting on income streams. The forecast has been amended to reflect the anticipated outturn position.

**Budget profiling**

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

<b>Fund</b>	<b>General</b>
<b>Portfolio</b>	<b>Strategic Planning &amp; Infrastructure</b>

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Forward Plans	696,900	0	348,660	362,354	13,694 ①
Planning Services	257,100	0	178,840	205,767	26,927 ②
Strategy & Partnerships	230,100	(35,000)	115,240	94,977	(20,263) ③
<b>Grand Total</b>	<b>1,184,100</b>	<b>(35,000)</b>	<b>642,740</b>	<b>663,099</b>	<b>20,359</b>

#### Notes

① £13,694 higher costs - increased agency staff costs offset by a number of smaller savings across a range of services.

② £26,927 higher costs - agency staff costs covering current vacant post.

③ £20,263 lower costs - savings in employment costs due to the secondment of staff to Unitary. The forecast has been amended to reflect the anticipated outturn position.

#### Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

<b>Fund</b>	<b>General</b>
<b>Portfolio</b>	<b>Waste &amp; Licencing</b>

<b>Service</b>	<b>Full Year</b>	
	<b>Current Budget</b>	<b>Expected Year End Variance</b>
Environmental Services	267,000	0
Health & Safety	7,700	(15,000)
Licensing	(43,400)	0
Waste & Recycling - Commercial	636,900	250,000
Waste & Recycling - Non Commercial	4,985,700	390,000
<b>Grand Total</b>	<b>5,853,900</b>	<b>625,000</b>

<b>Year to Date</b>		
<b>Budget to Date</b>	<b>Actuals Plus Commitments to Date</b>	<b>Significant Variances</b>
176,884	168,656	0
(2,565)	(7,335)	0 ①
(6,550)	(16,540)	0
777,040	801,653	24,613 ②
2,639,800	2,905,762	265,962 ③
<b>3,584,609</b>	<b>3,852,195</b>	<b>267,586</b>

### Notes

- ① The forecast has been amended to reflect savings arising from a staff vacancy.
- ② £24,613 higher costs - increased trade waste disposal fees with Bucks CC - this contract is currently under review. The forecast has been amended to reflect the anticipated outturn position.
- £265,962 higher costs - increased domestic waste disposal fees - the contract is reviewed by the supplier every three months
- ③ (materials & employment costs) & this has resulted in increased contract costs. This contract with Casepak is currently under review. The forecast has been amended to reflect these changes & a budget pressure has been requested in the MTFP for future years.

### Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

<b>Fund</b>	General
<b>Special</b>	Yes

Service	CC Description	Full Year		Year to Date		
		Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Community Centres	Administration	74,200	0	39,620	39,182	0
	Alfred Rose	61,100	200	25,985	29,184	0
	Bedgrove	65,200	(100)	25,895	20,959	0
	Haydon Hill	18,500	0	8,000	8,965	0
	Prebendal Farm	51,400	100	22,510	22,308	0
	Quarrendon and Meadowcroft	63,200	0	29,680	34,722	0
	Southcourt	44,100	0	19,415	17,761	0
<b>Community Centres Total</b>		<b>377,700</b>	<b>200</b>	<b>171,105</b>	<b>173,082</b>	<b>0</b> ①
Parks, Pitches & Open Space	Alfred Rose Park	56,200	0	27,500	25,428	0
	Bedgrove Park	75,700	0	45,900	40,955	0
	Edinburgh Playing Fields	54,400	0	22,800	21,992	0
	Fairford Leys	87,600	200	38,920	35,905	0
	Meadowcroft Playing Fields	80,600	0	37,280	26,636	(10,644)
	Parks Administration	243,800	0	87,310	95,451	0
	Vale Park	12,700	0	6,300	11,072	0
	Walton Court Sports Ground	39,000	0	17,400	11,143	0
<b>Parks, Pitches &amp; Open Space Total</b>		<b>650,000</b>	<b>200</b>	<b>283,410</b>	<b>268,583</b>	<b>(14,827)</b> ②
Market	Market	1,100	(3,100)	4,760	2,801	0
<b>Market Total</b>		<b>1,100</b>	<b>(3,100)</b>	<b>4,760</b>	<b>2,801</b>	<b>0</b> ③
<b>Asset Rental Adjustment</b>		<b>(91,800)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>		<b>937,000</b>	<b>(2,700)</b>	<b>459,275</b>	<b>444,465</b>	<b>(14,827)</b> ④

