



Cabinet minutes

Minutes of the meeting of the Cabinet held on Tuesday 16 February 2021 in Via MS Teams Video Conference, available to the public at <https://buckinghamshire.public-i.tv/core/portal/home>, commencing at 10.00 am and concluding at 1.20 pm.

Members present

M Tett, A Macpherson, K Wood, S Bowles, B Chapple OBE, J Chilver, A Cranmer, I Darby, T Green, C Harriss, P Hogan, D Martin, M Shaw, W Whyte, G Williams and F Wilson

Apologies

N Naylor

Agenda Item

1 Apologies

Apologies for absence were received from Councillor N Naylor (Cabinet Member for Transportation) and Rachael Shimmin.

2 Minutes

RESOLVED –

That the Minutes of the meeting held on 25 January, 2021, be approved as a correct record.

3 Declarations of interest

Councillor K Wood, Deputy Leader and Cabinet Member for Resources, declared a prejudicial interest in minute numbers 17 and 21, with regard to her Outside Bodies appointment as a Board Member of Aylesbury Vale Estates LLP, and stated that she would be leaving the meeting when this item was being discussed.

4 Hot Topics

Angela Macpherson, Deputy Leader and Cabinet Member for Adult Social Care, informed the meeting that on 11 February, 2021, the Government had published a Policy Paper, "Integration and Innovation: Working together to improve Health and Social Care for all". The paper set out legislative proposals for a Health and Care Bill, although a White Paper would also need to be issued in the future. The paper included a proposal for NHS and local authorities to collaborate with each other. It would also bring forward measures for statutory integrated care systems (ICSs). These would be comprised of an ICS Health and Care Partnership, bringing together

the NHS, local government and partners, and an ICS NHS Body. It was confirmed that Officers would bring a report to Cabinet in due course on the policy paper.

Katrina Wood, Deputy Leader and Cabinet member for Resources, updated Members on continued efforts being undertaken to tackle Blue Badge misuse. A pilot scheme had been launched in 2018 to tackle misuse. Recent Department for Transport statistics stated that Buckinghamshire had had the highest number of prosecutions in the South East of England with 61 successful cases from 61 that had gone to court. The scale of misuse was on a par with misuse in London boroughs. The Council would continue to be vigilant to ensure the Blue Badges system worked for those that most needed them.

Mark Shaw, Cabinet Member for Children's Services, thanked Transport for Bucks staff and others who had worked hard over the recent period of particularly bad weather to ensure the winter maintenance of roads was continued.

Mark Shaw, Cabinet Member for Children's Services, highlighted that Ofsted was currently inspecting how the Council had been managing with Covid related matters.

Isobel Darby, Cabinet Member for Housing and Homelessness, informed Members that she had recently been invited by Hightown Housing to open a new affordable housing development of 41 homes at 'Riverside View' at Grafton Street, High Wycombe. The former Wycombe District Council had contributed money to the development so that all rental properties could be turned into social rents. As part of the development, 27 households had recently moved into brand new accommodation.

David Martin, Cabinet Member for Logistics informed Members that a new County Wide Traffic Regulation Order would come into affect from Friday 19 February. The Order would combine over 4,500 individual parking orders inherited from the legacy Councils onto one database on the Council's website covering four areas, on and off street parking, parking in country parks and moving traffic offences.

The Leader informed the meeting that in the last week he had visited the mass Covid vaccination centres at the Bucks New University site (Walton Street, Aylesbury) and at the Stoke Mandeville Stadium. He was massively impressed with how both centres had operated and, on behalf of all of the Cabinet, expressed his pride and support to everyone who was involved with the centres, including front line NHS staff, volunteers and Council staff.

The Leader updated the meeting on the very sad news received at the weekend of the passing away of Councillor Bill Bendyshe-Brown, who as well as being a current Buckinghamshire Councillor, had previously been elected to the Buckinghamshire County Council and to the Wycombe District Council. Formal recognition of Councillor Bendyshe-Brown, who had been an intrepid supporter of his local area, would take place at the February full Council meeting.

5 Question Time

Question from Councillor Robin Stuchbury to the Cabinet Member for Education and Skills

In light of the fact the Academy group took forward the 11+ exams during the Covid pandemic I would be most grateful to have an understanding of the pass rate within the schools in Buckinghamshire in comparison to previous years. I would also seek to have a better understanding of any information which is available on the impact of the inability to access face to face education during the period prior to the test on the percentage of children in Buckinghamshire passing the 11+ exam.

What information will be made available or is available to the education authority for oversight of the Academy Group actions in progressing the 11+ exams this academic year, particularly to ensure lower & modest income families have not been adversely affected by the exam results. This could adversely and negatively prevent their access to the chosen school of their choice within the grammar school education system run by the educational trusts and academies in Buckinghamshire.

In addition, have we got any information and statistics available for this academic year on the percentage of out of county children who will be entering the grammar school system after this year's challenging round of 11+ exams.

The reply given by Councillor Anita Cranmer, Cabinet Member for Education and Skills was not read out at the meeting but was provided to the Cabinet and to Councillor Stuchbury.

Buckinghamshire Council's role is to support all our children across our schools. Covid-19 has created incredible challenges for all schools and families and the Council is working with school leaders to minimise the impact of the pandemic and resultant lockdown on our pupils, including the outcomes of the selection test. All of the professional views we heard advocated a delay in the scheduled test dates as a result of the extended lockdown and limited access to schools for the Y5 cohort in 2020. The outcomes of the test (as far as they are available at the moment) would support the strategy adopted.

In coming to decisions for the process for 2021 entry, the LA engaged with the Department for Education, the grammar schools (The Buckinghamshire Grammar Schools) who are the test commissioner and GL Assessment (the test provider). We did this for two reasons; firstly because we were contracted to enable children to sit the tests on a revised schedule and secondly, from our role to support all children and schools, particularly with reference to supporting schools in ensuring children were provided with, and were able to access, remote learning. All children will have been impacted in both obvious and hidden ways during the lockdown. Their experiences will have varied, some will have been detrimental to either their academic progress or their emotional wellbeing and other experiences will have been positive. Any individual child's access to the learning available depends on whether they were one of the groups still physically attending school and, if not, on

the arrangements made by their school to support them remotely. Finally, it also depended on their own and their parent's desire to access the education that was provided whether that was online or on paper.

In 2020 entry testing, at the completion of the main round of testing, 25% of the Buckinghamshire resident cohort (1431 of 5673 children who sat the test) had achieved the automatic qualification standard and a further 250 were qualified by the Selection Review Panels.

In 2021 entry testing at the same point in the process, 28% of the cohort (1614 of 5804 children who sat the test) achieved the automatic qualification standard. The selection review process is ongoing but has created in excess of 220 additional qualified resident pupils to date. We can see therefore that more resident pupils qualified for a place in a grammar school this year than last.

At this point in the annual cycle for school admissions there has not been an allocation to schools, the first iteration of this will be complete for national allocation day on March 1st. We have not yet received the preference files for all of our neighbouring authorities, and as such it would be premature to identify a percentage of out of county pupils planning to attend secondary schools in Buckinghamshire. This information will be available after Easter, although it should be noted that final figures will not be available until September when pupils walk through the doors of their new schools.

