



# Finance and Resources Select Committee – 7 April 2022

Overview of the performance and business plans of the Council's companies

Cllr John Chilver – Cabinet Member for Finance, Resources, Property and Assets



# The companies

- The Council currently owns or has interests in four companies:
  - Aylesbury Vale Estates LLP (AVE)
  - Consilio Property Ltd
  - London Road Management Company
  - Buckinghamshire Advantage
- AVE is 50% owned by a private sector partner. The other companies are 100% owned by the Council.
- This report provides an overview of each company's objectives.
- In addition, it provides a summary of the performance of AVE and Consilio Property Ltd in the current financial year, together with an overview of their future business plans.
- The detailed business plans of AVE and Consilio are contained in Part 2, the confidential appendix to this report, together with the profit and loss accounts of the London Road Management Company and Buckinghamshire Advantage.

# Governance arrangements

- Each company has its own governance arrangements
- Inline with best practice and to ensure the Council continues to meet its statutory obligations in the best way, the council plans to strengthen its oversight and monitoring of the companies' activities.
- On 29 March, Cabinet approved a new Shareholder/Member Committee to be formed to act as the council's shareholder and corporate trustee representatives.
- The Committee will receive reports and monitor the activities of the companies, reporting back to Cabinet with any recommendations.

# Main objectives of AVE

- To improve, repair and maintain the property portfolio
- To enhance, maintain and improve Buckinghamshire Council's income stream generated from the portfolio
- To positively influence and promote development and economic growth in the area through development, improvement and maintenance, together with pro-active asset management

# AVE - Summary of Performance

- Performance to date in the current financial year is very positive.

## **Multi-let industrial estate**

- only one vacant industrial unit.
- rent collection 93%.

## **Hale Leys Shopping Centre**

- footfall retuning. Feb 199,200. Increase of 8% month on month.
- four new tenants including Wimpy and New York Kitchen helping to diversify the offer and support evening economy.

## **Development sites**

- Raban's Lane: planning applications submitted July 2020. Commercial/residential mix. Central Area Planning Committee 30 March.
- Stocklake: Planning application submitted March 2021. Commercial. Central Area Planning Committee 30 March (Committee will be updated at the meeting).

## **Distribution**

- £340k to the council in March 22. £40k over forecast.

# AVE - Business Plan Highlights 2022-2025

- Target a distribution of £600,000 pa increasing towards end of the business plan cycle as income increases particularly from new commercial developments
- Pay off expensive debt to reduce cost of finance and reduce amortisation
- Reinvest any excess funds to further enhance income stream
- Maintain current levels of occupancy within the industrial portfolio
- Hale Leys - maintain current tenants, let vacant units and improve future income stream

Main focus for 2022/23 will be promoting the Rabans Lane residential site for sale and bringing forward the commercial developments for Rabans Lane and Stocklake. achieving planning permission for the Raban's Lane and Stocklake developments. This will enable Raban's Lane residential sale and also Stocklake and Raban's Lane commercial developments to proceed

# Main objectives of Consilio Property Ltd

The main aim of this company is to enable the new development of residential property on surplus land on the council's existing estate to:

- Increase the amount of good quality affordable and key worker housing stock for Buckinghamshire's residents
- Increase the supply of private housing to meet the Council's housing needs under the adopted Local Plan
- Promote and showcase by delivery Buckinghamshire Council's affordable Housing aspirations
- Where viability allows to provide a financial return to the Council for the benefit of its residents
- To consider securing Registered Housing Provider status for the company to maintain control and value of all types of tenure housing assets
- To maintain a sustainable financial self-sufficiency whilst also delivering a return to the shareholder.

# Consilio - Summary of Performance

- The company has made good progress to date in the current financial year.
  - The objectives of the company have been re-aligned to support delivery of the Council's key worker and affordable housing aspirations.
  - The company has been re-structured to reflect the future role of the company.
  - Consilio has achieved its return on investment target and is well placed to drive forward its business plan in 2022/2023.



# Consilio - Business Plan Highlights 2021- 2023

In 2022/2023, the focus will be:

- Consider applying for Registered Provider of social housing status to enable lettings at the company owned Tatling End, Denham housing development as affordable tenancies and make managing affordable rented property easier.

RSL status would also facilitate access to potential grants to support further development.

- Reviewing a number of housing development opportunities within the Council portfolio to assist the delivery of build to rent schemes, for affordable and market housing and possibly key worker housing where deemed appropriate.
- The on-going review and monitoring of the performance of its existing commercial investments, reporting back regularly to the Council with any recommendations.

# Other companies

## **London Road Management Company**

- Acquired at the same time as the former Buckinghamshire County Council acquired the High Wycombe Business Park in April 2016, this is a not-for-profit company as the sole basis of the company is to meet and recharge out the shared costs of the business park to all the occupiers of the site.

## **Buckinghamshire Advantage (BA)**

- The Council is the sole member of the company after Bucks Business First surrendered its membership earlier in the year.
- In 2014, BA entered into a promotion agreement with landowners of the Woodlands site, Aston Clinton, focused on securing planning consent and disposing of the consented site.
- The primary business of the company for the year has been to secure the planning consent which it anticipates achieving in April 2022.
- Following consent, the purpose of this company is to promote the disposal of the site to enable the development plans to be delivered.