#### Notes

① The forecast has been amended to reflect marginal overspend in business rates.

② £14,827 lower costs - savings in utilities costs. The forecast has been amended to reflect marginal overpend in business rates.

③ The forecast has been amended to reflect marginal savings from transitional relief in business rates.

The original budgeted spend for special expenses was £902,300. £849,300 of this spend was reimbursed by way of precept income, the balance ④ being a call upon the use of special expenses balances. During the year the current budget has been increased to cover the cost of maintenance works at various properties, which has been agreed to be met from AVDC balances.

## GENERAL FUND REVENUE RESERVES AND PROVISIONS

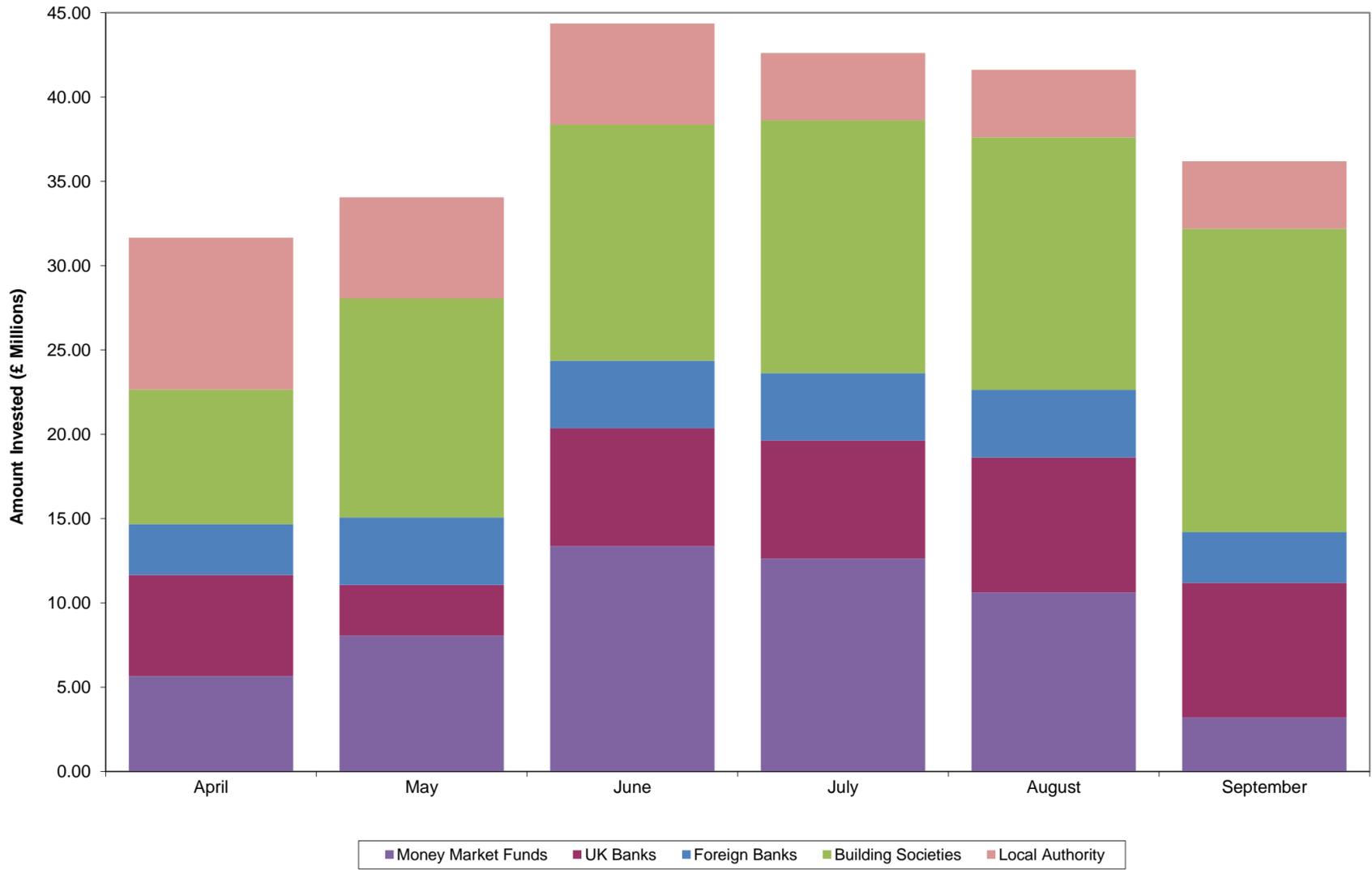
The table shows the current level of provisions and reserves held by the Council at the beginning of the year, the movements in the year and the expected closing balance at 31st March 2020.