We understand children's experiences during lockdown may have impacted on their education going forward. However, at this point there is no consistent, coherent or complete dataset that we can use to evaluate the impact that differing on-line educational opportunity has had on this group of children.

We will continue to work collaboratively with schools to mitigate the impacts of the pandemic for all children and especially for those who are some of our most vulnerable and disadvantaged pupils. The best way that we can address the gap in educational attainment is through continual engagement with our schools – sharing the best practice and focussing on practical actions that will have an impact on learning and teaching. We have been delivering conferences and workshops to school leaders across this academic year, working with high quality speakers from nationally recognised institutions as well as showcasing amazing work carried out by our schools and others nationally. Our February conference, which was focussed on engaging with families to support learning had attendees from over two thirds of Buckinghamshire schools.

Question from Councillor Robin Stuchbury to the Cabinet Member for Adult Social Care

Following my previous questions with regard to adult community care on whether care providers are resourced and financially resilient and stable enough to deliver care within the Covid-19 pandemic, what is the current position with regard to the

responsibilities the council has in relation to whether all care homes are in a financially stable position where they are able to deliver services to look after our vulnerable adults during the pandemic. If this isn't the case, what provision financially or decisions will need to be taken to ensure these care homes can continue to look after elderly residents in a safe stable environment .

I asked this question noting that appendix 1 of the draft budget report on 5 January 2021 (p4) indicated predicted savings of £2,300,000 to adult & social care services. This would have formed part of the budget scrutiny , leaving the question open whether the council has the financial resources to deal with this challenging situation and why they did not forecast such expenditure in the support of care provision, in case private providers decided to walk away from their contracts or close their homes.

I recognise the difficulties of managing the service in these testing times but at the same time having to balance this matter against the financial necessity of meeting the statutory responsibility of Buckinghamshire Council both presently and through the 2021/22 predicted/planned financial envelope agreed at the last Cabinet meeting on the 5th of January.

Verbal reply given by Councillor Angela Macpherson, Deputy Leader and Cabinet Member for Adult Social Care

During the Covid-19 pandemic, the Council has ensured that care providers have had prompt access to additional funding made available by the Government. A total of £19m has been distributed to date to support a range of care providers. Identifying, understanding and managing supplier risk and the ongoing monitoring of the financial viability of providers is a key activity in the commissioning of social care services. The Council seeks to mitigate the financial risks as far as possible by working with providers and providing appropriate support. However, the Council has limited control over these risks as many providers have a high number of self-funders and have businesses which are independent of the Council.

The Council has developed a provider support tool to assess approaches from providers who are experiencing financial difficulties. However, there are limits to the level of intervention the Council can provide to a business which finds it is no longer financially viable. In this event the Council has a duty to safeguard and support the affected clients and ensure continuity of their care. The form this will take is dependent on the specific circumstances.

To achieve a balanced budget it is necessary for all services across the Council to deliver efficiencies. Savings of £2.3m have been allocated through the Medium Term Financial Planning process and these will be achieved through an ongoing programme of improvements, including in part through the transformation programme which is delivering the Council's Better Lives Strategy. Detailed modelling was undertaken as part of the budget process which included growth and inflationary pressures. As a result, £9.6m has been added to the budget (see

Appendix 1 of the draft Budget Report, 5 January 2021 (p4)) to help address the known pressures within the market. In addition it is proposed that the Adult Social Care contingency increased to £6m – in part to deal with risks such as those relating to the financial position of care providers. The Council will continue to monitor the market and work with providers to mitigate any significant risks as appropriate.

Question from Councillor Mark Bateman to the Leader of the Council

The impact of the COVID 19 Pandemic has decimated this year's Council Budget. The full implications are yet to be realised. So why is the Cabinet presenting a single year Budget for 2021/2022 which they must know is unrealistic and will result in yet another year of over expenditure? Do the residents of Buckinghamshire not deserve some inkling of what future Budget plans might look like? Why and how is the Council claiming that savings can be made next year across a number of portfolios?

Verbal reply given by Councillor Martin Tett, Leader of the Council

The response to the Covid-19 pandemic has figured heavily in all aspects of the Council's operations this year. However, the Council has still been able to deliver Business As Usual activities as well as bringing the teams together from the five legacy authorities. The government has provided funding support to cover the additional duties placed on authorities in order to deliver the local response for the benefit of residents and businesses and has also introduced a lost income compensation scheme whereby the local authority bears the first 5% of losses but is then able to recover 75% of further losses. At the end of quarter 3 the authority is forecasting a slight overspend although expects to be able to bring this down to a breakeven position by the end of the financial year.

By law we are required to set a balanced budget each year. Although it was our intention to set a multi-year spending plan there is currently so much uncertainty due to the length, depth and nature of the ongoing impact of the pandemic that it was decided to revert to a 1-year revenue budget so that concentration could be given to tackling the pandemic whilst ensuring that the 2021/22 budget is as robust as possible. Furthermore, the government's planned Spending Review changed from a 3-year settlement to a 1-year settlement meaning that there was no certainty of funding beyond the next financial year.

In setting the budget to be presented to Cabinet and Council we have been continually checking our assumptions and estimates against the best information available. Whilst it is difficult to predict what the 'new normal' may look like we have used our collective experience from this year, along with indicators from Government and other national institutions, to propose a budget which represents our best estimate for next year. This includes assumptions around lost income together with corporate contingency budgets to help mitigate the financial risks caused by the uncertainty around Covid.

Our savings plans are focussed on those areas of the budget where we are confident

that we can deliver changes in operation without reducing the quality or flexibility of our services, and these plans have been tested by members and officers alike. These include further unitary savings from integrating teams and systems and from harmonising contracts.

Whilst the proposed budget reflects our best estimates we recognise the financial risks associated with this budget. The draft budget included some corporate contingencies to reflect this uncertainty and risk. Since the draft budget was agreed we have entered a third lockdown and much of the consideration by my colleagues on the Budget Scrutiny Committee was to test the assumptions made. Following their recommendations, the revised budget being considered by Cabinet today recommends an increase in these corporate contingencies to reflect the heightened risks that exist. It is my belief that with the additional contingencies contained in the proposed budget then we will be able to live within our available resources in 2021/22.

6 Forward Plan (28 Day Notice)

The Leader introduced the Forward Plan and commended it to all Members of the Council and the public, as a document that gave forewarning of exactly what Cabinet would be discussing at forthcoming meetings. It was also mentioned that the Buckinghamshire Council Annual Report would be submitted to the next meeting on 2 March 2021. As part of this report Officers had been asked to highlight the many achievements of the Council over the last year that were non-Covid related. A separate report on Covid would also be considered.

RESOLVED –

That the Cabinet Forward Plan be noted.

7 Select Committee Work Programme

RESOLVED –

That the Select Committee Work Programme be noted.

8 Q3 Budget Monitoring Report 2020-21

Katrina Wood, Deputy Leader and Cabinet Member for Resources, introduced the report which set out the overview of the financial Revenue and Capital outturn position for Buckinghamshire Council for the financial year 2020/21 as at quarter 3. The report took into account the pressures relating to Covid-19 and also the business as usual activity.