<b>GENERAL FUND REVENUE RESERVES AND PROVISIONS</b>	<b>OPENING BALANCE 01/04/2019</b>	<b>TRANSFERS OUT</b>	<b>TRANSFERS IN</b>	<b>EXPECTED CLOSING BALANCE 31/03/20</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>PROVISIONS</b>				
NNDR Appeals	(2,041)	0	0	(2,041)
Refundable Bonds	(287)	0	0	(287)
Expected Credit Losses	(8)	0	0	(8)
<b>BAD DEBT PROVISIONS</b>				
Housing Benefits Overpayments	(2,097)	0	0	(2,097)
Local Taxation	(561)	0	0	(561)
Other	(292)	0	0	(292)
Off Street Parking	(80)	0	0	(80)
Haywoods Way	(41)	0	0	(41)
<b>TOTAL PROVISIONS</b>	<b>(5,407)</b>	<b>0</b>	<b>0</b>	<b>(5,407)</b>
<b>RESERVES</b>				
Unitary	(4,974)	0	0	(4,974)
New homes bonus - town centre regeneration	(4,500)	0	0	(4,500)
Amenity areas	(2,874)	0	0	(2,874)
New homes bonus - parishes	(2,855)	3,713	(858)	0
Business rates	(1,893)	0	(748)	(2,641)
Property sinking	(1,766)	70	0	(1,696)
New homes bonus - connected knowledge	(1,751)	1,000	0	(751)
New homes bonus - uncommitted	(1,548)	750	(3,694)	(4,492)
New homes bonus - high speed broadband	(1,536)	200	0	(1,336)
Repairs & renewals	(1,122)	150	0	(972)
Fairford Leys riverine	(894)	894	0	0
Planning fees	(608)	608	0	0
New homes bonus - depot refurbishment	(597)	300	0	(297)
Property strategy	(540)	0	0	(540)
Health licensing income	(498)	50	0	(448)
Self insurance	(448)	0	0	(448)
Aylesbury special expenses	(425)	51	0	(374)
New homes bonus - east/west rail link	(350)	0	0	(350)
Car parking	(223)	223	0	0
District elections	(200)	0	(48)	(248)
Recycling & composting	(172)	172	0	0
Leisure activities	(156)	0	0	(156)
Historic buildings	(135)	0	0	(135)
Housing needs & section 106	(107)	0	0	(107)
Business support fund	(102)	0	0	(102)
Information technology	(78)	375	(297)	0
Rent guarantee scheme	(71)	0	0	(71)
Market research	(47)	0	0	(47)
Playgrounds	(40)	0	0	(40)
Benefit subsidy	(35)	0	0	(35)
Future vehicle costs	(34)	0	0	(34)
Business transformation	(29)	0	0	(29)
<b>TOTAL RESERVES</b>	<b>(30,608)</b>	<b>8,556</b>	<b>(5,645)</b>	<b>(27,697)</b>