The forecast Revenue outturn was an overspend of £0.1m, which had reduced from the £4.9m reported for Quarter 2, with the improvement due to additional funding and the active management of overspends. The forecast Capital outturn was £160 million, representing slippage of £27.7m. This was an increase of £12.0m from the £15.7m reported at Quarter 2. It was possible that the position could deteriorate further as a result of the latest lockdown.

The reported position did not include the impacts of the third lockdown which commenced in January 2021, and for which the financial implications were yet to be quantified. Circumstances were continuing to change and consequently the forecast outturn position would continue to be monitored closely. The Council was currently holding circa £47m of General Fund Reserves, which was a significantly healthier position than many other Local Authorities.

Mitigating actions to address the slight in-year forecast revenue overspend included continuing to lobby the government for the full recovery of all additional expenditure and lost income in relation to Covid-19, action within Directorates to identify additional mitigations, as well as the review of commitments against earmarked reserves and corporate contingencies included within the budget. Actions already identified had contributed to the reduction in the forecast overspend.

Members were informed that all Directorates appeared to be forecasting an overspend this year, with the major driver behind this being the loss of income and increased costs in relation to the Council's response to Covid-19. Un-ringfenced grant funding to cover the impact of Covid-19 was being held corporately meaning that the overall position linked to the pandemic was an adverse position of £0.2m.

The most significant movements in Directorate Business as Usual budgets were within Planning, Growth & sustainability, where the overspend had increased by £1.0m. This was as a result of a review of pressures reported between Covid-19 and BAU, and an increase in the lost income from rental properties, which was not recoverable through the Government's Sales, Fees & Charges scheme.

In Children's Services the forecast BAU overspend had decreased by £1.2m to £4.1m. This largely related to additional demand in Social Care which was not directly Covid-19 related, and ongoing pressures in Home to School transport budgets.

Corporate & Funding was forecast to underspend by £46.8m, due to an additional £42.8m of un-ringfenced grant income from central government in response to Covid-19. At Quarter 2 this had been expected to be £39.6m; however, further funding announcements to support the ongoing costs of Covid-19 have been made during the latest reporting quarter. This comprised £32.3m of un-ringfenced grants to cover expenditure pressures and an estimated £10.5m of grant income from the Sales, Fees and Charges lost income compensation scheme (£9.6m has already been claimed). In addition, £4m of corporate contingencies were not currently forecast as committed.

Appendix 1 to the report provided further detail on the revenue forecast outturn by Directorate. Appendix 2 presented a breakdown of pressures arising from Covid-19. The 2020/21 pressure resulting from Covid-19 differs from the total pressure as approximately £0.4m of costs and lost income were absorbed within 2019/20, and

£0.5m of grant had been applied to cover other Covid-19 costs within 2019/20.

The capital programme forecast outturn position (underspend/slippage of £27.7m (14.7%)) reflected the impacts of Covid-19, the establishment of the new Council and the fact that the programme was based mainly on legacy schemes that the new Council had inherited. In future years the programme would have been developed by the new Council and, as such, key decisions would have been made and it would be easier to profile spend and ensure that underspends were minimised.

Significant slippage / underspends had been reported in Children's Services (£3.9m), Communities (£6.6m) and Planning, Growth & Sustainability (£16.6m). Children's Services slippage related to the School Places programme, where restricted site access had delayed progress. Communities slippage related to Culture, Sport and Leisure of £2.4m, and Highways & Technical Services slippage of £5.6m largely on car park projects either delayed or cancelled due to current uncertainties. Planning, Growth and Sustainability slippage largely comprised re-profiling of schemes with unrealistic expenditure profiles inherited from the legacy Councils.

The Leader stressed the many challenges that the Council had faced over the last year, and commended the Government who he believed had responded to assist the Council better than might have been anticipated. The Government support plus internal savings achieved meant that the Council was on track to deliver a balanced budget at year's end.

RESOLVED

Cabinet noted the current forecast outturn for the financial year 2020/21 and the latest estimates of impacts and funding related to Covid-19.

9 Q3 Performance Report 2020-21

Katrina Wood, Deputy Leader and Cabinet Member for Resources, introduced the report which detailed the performance of the key performance measures reported through the Corporate Performance Framework for 2020/21. Latest performance outturns and targets for the quarter 3 period were reported alongside trend and benchmarking information, where available.

Within the performance report, outturns that were performing at or better than target were classified as Green, those which were within 5% of the target were Amber and those that were more than 5% of the target were Red. At the end of Quarter 3, 68 indicators had outturns reported with a Red, Amber or Green (RAG) status. Of these, 45 were Green (66%), 7 were Amber (10%) and 20 (24%) were Red. This was an improvement on Quarter 2 where 37 indicators (59%) had been Green and 20 indicators (32%) were Red.

Cabinet were informed that the majority of the red performance indicators had been impacted due to the Covid-19 pandemic. Cabinet Members then provided comprehensive explanations for the performance marked as red where performance

was more than 5% off the target for each of their portfolio's, these were as follows:

- **Unemployment Claimant Rate** – There were 9,570 more claimants in Buckinghamshire in November than at the onset of the Covid-19 pandemic in March 2020. Improvement actions being undertaken included the Bucks Skills Hub (a LEP, Buckinghamshire Business First (BBF), Buckinghamshire Council and Careers and Enterprise Company partnership) having set up a Redundancy Taskforce. Early retraining initiatives being undertaken within Bucks including - retraining hospitality staff to take on care roles and aviation professionals taking on roles in the film industry.
- **Proportion of who have control over their daily life** - This was an indicator from the annual service user survey, which took place between January and March 2020, where 1,293 long-term service users in Buckinghamshire were invited to take part, of which, 401 responded (31%). This indicator measures how much control service users said they had over their daily life. 74.8% of service users felt that they either had as much control over their daily life as they would want, or that they had adequate control over their daily life, which was below the 80.0% target. A further 15.7% felt that they had some control, and 9.5% felt that they had no control over their daily life. Improvement actions being undertaken included continuing to support service users to have as much control over their daily life as possible, through the Better Lives independence model, which ensured that people's strengths and views were central to their assessment of care needs. Further information would be published on the Bucks Online Directory relating to the care and support available in people's local communities, which would support people to make informed decisions on their care choices.
- **% of assessments completed in 45 working days** – The number of assessments that commenced during September 2020 had increased by 25% (in comparison with September 2019), which increased the time it took for these assessments to be completed during October to December 2020. As a result, the proportion of children's assessments completed within 45 working days reduced to 72% during Q3 (October to December 2020), which was the first quarter that performance had been below the 84% target since Q1 of 2019/20. Of the 1,265 assessments completed in this period, 95% were finished within 60 days, and 99% were finished within 80 days. As the Covid-19 pandemic continues, there has also been an increase in the number of safeguarding contacts relating to mental health during Q3. Improvement actions being undertaken included deploying resources from other parts of the service to increase capacity in the Assessment Teams, ensuring that assessments were effectively allocated to social workers, and by tracking the timeliness of assessment on a weekly basis with Team Managers.
- **% of 19-21 year olds who have left care that are in education, employment or training** – At the end of Q3 (December 2020), 50% of care leavers aged 19 to 21 were in education, employment and/or training, which was below the

60% target. Improvement action being undertaken included establishing the “Care Attain” project to support care leavers in the next year, by working with partners including Transition UK, the Clare Foundation and the Department for Work and Pensions. A Senior Personal Advisor (appointed in Q3) will continue to track performance every week and train Personal Advisors in best practice.