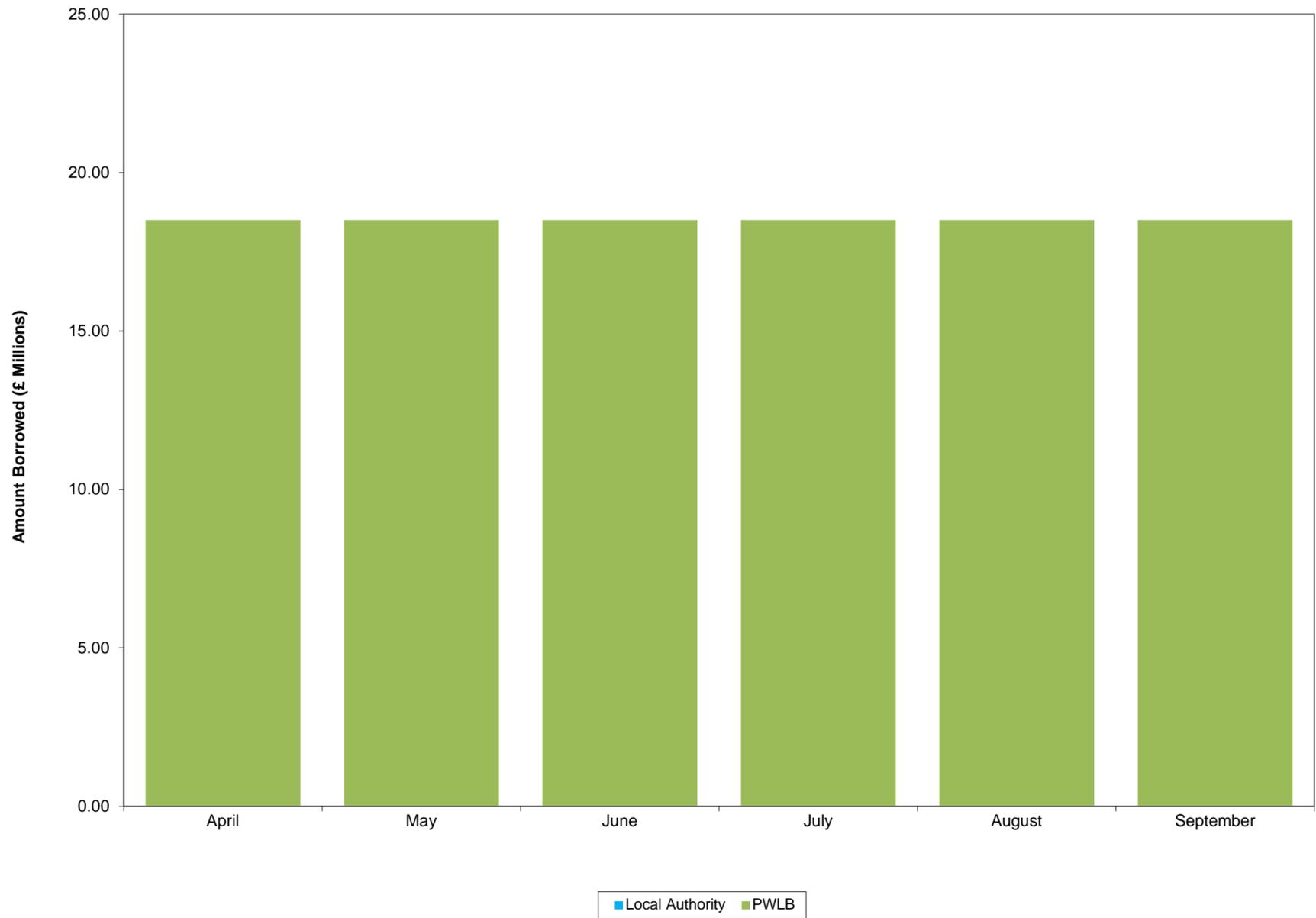
## CAPITAL PROGRAMME SPEND TO 30TH SEPTEMBER 2019