- **% children waiting less than 14 months between entering care and moving in with their adoptive family** - Performance was below the 60% target, but had increased to 51% reported for Q3. Improvement action being undertaken included continuing to explore avenues to recruit adopters for children who were difficult to place or had complex needs.
- **% of children starting to be looked after that are placed in internal placements (from 1 April 2020)** – the number of internal placements had been affected by the Covid-19 pandemic, which had impacted on the availability of internal foster carers and internal placements. Improvement actions being undertaken included ensuring that care leavers who were ready to live independently could move into their own accommodation, by continuing to work with the housing teams to ensure that enough move on places were available.
- **Number of library information enquiries (signposting and referral)** – the number of enquiries for Q3 had been below the target and had been impacted due to further lockdown measures, limited opening times, and social distancing restrictions. Performance was expected to improve when restrictions are eased. However, due to the ongoing COVID-19 pandemic, it was unlikely that performance would improve significantly this year.
- **Permanent Exclusion Rate – Primary** – information had previously been reported to Cabinet in December 2020, no further update was due until 2021/22. The indicator was reported in arrears due to national data collection and publication dates.
- **Missed Bin Collections** –had stabilised since Q2 and was showing a continued week-on-week improvement since the beginning of October. Previous issues impacting on performance included a high number of vehicle breakdowns within the Veolia contract (Wycombe and Chiltern) leading to late starts and incomplete rounds. New vehicles were brought in at the beginning of the quarter, which had led to this rapid and sustained recovery in performance.
- **Number of applicants with/expecting children who have been in non-self-contained B&B accommodation for longer than 6 weeks** - Due to Covid-19 and the increase in demand for temporary accommodation, coupled with reduced availability of socially rented properties, three applicants had currently been placed into Bed & Breakfast (B&B) accommodation for longer than 6 weeks. Improvement measures included continuing to carefully

monitor applicants in temporary accommodation and utilising all avenues to move them to permanent accommodation in a timely manner, including the use of privately rented accommodation.

- **% eligible clients who are provided with transport before the required start date, or no later than 15 working days from referral** – the Q3 performance was significantly lower than target and also lower than the previous quarter. This was a new indicator and further work was being done to understand natural fluctuations in demand as well as operational challenges that may have led to this reduction in performance.
- **% of building control applications checked within 21 days** – the percentage of plans checked within 21 days in Q3 was 85.25%, which was below target (90%); better than Q2 (81.81%), but worse than Q1 (97.25%). This was attributed to a combination of resourcing challenges and work deferred from earlier quarters that couldn't be undertaken properly during lockdown conditions. Improvement measures being undertaken included agency surveyors having been temporarily on-boarded to assist with the increase in workloads.
- **% of enforcement appeals allowed** – Q1 and Q2 had been 0%; in Q3 this had risen to 50%, which related to 1 appeal out of 2. The appeal had been allowed and the notice quashed due to a technical issue in the notice. Planning permission had still not been granted at the appeal and the team were pursuing next steps to seek a remedy.
- **Gross income from property** - while income for Q3 had increased from Q2, it was still lower than target due to pressures as a result of Covid-19. The Buckinghamshire Council team was continuing to agree payment plans with tenants to mitigate the impact of voids. The Property Team also continued to progress a number of significant income opportunities.
- **% of interventions completed against the total due in the annual inspection plan of food premises (A-D rated premises) Buckinghamshire** - On 20 March 2020 the Food Standards Agency (FSA) wrote to Local Authorities instructing them to defer all planned food hygiene and food standards interventions, in effect suspending the programme. This instruction was initially until mid-April but extended until 25 June 2020 and then again until the end of June 2021. Local Authorities had been directed to commence interventions in limited circumstances, i.e. high risk premises only. The team would continue to work within the FSA guidelines and to carry out inspections in high risk premises as directed. Given the ongoing restrictions and the backlog it was unlikely that the teams would achieve the 90% interventions target they had consistently met in past years. It was noted that enforcement officers had been heavily involved in Covid-19 compliance.
- **% of Business Rates collected** - Performance for Q3 was 74.8% against a target of 83.5%. This was due to COVID-19, lockdown 1 and the delay in

recovery action. Alternative payment arrangements were being made where possible that support the business as well as meeting our requirements to collect business rates.

The list of improvement actions taken to mitigate the performance of the above measures were not an exhaustive list and further improvement actions were set out in the report.

Following a detailed review of the performance indicators, it was –

RESOLVED –

- (1) That the Council's performance for the quarter 3 period be noted.**
- (2) That action to improve performance where required be taken.**

10 Budget Scrutiny 2021 Report

R Bagge, Chairman of the Finance and Resources Select Committee (Budget Scrutiny Inquiry Group) attended the meeting to present their findings and recommendations following the intensive budget scrutiny process that had taken place over 4 days in January 2021. The inquiry had scrutinised the Draft Revenue Budget 2021/22 and Capital Programme 2021-2025 that had been approved by Cabinet on 5 January 2021.

From 11-14 January 2021 the Budget Scrutiny Inquiry Group had held meetings in public questioning each Portfolio Holder on their revenue budget and capital programme proposals with a view to making recommendations to Cabinet for it to consider at its meeting on 16 February 2021 prior to submitting the final budget to Full Council for approval on 24 February 2021. The public had been able to submit questions via email or social media channels.

The Budget Scrutiny Inquiry Group had recognised that this was a unique revenue budget which had been produced for one year, opposed to the usual four-year period and recognise that the Covid-19 pandemic has created a challenging and difficult time for Buckinghamshire.

The Budget Scrutiny Inquiry Group had recognised the hard work of members and officers in preparing the budget in light of the global pandemic and it also being the Council's first year of operation. Members were aware that issues outside of this Council's control could change key assumptions significantly, particularly if Covid restrictions remained for a prolonged period, or further lockdowns were enforced.

It was also recognised that since Cabinet had agreed the draft budget, the nation had entered a third lockdown period and this would have an even greater impact on Council finances particularly in areas such as projected income sources, commercial revenue and council tax receipts. The Budget Scrutiny Inquiry Group's key findings and recommendations were set out in Appendix 1 to the report.

In summary the Budget Scrutiny Inquiry Group believed that following their recommendations, the budget was lean, robust and deliverable and thanked officers and the Cabinet for their work. The Leader also thanked the committee for the work and subsequent recommendations and thanked all supporting officers.

The Leader presented a draft response (attached as an appendix to the Minutes of this meeting) on the budget scrutiny report and its recommendations and informed Members that with regard to budget scrutiny recommendation 11, he would be asking Cabinet at the next item on the budget to consider increasing the level of capital investment in highways drainage assets as well as providing additional funding to help with gully cleansing, repairs and essential maintenance.