	REF	APPROVED SPEND £s	PRIOR YEARS' SPEND £s	EXPECTED SPEND 19/20 £s	ACTUAL SPEND AT 30/09/19 £s
University Campus, Aylesbury Vale	8001	16,550,000	16,312,727	237,273	0
Public Realm Waterside North	8004	11,900,000	8,985,553	2,914,447	826,997
Refuse Vehicles Replacement	8005	600,000	0	600,000	183,461
Depot Purchase / Refurbishment	8006	11,305,000	6,738,574	4,566,426	215,135
Car Park Improvement	8007	800,000	40,129	759,871	21,866
Community Centre Upgrades	8008	405,000	64,352	340,648	38,724

### Investments 2019/20



### Borrowings 2019/20



**MEMBER FEEDBACK / QUESTION SHEET**

**ISSUE 2 - 19/20**

**FEEDBACK**

If any members have any questions regarding the digest then please ring one of the Finance team on the numbers below or alternatively use the tear off page to record you comments or questions.

<u>Accountancy</u>	<u>Team</u>	<u>Phone No.</u>
Andrew Small	Director	585507
Nuala Donnelly	Corporate Finance Manager	585164
Sharon Russell-Surtees	Corporate Accountant	585391
Gareth Davies	Finance Business Partner	585276
Alasdair Rudge	Finance Business Partner	585406

<b>FEEDBACK</b>

<b>QUESTION</b>

<b>QUESTION</b>

Feedback Sheet Returned by:

COUNCILLOR

DATE

Please return Feedback / Question sheet to:

Strategic Finance  
Aylesbury Vale District Council  
The Gateway, Gatehouse Road  
Aylesbury  
Bucks HP19 8FF

Cabinet  
17 December 2019

## **AYLESBURY VALE ESTATES**

**Councillor Bowles**

**Deputy Leader and Cabinet Member for Economic Development**

### **REPORT A – TRANSFER OF THE AVDC SHAREHOLDING TO THE BUCKINGHAMSHIRE COUNCIL ON 1 APRIL 2020**

#### **1 Purpose**

- 1.1 This report explains what will happen to Aylesbury Vale Estates (AVE) on 1 April when the new Buckinghamshire Council comes into being

#### **2. For decision**

2.1 Cabinet is asked to note that on 1 April, the AVDC shareholding in AVE LLP will transfer to the new Buckinghamshire Council alongside the Members' Agreement and Loan Agreement which together set out how the joint vehicle will operate.

#### **3. Supporting information**

- 3.1 AVDC is currently 50% owner of AVE LLP. The other 50% is owned by private investors. On 31 March, AVDC will cease to exist and on 1 April Buckinghamshire Council will come into being. In order for AVE to continue to operate, AVDC's interest in the joint venture will need to transfer to the new council. How the joint venture operates is enshrined in a Members' Agreement together with a Loan Agreement. These too will transfer.

- 3.2 AVDC is currently represented on AVE by two councillors and an officer. From 1 April it will be for the new council to decide who its representatives are going forward.

#### **4. Resource implications**

- 4.1 Some legal work will be required to transfer the AVDC interest. The costs of this will be met from the unitary workstream budget set aside for changes required for all the companies the five different councils have an interest in.

### **REPORT B – The AVE DRAFT BUSINESS PLAN FOR THE PERIOD 2020 – 2023.**

1. This report gives a high level summary of the draft Business Plan prepared by Aylesbury Vale Estates LLP (AVE) for 2020 – 2023. The full draft of the Business Plan together with the financial cash flows is set out in the confidential pages of the report.
2. Akeman Asset Management, who are appointed by AVE to manage the portfolio, will present the business plan to Cabinet and answer any questions members may have.

#### **3. For Decision**

3.1 Cabinet is asked:-

- (i) comment on the draft business plan so that Akeman Asset Management can feedback AVDC's views to the private investors for consideration.

- |  |
|--|
| (ii) Agree how the views of the Economy and Business Development Scrutiny Committee can be sought (next meeting 21 January 2020) and fed back to Cabinet and then AVE. |
|--|

#### 4. Context of the Partnership

- 4.1 AVDC and Akeman Partnership LLP (Akeman) set up AVE as a Limited Liability Partnership (LLP) in October 2009. The selection of the Council's private sector partner (who make up 50% of the Partnership) followed a competitive dialogue procurement process and upon completion of the agreement the Council sold the majority of its industrial and commercial estate to AVE LLP at market value.
- 4.2 The original objectives of AVE (which remain) were to:
1. To improve, repair (if applicable) and maintain the Property
  2. To enhance, maintain and improve AVDC's income stream generated from the Property:
  3. To positively influence and promote development and economic growth in the Area through the development, improvement and maintenance of the Property, together with pro-active asset management.
- 4.3 The Partnership is governed by a formal, detailed Members' Agreement and managed by a Partnership Board on which the Council has three representatives - currently Cllr Whyte, Cllr Julie Ward and Teresa Lane (Assistant Director Commercial Property and Regeneration). Akeman Asset Management LLP (the appointed Asset Managers) produced a draft Partnership Business Plan for AVE as part of their bid, which was approved by the Cabinet in June 2009. The final version of the Plan formed part of the completion documentation approved in October 2009. The Board meets on a regular basis to review progress against the original objectives and Business Plan and monitor performance of the appointed Asset Managers.
- 4.4 The Partnership Members' Agreement requires AVE to update the Business Plan on an annual basis for approval by the shareholders. In the case of AVDC this is through this Scrutiny Committee and Cabinet. The private sector partner have their own separate mechanism for reviewing and agreeing the business plan and this process is complete by the time the draft Plan is considered by the Scrutiny Committee. Any amends to the Business Plan after consideration by AVDC's committees, have also to be agreed to by the private sector partners. To date this process has not presented any difficulties.
- 4.5 The updated Business Plan is a critical document. The Members' Agreement requires the Business Plan to set out AVE's objectives for the life of the Partnership (ie 20 years) and the annual overarching objectives for each accounting period. In particular the Plan must include a statement that AVE's business shall be operated with a view to producing the best risk adjusted profit obtainable and to maximise the risk adjusted rate of return to the Council and Akeman. Subject to agreement between AVE, Akeman and the Council, the Plan is also expected to include the following matters (based on a 3 year projection where appropriate):-