Cabinet Members commented on the responses relating to their portfolio, or raised the following points during discussion:

- Members of the Inquiry Group were commended for their work and the final budget would be improved due to their work.
- Broadband coverage (recommendation 10) – that they supported the ambition to ensure that Buckinghamshire was one of the most connected counties, whilst also recognising the resourcing / infrastructure issues highlighted in the report.
- Culture Strategy (end of report, not a specific recommendation) – that Cabinet had noted the suggestion and had included a specific budget of £100k in the final budget proposals to drive the strategy forward and promote culture and tourism in Buckinghamshire.

RESOLVED

- (1) That the Budget Scrutiny Inquiry Group, as well as supporting officer, be thanked for their work and subsequent recommendations**
- (2) That Cabinet's responses to the Budget Scrutiny 2021 report and recommendations, as detailed in the appendix to the Minutes, be noted.**

11 Final Budget and Medium Term Financial Plan

M Tett introduced the final budget report which had previously been discussed and amended to incorporate recommendations made by the Finance and Resources Select Committee's Budget Scrutiny Inquiry Group, and changes in the Government's finance settlement. The following key areas of change were highlighted:

- that the budget setting process had been heavily influenced by the Covid-19 pandemic and has been updated following the third national lockdown and potential ongoing financial impacts.
- Given the levels of uncertainty around government funding levels beyond 2021/22 and the difficulties with accurately forecasting the longer-term

implications arising as a result of the pandemic the revenue budget proposed was for 2021/22 only. This would ensure that the Council did not make decisions based on assumptions which were impossible to accurately estimate at this stage given the global, national and local fiscal impacts of the pandemic.

- The Final Local Government Settlement had been announced on 4 February 2021. There had been no changes and as such this confirmed the figures published in the Provisional Settlement which formed part of the budget proposals.
- Changes to the draft revenue budget were largely focussed around the heightened risks as a result of the pandemic. In particular, losses of income linked to business rates and other service income budgets. The third lockdown has further increased the economic uncertainty and financial risks in the 2021/22 budget.
- the budget proposed was built on the proposed Council Tax base and included a 1.99% increase in basic Council Tax and a 2% increase for the Adult Social Care Precept, giving a total increase of 3.99%. Members should note that the Government had announced through the Local Government Settlement the option of councils levying up to 3% for the Adult Social Care Precept. This budget included 2% Adult Social Care Precept levied for financial year 2021/22. However, given the ongoing and well documented pressures for adult social care providers and the increasing number of people in the county needing adult social care services the council would need to revisit this additional 1% as a potential source of additional income when considering the budget for 2022/23.
- The revenue budget included a small one-off use of General Fund balances (£47k) in order to produce a balanced budget and mitigate financial risks in 2021/22.
- The Capital Programme was balanced across its 4 years, as many schemes span multiple financial years. The Council currently had borrowing headroom of £100m. It was proposed that Council delegate to Cabinet the addition of schemes to the Capital Programme which had a financially viable business, subject to due diligence and final Cabinet approval.

Cabinet Members were also informed that following the budget scrutiny recommendation (no. 11) asking Cabinet to consider increasing the levels of investment on drainage issues, it was proposed that Cabinet should agree to increase capital investment in highways drainage assets by £2m (from £1.5m to £3.5m). This would allow structural repairs to be undertaken following identification of issues through cleansing in order to allow gullies to remain clear and operational. This was reflected in the budget papers submitted to the meeting. Recent weather events had further highlighted the need for additional funding to

help with gully cleansing, repairs and essential maintenance and the Leader was now proposing that a further £2m be added to the revenue budget (from £2.2m to £4.2m) to allow all gullies to be properly cleansed once in 2021/22 with a second cleanse of critical gullies also in 2021/22, together with ensuring that any problems identified can be programmed in and rectified. This would be funded from the one-off use of General Fund (unallocated) reserves. The level of reserves were now forecast to be £45m that was still circa 10% of the net operational budget. Overall would mean that the total budget for drainage (revenue and capital) since the draft budget was considered by Cabinet would increase from £3.7m to £7.7m, an increase of £4m.

Members discussed the budget proposals and commented:

- That £30m had been spent on road repairs and maintenance over the last year, as part of a 4 year capital programme of £569m.
- That information be reported back to Members on the management fee charges as part of the High Wycombe Town Committee and Aylesbury Town Special Expenses, to allow this to be better understood by Members.
- On the detailed work that had gone into putting together the adult social care budget, with much of the expenditure related to providing statutory services. The impacts of Covid had increased the complexities in providing care packages and there had been a significant increase in mental health related issues. A contingency of £6m had also been provided to enable the Council to respond to provider failure, if required.
- That the £500k provided to assist in holding HS2 and East/West rail to account, increased funding for road repairs and maintenance, and the increased levels of investment on drainage issues and gully cleansing were all welcomed.

RESOLVED

- 1) That a further £2m be incorporated in the revenue budget for gully clearing (increasing the budget from £2.2m to £4.2m) funded from General Fund Reserves, as discussed and agreed at the meeting, and that**

Full Council be recommended to:

- 2) approve the revenue budget and capital programme (Appendices 1-3).**
- 3) approve the 'Special Expenses' budgets, precepts and associated services for Aylesbury Town, High Wycombe Town and West Wycombe Church Yard (Appendices 5 and 6).**
- 4) support the proposal to delegate to Cabinet decisions to add up to £100m to the capital programme, to be funded by Prudential Borrowing (see**

section 9.5).

- 5) **approve the Council Tax Reduction Scheme Policy (Appendix 7).**
- 6) **approve the schedule of Fees and Charges as set out in Appendix 8.**

It was also noted that a supplementary report, formal Council Tax Resolution, would accompany the final Budget to full Council.

12 Improvement Plan Progress Update

M Shaw, Cabinet Member for Children's Services, introduced the report which detailed the continued impact of COVID-19 on children's services and the current progress against the Ofsted Improvement Plan. COVID-19 continued to be a significant challenge to manage on all levels; however, the service's response to ensure children and young people were kept as safe as possible continued to be of paramount importance. The impact of COVID-19 had led to changes in demand that continued to be unpredictable. This coupled with an increase in the complexity and seriousness of situations that children and young people found themselves in, was having a significant impact on workloads.

The challenges created by increases in demand and which required the Council's intervention had continued throughout the latter part of 2020 and in November specifically, the service had experienced a significant rise in demand creating further pressure on the Multi Agency Safeguarding Hub (MASH), Assessment and Help and Protection Teams. In order to manage the changes in workload safely, the service had moved resources to support the 'front door' and had moved casework to create capacity. The Senior Management Team (SMT) had remained focused on ensuring that staff were supported and that standards in practice maintained. This had been achieved to date in spite of the uncertainty all local authorities face in the current environment.

Data confirmed the changes that the service was experiencing but what was more pronounced were the changes in 'seriousness' of incidents involving children and young people. Overall, there had been a 15% increase in volume of work. The volume of the work in Children's Social Care did not follow a uniform pattern and there had been some significant peaks in activity.

This increase at this point in time coupled with significant changes in casework that was complex such as sexual abuse, mental health and substance misuse, had resulted in a disproportionate impact on the social work time required to manage each case. The issue of 'seriousness' and peaks of activity was highlighted through 93 Initial Child Protection Case Conferences ((ICPCC) held in November, compared to 35 and 25 respectively in October and September.

Despite the pressures in the service during the last few months, work on the Improvement Plan had continued. The stability of and steady improvement in the Help and Protection Teams had largely enabled the actions against the quality of

assessments and plans to move from red to amber. The Assessment Team Managers, despite being under significant pressure had demonstrated strong management oversight and were maintaining good performance in relation to key performance indicators for Section 47 enquiries. For example, despite increases in volume 85% of all Initial Child Protection Case Conferences are held within timescales, against a target of 78%. The increase in volume of Section 17 assessments had led to a decrease in performance in timeliness, with quarter 3 data showing the rate completed on time had fallen from 84% to 72%. Actions were in place to address this which would lead to performance improvement.

The impact on staff of having to frequently deal with disturbing information involving children and young people, consistently working very long hours responding to children in crisis and the overall increase in volume translating into higher caseloads, was significant. There continued to be a strong management focus on staff well-being.

Members sought additional information and were informed:

- On the work that had been done to re-invigorate the Corporate Parenting Panel.
- On the work of the Christmas gift team – led by Councillors Irwin, Waite and Shaw – that had assisted children and families in crisis over the Christmas period through raising over £30k and delivering more than 22,000 presents to needy families.
- On how social care staff were managing in the current work environment.
- That people referring to the service had increased by 237% from August 2019 to August 2020.
- That one of the ways that the service had improved and was operating differently/proactively was in the different approaches taken to connect with young people.

Members were thanked by Officers for the interest and the increased management oversight being given to the service.

RESOLVED that the continued impact of COVID-19 on the Service and the current progress against the Ofsted Improvement Plan be noted.

13 Climate Change and Air Quality Strategy

B Chapple, Cabinet Member for Environment and Climate Change, introduced the report and informed Members that the Climate Change and Air Quality Strategy had been developed following the motion at Council on 15 July 2020 regarding climate change. The strategy set out a proposed approach to addressing climate change and air quality across Buckinghamshire, including targets for emissions reduction from the Council's direct operations. The report recommended that the Strategy be agreed for the purpose of further targeted engagement on how it would be

delivered and implemented.

The overall strategy for addressing climate change and air quality was based upon the Council's ability to control or influence different sources of emissions. The degree of control or influence had been reflected in the nature of the actions for an emission source. This influence varied and had been categorised into four levels / approaches, namely Direct Control, Financial / Regulatory Role, Enabling Change, and Inform and Influence. Information on the 4 levels was articulated in the report.

The strategy proposed 60 actions across a range of emission sources. These actions had arranged in sections aligned with the degree of control model:

- (a) The Council's Emissions – covering how we will reduce our direct emissions.
- (b) Suppliers and Partners – covering how we will work with Community Boards, schools, suppliers and partner organisations to reduce emissions.
- (c) County-wide – covering how we'll work to reduce emissions from non-Council sources of emissions across Buckinghamshire, such as a from transportation and new developments.

The strategy provided milestone targets to be achieved by 2030 and 2040 on the way to reaching net zero for the Council's direct emissions no later than 2050. These emissions targets had been calculated using data from the carbon audit and were presented both as reductions compared to 1990, which was the year which the UK's national reduction targets relate to, as well compared to the 2018/19 financial year used for our recent Carbon Audit. Information on the targets was detailed at Table 1, paragraph 2.6 of the report.

The report stated that the overall pathway to net zero carbon emissions required a faster rate of emission reductions in earlier years (up to 20 and a declining rate towards 2050. With the implementation of the measures identified in the strategy and initiatives highlighted, the Cabinet Member and Officers were confident that the ambitious emission reduction levels could be achieved.

The Cabinet report mentioned a range of options that had been considered in arriving at the proposed actions, e.g. source of the emissions, available technologies / approaches, use of carbon offset credits, and the purchasing of renewable (green) energy. However, the last 2 options were both associated with some uncertainty regarding their effectiveness in reducing carbon emissions. The strategy proposed to review these options to determine the additional carbon benefits that might be achieved through their use, so that a view on their future role in reaching our reduction targets could be taken.

Members commented as follows:

- That schools were very keen to get involved, including with tree planting, but would require funding.

- That information on solar panels and payback periods would be provided to Members.
- That as approximately 50% of the Council's emissions were due to property, the Accommodation Strategy rationalisation would have an important part to plan in reducing future emissions.

RESOLVED –

- 1) That the Climate Change and Air Quality Strategy be agreed for the purpose of further targeted engagement.**
- 2) That further targeted engagement be agreed, with a view to considering the best way in which the strategy can be delivered and implemented.**
- 3) That the strategy be reconsidered following the above targeted engagement to determine the next steps.**

14 Princes Risborough Expansion Supplementary Planning Document

W Whyte, Cabinet Member for Planning and Enforcement, introduced the report and informed Members that the Princes Risborough Expansion Supplementary Planning Document (PRE SPD) had been prepared following the Wycombe District Local Plan to guide development. The SPD expanded upon Development Plan policy to indicate the Council's preferred approach to where homes, school facilities and infrastructure should be provided; how and when they should be phased, and how the development should fund this.

As the largest single housing allocation in the Wycombe District Local Plan (adopted August 2019) and in the south of Buckinghamshire the Princes Risborough Expansion Area (PREA) was a strategic development for the County comprising around 2500 homes and associated infrastructure, including two primary schools, sports pitches, and a relief road acting as a complete alternative to the A4010.

The Local Plan (i.e. the Wycombe District Local Plan adopted for the Wycombe Area August 2019) formed part of the Development Plan for the Wycombe area. It set out the requirements for a comprehensive development that showed how phasing issues could be overcome and required equitable contributions from developers to provide offsite infrastructure.

Development proposals were determined in accordance with the Development Plan unless material considerations indicated otherwise. Policy PR17 of the Local Plan stated that the "[expansion area] development would be assessed against the Council's capacity and delivery plans for the area". These documents together form the SPD. This would form a material consideration that would be taken into account by the Local Planning Authority when determining any future planning applications for the expansion area.

The report set out further detailed information including on:

- Landholdings within the PREA.
- Infrastructure requirements, including phasing and development, apportionment of costs between developers, and responsibility for delivery.
- The structure of the PRE SPD.
- The extensive engagement conducted with the relevant service providers.
- The public consultation undertaken for 6 weeks from June 2019, which had received 180 written responses.
- Briefing to local Members and the Town Council, on 3 and 8 February 2021.
- An independent Design Review undertaken by Design South East in October 2019.

Following the design review the council had continued to engage with developers and explored the scope for a collaborative approach to finalise the SPD. This had frustrated earlier adoption but had been considered worthwhile given the potential to gain agreement on delivery. Unfortunately, it had not been possible to reach agreement on a collaborative approach with developers at this stage.

As a result of responses received throughout engagement on the SPD, a number of changes (detailed in the report) had been made to the SPD that was being recommended for adoption, compared to the 2019 draft SPD.

Following the consultation on the draft SPD and with input from the Highway Authority and a sub group of the Steering Group led by Princes Risborough Town Council technical work had also been undertaken to address traffic management/calming in the Mill Lane and Askett area. This had resulted in a position statement formally approved by the Wycombe Cabinet Member for Planning and Sustainability. This was available as a background paper.