- Strategic business objectives and targets
  - Gross and net rental income projections, including assessment of operating costs, rental voids, rent arrears and any other losses and receipts
  - Annual portfolio valuation prepared to a standard acceptable for AVDC financial reporting purposes
  - Confirmation that the financial covenants regarding loan to value and interest cover are being maintained
  - Projections of estimated receivable rent and confirmation of compliance with maintaining portfolio income levels
  - Proposals for working capital budget, any new capital investments and reinvestments plus any distributions to partners
  - Performance against key indicators and targets indicate levels of achievement
- 4.6 Once approved, the Business Plan provides the framework within which the AVE Board works, similar in effect to the Budget and Policy Framework set by Council for the Cabinet. Accordingly if the Board wish to pursue any substantive action which is not provided for in the Business Plan they must obtain specific authority from the Council (either by a Cabinet or Cabinet member decision) and Akeman Partnership LLP – the private sector partner..
- 4.7 The draft Business Plan is contained within the confidential pages as Appendix 1. It covers the period 2020 – 2023 with the detail focus on the 2020/21 financial year. Members are asked to note that in order to reflect any consequences of the AVE Business Plan in the 2020/21 AVDC budget setting, the timing of this report means that the attached business plan can only review performance of the 19/20 Business Plan for the period 1 April – 30 September 2019. A full review of the 2020/21 performance, will be a matter for the new unitary council.
- 4.8 The AVE cash flows based on different scenarios are attached as Appendix 2 and the Hale Leys cash flows are attached as Appendix 3.
- 4.9 Members are asked to note that the Business Plan necessarily includes a range of assumptions about the future plans of tenants and trends in the wider market. Some of these may come to pass, some may not. Members will see that throughout the Plan, a 'base case' Business Plan is presented on the assumption that certain scenarios are likely to occur. An 'enhanced case' is also presented for the AVE portfolio (but not Hale Leys) but on the understanding that these scenarios whilst possible, are less likely to occur. A 'downside scenario is also included for both the AVE portfolio and Hale Leys.
- 5. Summary of key issues in the Plan**
- 5.1 The Business Plan is introduced by a number of key headlines, some of which are worth summarising in this covering open report. The financial information relating to the asset management initiatives /developments are contained within the confidential pages.

## Strategy

The strategy to achieve the core aims was as follows:

- Sale of high value land with low income
- improved planning consents to maximise land value of low-income sites, for either development or sale and reinvestment
- Pay off expensive debt in order to reduce cost of finance and de-risk the portfolio
- Reduce amortisation, which soaks up surplus income
- Target a distribution of £600,000 pa
- Occupancy levels:
  - Maintain high levels of vacancy within the industrial portfolio
  - Maintain current tenants at Hale Leys, let vacant units and improve future income stream

### Sale of high value land with low income

- Stocklake – The long-awaited sale to Lidl for part of the Stocklake site completed in April 2019.
- Adams Close, Buckingham – After the Scouts departed, the site sale completed to Brickhill Properties in July 2019. Development is underway for 4 x 3 bed houses.
- Gateway Phase 2 – contracts for sale of this site have been exchanged with Sorbon Estates subject to obtaining detailed planning permission. Anticipated completion is January 2020.

### Distributions

- The timing of the distribution for 19/20 and the amount (included in the cash flow as £600k – 50% for each partner) is dependent on the delivery of a number of asset management initiatives. AVDC has included in its own revenue budget a more cautious forecast of £200k. AVE are currently on track to pay the £600k dividend as planned but this will be kept under review. The timing of the distribution is likely to be in the last quarter of the 19/20 financial year.

### Occupancy levels

- The multi-let industrial estate has seen an unprecedented demand for units and as at end of September the vacancy level was 2%. Various asset management initiatives to improve the estate ranging from new signage, new quarterly tenants meetings, and completing works to refurbish the units, has continued to contribute to the demand for the units. 11 new leases and renewals have been completed since 1 April 2019.

The Edison Workspace has been upgraded and refurbished significantly reducing running costs. More work is planned to further improve the look of the premises.

- Hale Leys, like all other shopping centres in sub-regional towns similar to Aylesbury's size, has continued to feel the pressure of the internet. The main casualty at Hale Leys was Brighthouse which has closed will continue to pay all occupational costs until February 2020.

A CVA was agreed with Accessorize and Thomas Cook went into liquidation in September. However, discussions with Hays travel to take over the unit are expected to be concluded shortly.

A number of new tenants are trading. Bargain Buys, and Bar Noosh. In addition Stay and Play opened in November. The Manor House restaurant and roof top terrace bar is expected to open in early 2020 are extensive fit-out works.