W Whyte informed Members that while the SPD was being submitted to Cabinet for approval, he believed that some further talks still needed to be undertaken with the NHS / local Clinical Commissioning Group to discuss healthcare provision on the site or to identify alternative sources of provision for providing health care facilities, and on alternative ways. In addition, the Leader stated that he was aware that some local Members still had concerns on some issues relating to the SPD and future development. It was very disappointing that the Officer's report at Section 6 had not included details of not only the consultation undertaken with local Members, but also on views they had expressed.

RESOLVED that

- 1) the Princes Risborough Expansion Supplementary Planning Document (PRE SPD), as set out at Appendices 1 to 9, be approved for adoption; and**
- 2) authority be delegated to the Service Director, Planning and Environment,**

in consultation with the Cabinet Member for Planning and Enforcement, to discuss healthcare provision, and alternative sources of funding, on the site with the Clinical Commissioning Group, consult and obtain views of local Members and consider alternative ways to bring forward traffic calming and approve any resulting minor changes, including formatting, accessibility compliance and typographical errors in the SPD and supporting documents, prior to publication.

15 Large Scale Tree Planting on Buckinghamshire Council land holding

B Chapple, Cabinet Member for Environment and Climate Change, introduced the report and outlined the steps that had been taken to date to scope out the options and feasibility of large scale tree and woodland planting of approximately 543,000 trees on land owned by the Council. The ambition was to create a scheme where one tree can be planted for every citizen of Buckinghamshire which would in part contribute to the wider ambition in addressing climate change and becoming carbon neutral by 2050 or earlier. The report focussed on the options for large scale planting on Buckinghamshire Council land holdings only, primarily utilising the agricultural estate.

The Government's 25 Environment Plan and associated draft England Woodland Strategy had a national target to plant 30,000 hectares of new woodland in the UK every year – nearly a million hectares by 2050. To highlight the scale of the challenge this was equivalent to a space about three-quarters the size of the Isle of Wight every year. Last year, the UK had planted just 13,400 hectares of woodland. Woodland cover needed to increase from 13 per cent to 17 per cent – the equivalent of 1.5 billion new trees.

The government had created a £640m 'Nature for Climate' fund to help support in part its tree-planting commitment the full details of which had not been announced. Nature based climate solutions were a critical part of the package of measures to reduce the Country's emissions to net zero. Indeed the government had recently opened the Woodland Carbon Guarantee that aimed to help accelerate woodland planting rates and develop the domestic market for woodland carbon for the permanent removal of carbon dioxide from the atmosphere. The scheme enabled you to sell your captured carbon in the form of verified carbon credits, called Woodland Carbon Units (WCUs), to the government for a guaranteed price.

The report included information on the Woodland Carbon Code and how new native woodland captured CO₂ and examples of the difference that the tree planting would on Buckinghamshire. Planting trees also provided numerous benefits in addition to capturing carbon e.g. improving air quality, flood mitigation, improving water quality, improving public health & wellbeing, creating suitable habitats for wildlife, reducing soil erosion and sedimentation, enhance recreation opportunities and making a significant contribution to the local economy.

The report also included information on the underlying principles for tree planting

(right tree, right place, with a plan) and the project approach undertaken by a team that consisted of representatives from Property, Country Parks, Environment and the Forestry Commission.

The suggested suitable sites for large scale tree planting then gone through a series of sense checking from Buckinghamshire Council technical teams from both an environment and property perspective. Carter Jonas had then been commissioned to undertake the following tasks:

- **Task 1:** Comment on/suggest delivery model for large scale tree planting.
- **Task 2:** Calculate how 543,000 trees could be planted on the farms and other landholdings identified for these trees; create an initial business plan cost for regaining land from farm tenancies.
- **Task 3:** Identify an initial tranche of sites for tree planting.
- **Task 4:** Review Forestry Commission identified holdings. Comment on the suitability of selected sites and make recommendations.

The Carter Jonas report indicated that sufficient land can be identified from the Council's land holdings, primarily from within the agricultural estate, to accommodate the planting of 543,000 trees. It was also noted that the existing important tree planting commitments i.e. parks, open space and amenity areas, will be undertaken as planned during this and future planting seasons.

Members were informed that the confidential appendix to the agenda included specifics of potential land for tree planting. However, as discussions had not been held with landowners for some of these sites it would not be appropriate to discuss the details in public.

Cabinet sought additional information and were informed:-

- That it was planned for the plantings to be native broadleaf woodlands, with the areas accessible to the public where possible.
- That agreement had been reached with Transport for Bucks to undertake replacement tree planting when existing trees needed to be removed from highway verges i.e. if they were diseased or dangerous.
- That discussion were taking place to have a woodland area dedicated to Covid victims.

RESOLVED –

- 1) That the progress made with respect to options to facilitate planting of over 500,000 trees on Buckinghamshire Council land holdings be noted;**
- 2) To progress the production of more detailed woodland creation and project plans for the first phase sites, notably with the aim that, subject to approval of detailed costing and procurement they are delivered within the next planting season; and**
- 3) That the overall ambition of the 10 year large scale tree planting**

programme be agreed noting the phasing of sites, i.e. Phase 1 (sites delivered next planting season), Phase 2 (sites delivered in 2-5 years) and Phase 3 (sites that would be delivered in 5-10 years) noting that sites are subject of change and refinement as the programme developed.

16 Lancaster Road, Cressex Industrial Estate

J Chilver, Cabinet Member for Property and Assets, introduced the report which recommended the acquisition of the long leasehold interest at Lancaster Road, Cressex Industrial Estate, High Wycombe. The proposed acquisition would provide a substantial increase in the revenue generated at this site, and also provide the Council with control of the site to pursue future regeneration and redevelopment opportunities upon expiry of the incumbent leases. Further information in support of the recommendation was contained in the commercially confidential Appendix 1 to the report.

Buckinghamshire Council owned the freehold of this circa 0.63 acre site which was located in a prominent position on Cressex Industrial Estate, High Wycombe. This freehold interest was immediately adjacent to other council owned sites such as the Wycombe Trade Park to the west and Anglo Office Park (off Lincoln Road) to the north. Both were regeneration and redevelopments facilitated some years ago, by the acquisition of old 99 year leases and the re-grant of new 125 year geared ground leases (at a premium). The strategy around the council owned Cressex Industrial Estate will form part of the wider Asset Management Plan.

The site was fully let to Spargo Tools who hold a ground lease at a rent fixed for the remainder of the term at £130 pa, expiring 31st January 2048 (29 years unexpired). The lease did not require landlords consent for assignment of the leasehold interest. Unless the Council owned this lease the site could not be brought forward for development or regeneration purposes for another 29 years.

Previously used for light industrial purposes, the site was currently occupied by leisure operators. There was no history of site contamination from the previous uses. The buildings looked to have been erected in the 1950's, when the ground lease was first granted. Given the occupation of the site, soils investigation was not considered to be practical. A desk top site environmental evaluation would be undertaken, and actions assessed accordingly if risk of contamination or remediation are considered significant.

Spargo Tools was owned 50/50 between two families (Jones and Hopkins), who had now agreed to dispose of their leasehold interest to the Council. While on an industrial estate, the units on site would no longer suit a modern industrial occupier if available on the market today and therefore presented a re development and regeneration opportunity.

Further information was included in the report on other tenants on the site (Playtrain, Summit 2 Leisure Clubs Ltd t/a Fitness Experts) who had both been

subject to lockdown restrictions and were currently on a rental payment plan.

The industrial market had remained strong in the current economic market with yields for investments achieving 5% reflecting the high demand for such assets. Market analysts suggested the strong growth in the industrial sector was likely to continue as major retailers respond to the increased in demand to online shopping and home delivery. The 'last mile' delivery solution was now just as critical within the supply chain as the major distribution hubs.

RESOLVED that the acquisition of the long-leasehold interest at Lancaster Road, Cressex Industrial Estate, High Wycombe to facilitate land assembly and future regeneration opportunities be approved.

17 Overview of Aylesbury Vale Estates and draft business plan 2021-2024

J Chilver, Cabinet Member for Property and Assets, introduced the report which provided an overview of how the joint venture Aylesbury Vale Estates (AVE), that was 50% owned by the council, had operated. It also summarised how AVE was performing against the current business plan and presents the draft business plan for 2021-2024 and the strategy for delivery. The Cabinet was invited to provide comments on the future business plan for consideration by the AVE Board. Further information in support of the recommendation was contained in the commercially confidential Appendix 1 to the report.

The report included information including:

- An overview of Aylesbury Vale Estates (AVE) and the background to the formation of the joint venture between the council and private investors who collectively form Akeman Partnership LLP.
- That at inception, most of the AVDC's property portfolio had been transferred to AVE but operational buildings assets had been excluded. Several community assets such scout huts, doctors' surgeries were also transferred but no sale or development could take place without AVDC approval.
- That as part of the joint venture formation with Akeman Partnership LLP, the management was also contracted at the time of formation from AVE to Akeman Asset Management LLP. The latter was granted a 20-year contract to operate the portfolio from rent collection, asset management, debt management, accounting and reporting.
- A Members' Agreement, signed by both sides of the Partnership, set out in detail how the Partnership operated including the process if the council and the private sector partnership did not agree on a voting issue.
- The management contract provided for quarterly asset management and financial reports to be presented at a meeting of the AVE representative members, with interim monthly reports as necessary. The agreement sets out in detail the delegation process, responsibilities, fee calculation, Key Performance Indicators and Key Performance Targets. Akeman report on these quarterly with

an annual review.

- As an LLP, AVE did not have a “Board” of Directors as such but representatives of both parties had 3 seats at the table. The Council was currently represented by two Cabinet Members and one officer. Each side of the JV had one vote at any decision making stage.
- On the stated aims of AVE.

Financially, AVE was designed to distribute surplus profits both from revenue and capital sales, but it was not allowed to distribute any of the original equity. This meant that an asset acquired for £1m if sold for £1.25m, then £250,000 could be distributed but the remaining £1m must be reinvested.

AVE was now nearly 10 years old and overall has performed well over this period. The starting portfolio was valued at £36.1m and the purchase by the JV had been financed by non-interest bearing loans from each member of £4m plus two loans from AVDC. The senior loan was for £27.08m at 6% interest and the second £3.61m of mezzanine loan at 20% pa interest. After set up costs this gave the members a combined net asset value of £5.9m. The senior loan was not repayable for 20 years but did have amortisation at known rates commencing in year 3 of the partnership. The mezzanine debt had no amortisation but was repayable after 5 years. AVE paid down the expensive debt as soon as it was able.

A further loan had been made to AVE to enable it to purchase the Hale Leys Shopping Centre. The acquisition was felt to be important (particularly by AVDC) to the longer term regeneration plans of the town centre and recognised, Hale Leys strategic location and its adjacency to other AVDC assets. The first loan was for £2.9m at 7% interest. £1m of this has already been paid back. The second loan replaced the HSBC loaned at point of purchase - £5.5m at 4%.

The portfolio was valued annually and at the end of March 2019 had been valued at £44.94m with total debt of £32.42m giving members a net asset value of £12.5m an increase over the 9 years of 111% or £6.59m. When considering returns to members over the life of the JV, the total return earned (income distributed plus value gained) comes to 11.2% per annum average over those 9 years.

AVE produced an annual 3 year rolling business plan towards the end of each calendar year for the members to agree. Comments from the council democratic process were fed back to the AVE Board where the private investor partnership had the opportunity to review and raise any concerns. If this were the case, the matter would be referred back by the AVE Board to the council. Once agreed the plan is instituted for the following financial year which commences at the end of March. The AVE portfolio i.e. the assets included in the original transfer, is always reported separately to Hale Leys which has a separate account.

Summary of the 2020-2021 business plan and performance to date

The overall aim for the past few years had been to produce a self-sufficient portfolio, not reliant on sales, which paid all the AVE overheads, all amortisation and distributed £600,000 pa and still retained an annual profit. The strategy in 2020-2021 to achieve this was:

- Maintain high levels of occupancy across the commercial industrial and wider portfolio.
- Maintain current tenants at Hale Leys.
- Target annual distribution of £600,000.
- Sale of high value land with low income - £300k for the council.
- Improve Raban's Lane management

Information on how the strategy had been delivered was included in the report, Notably, a distribution of £600k for 2019/20 had been paid in November 2020, and a further distribution of £600k for 2020/21 was forecast to be paid in March 2021.

It is difficult to predict with great certainty (because of the on-going Covid impact), what the final performance of the portfolio would be at 31 March 2021. However, demand for industrial units continued to be high and as and when a unit becomes vacant, new potential tenants were quickly coming forward. AVE expected to be able to meet its on-going amortisation payback commitments to the council. The risk of not being able to do this was considered by AVE to be low.

Summary of the 2021-2024 business plan and strategy

The objectives for 2021-2024, remained the same as the current business plan. However, there are some variations in the proposed strategy to achieve these:

- Sale of high value/low income assets, for reinvestment in the portfolio through redevelopment of current sites.
- Redevelopment of key assets and renewal / upgrade of old industrial stock.
- Pay off expensive debt 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 Category B (community assets) and sell/develop where possible.

In the 2021-2024 draft business plan, AVE was presenting a base and enhanced case for the AVE portfolio but just a base case for Hale Leys. Each case was based on a different set of assumptions relating to the above strategy. The assumptions were largely based around timing, value and market conditions, and were detailed in the

report and in the confidential appendices. These covered aspects such as the base case for 2021-22, anticipated sales, re-investment, development, letting assumptions, capital expenditure,

It would be important that the planning applications for the Stocklake and Raban's Lane sites were processed in a timely manner. A pre-app agreement had already been entered into for the Raban's Lane scheme. The Stocklake application would be submitted in the coming months. The timing of any decision would impact AVEs ability to fund re-development of the above sites which are fundamental to improving portfolio revenue flows.

The impact of Covid would require on-going proactive management of the portfolio by the Asset Managers to support and retain existing tenants and where vacancies occur, attract new tenants. AVE will seek to continue to diversify the offer within Hale Leys as it has done in the last few years.

RESOLVED –

- 1) That the performance of Aylesbury Vale Estates against the Strategy and Action Plan for 2020-21 be noted; and**
- 2) That the Strategy and Action Plan in the draft Business Plan for 2021-24 be agreed.**

22 Date of next meeting
2 March 2021 at 10am