### **Key Performance Targets**

- The vacancy across the entire portfolio as at 30 September 2019 was 7.1% (23.1% Hale Leys and 2.0% AVE portfolio). The year end overall target vacancy is 9.28% (3.4% for AVE and 27.7%). Letting Hale Leys will, therefore remain the focus so that AVE can achieve an overall year end target of 3.0%.
- The total return of the portfolio over the 12 months to 31 March 2019 was -1.4% due to the loss of value on Hale Leys. The independent valuation of the whole portfolio takes place at each year end but since inception, investors have received an annual return of 11.5%. This figure is derived from the net increase in asset value plus distribution and assumes set up costs are spread evenly over the period of the Partnership.
- The budgeted portfolio income for the financial year ending 31 March 2019 was exceeded by a positive 1% variance on budget.
- The 3-month collection rate for the whole portfolio for the September 2019 quarter was 90.5% just meeting the 3 month KPI of 90%. The 12 month collection rate was 98.6%, outperforming the 12 month KPI of 95%.
- The Loan to Value as at 31 March 2019 was 72.2%, just below the maximum limit of 75%.

### **Looking forward – 1 April 2020 onwards**

- 5.2 The core aims remain the same in line with the original objectives agreed in 2009:
- a. Increased investor revenue flows; and
  - b. Support for the Council's economic development programme
- 5.3 The key strategies identified in order to achieve these core aims for 2020/2023 are in summary:

- Sale of high value assets with low income, for reinvestment into higher income assets
  - Pay off expensive debt in order to reduce cost of finance and reduce amortisation
  - Target a distribution of £600,000 pa
  - Maintain current levels of occupancy within the industrial portfolio
  - Hale Leys - maintain current tenants, let vacant units and improve future income stream
  - Review all non-core and community assets and sell/develop where possible (subject to AVDC approvals required).
- 5.4 As in 19/20 AVE has submitted both a base case and an enhanced case for the 2020/2023 Business Plan period for the AVE portfolio. However, in addition, a 'downside scenario has been included to reflect some concerns around the security of a key tenant. The strategies underpinning the different scenarios are set out in the confidential pages of the report but all set out the aim of paying off expensive debt to take the portfolio to a position where the revenue flows from rent alone can comfortably cover all running costs, asset enhancements and amortisation and leave a surplus for distribution to investors on an ongoing basis - one of the core aims.
- 5.5 Whilst it is excellent news that there is now only one vacancy on the multi-let industrial estate, the relationship development plans now in place will be important in ensuring that leases coming up for breaks or expiries are renewed at favourable terms.
- 5.6 AVE's plans to redevelop the Stocklake site are understood to include a large element of new industrial space. This is to be welcomed not only because of the income stream it could generate but the employment opportunity it could deliver on that side of town which would hopefully at least replace the employment lost from the Askey's closure.
- 5.7 Clearly the retail market and the vacancy rate within Hale Leys continues to be a concern. The different uses appearing in the Centre are creating successful diversification but this work needs to be on-going to help preserve and increase rental income and protect the Centre from any further fall in valuation.
- 5.8 AVE's intention to review the assets which are classified as either non-core or community assets, is noted. After consideration by the Board, AVE will be expected to seek formal approval from AVDC for the disposal or change of use of any assets where required by the terms set down in the Members' Agreement.
- 5.9 The key performance targets (KPTs) and indicators are predetermined and form part of the Members' Agreement for the Partnership so in this respect they do not change. However, shareholders are able to suggest additional KPTs and whilst these cannot be used technically to evaluate performance and effect for example, the Asset Management fees paid, they are required to be measured and reported to the Board. There are a number of KPT's in this category which are set out in Section 7 of the Business Plan.

## **6. Resource implications**

- 6.1 Cashflow analysis supporting the Business Plan is set out in the confidential pages - Appendices 2 and 3.

Contact Officer                      Andrew Small   01296 585006

Background Documents              AVE Business Plan 2019/2020  
AVE Business Plan 2020/2023

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