



## Finance and Resources Select Committee

<b>Date:</b>	F&R 22 <sup>nd</sup> February
<b>Title:</b>	<b>External Property Portfolio Companies</b>
<b>Cabinet Member(s):</b>	Councillor John Chilver – Cabinet Member for Accessible Housing and Resources and Committee Chairman of the Shareholder Committee
<b>Contact officer:</b>	John Reed – Service Director of Property and Assets  Richard Ambrose – Service Director Major Projects
<b>Ward(s) affected:</b>	None specific
<b>Recommendations:</b>	<b>1. Committee to note updated Business Plans, audited accounts and update on progress of the Companies in which the Council is either a joint shareholder or sole shareholder.</b>
<b>Reason for recommendation:</b>	The Committee requested an update on the performance and activities of the Companies that are either partly or completely owned by the Council as shareholder. This report provides an update on the Company activities and the work undertaken by the Councils Shareholder Committee in overseeing the activities.

### **1. Executive summary**

1.1 The Councils Shareholder Committee was set up as a subsidiary Committee to the Cabinet to oversee and receive reports from the Council Companies either partly owned or in a Joint Venture. The Companies involved include;

- Aylesbury Vale Estates
- Consilio
- Buckinghamshire Advantage
- London Road Management Company

1.2 This paper provides an update on the work of the Committee as well as the performance of the Companies.

## **2. Work of Committee and Performance of Companies**

2.1 The first meeting of the Shareholder Committee was 19<sup>th</sup> July 2022, and since that time the Committee has;

- Finalised Terms of Reference. The terms of reference are included in Appendix A. The terms of reference are reviewed annually by the Committee.
- Undertaken a best practice review. A copy of the best practice review is attached at Appendix 2.
- Considered the Shareholder/Member Agreements with the Companies.
- Reviewed the financial standing (including outstanding loans) of each company, reviewed risk registers, produced conflicts of interest guidance and there has also recently been an internal audit review of the governance arrangements. Reviewed Business Plans, progress against Business Plans, and received Directors reports.
- Considered and undertaken training of Directors and Members/Officers of the Committee.
- Considered audited and where appropriate unaudited accounts.
- The Shareholder Committee produces an annual report that goes to Cabinet highlighting the work done over the year by the Committee. This report will go to the Shareholder Committee in March for approval and then onto Cabinet in May. A copy of last year's Cabinet report (22/23) is attached at Appendix 3.

2.2 The meeting is Chaired by Cllr John Chilver with support from Cllr Steve Broadbent, Cllr Anita Cranmer, Cllr Peter Strachan. The meetings are also supported by Officers from legal, finance and property.

2.3 Each meeting is minuted and includes a forward work plan. The minutes are published. Confidential commercial matters are discussed in private session.

### **2.4 Aylesbury Vale Estates (AVE)**

2.5 Aylesbury Vale Estates is a Limited Liability Company registered at Companies House with company number OC348364. A joint venture with the private sector on a 50/50 basis, the Company was incorporated on 3 September 2009 and the current Members agreement is due to end in 2029 unless an extension is agreed.

- 2.6 The Company is managed by Akeman Asset Management under the agreement and the Board meets monthly, with formal Board meetings taking place quarterly. The Council representatives on the Board are Cllr Mark Winn, Cllr David Thompson and they are supported by Mark Preston an Assistant Director of Finance for the Council. The purpose of the Company is to run and invest into the Commercial Assets of the Company and support the economic, housing and regeneration aims of the Council.
- 2.7 A report on the update of the performance of Aylesbury Vale Estates is included in the confidential appendices including business plan, performance against the business plan and audited accounts, ready for presentation by the Members representative to the LLP.
- 2.8 **Hale Leys LLP**
- 2.9 Hale Leys is a Limited Liability Company registered at Companies House with company number OC374038. A joint venture with the private sector on a 50/50 basis, the Company was incorporated on 3<sup>rd</sup> April 2012 and the current Members agreement is due to end in 2029 unless an extension is agreed. It is a single asset vehicle which was used to acquire Hale Leys shopping centre in Aylesbury and is a subsidiary to AVE.
- 2.10 The Company is managed by Akeman Asset Management under the agreement and the Board meets monthly, with formal Board meetings taking place quarterly.
- 2.11 A report on the update of the performance of Hale Leys LLP is included in the confidential appendices.
- 2.12 **Buckinghamshire Advantage**
- 2.13 Buckinghamshire Advantage is a company Limited by guarantee and numbered 05271232. BA was incorporated on 27 October 2004. As a Company that is constituted as a Limited Liability Company it has Members representatives. The current representatives are Cllr Steve Bowles, Richard Harrington, and Lisa Michelson the Councils Service Director for Housing.
- 2.14 The company is managed by the Members representatives and in particular Richard Harrington. The Company is seeking to deliver Woodlands, a strategic site on the outskirts of Aylesbury comprising approximately 1,000,000 sq ft of business space (mixed B1, B2 and B8 plus ancillary), plus approximately 1100 houses. BA has been successful in securing outline Planning approval and is now seeking to progress reserved matters applications and progress marketing of the site to the development community to deliver the wider development of the site plus the Eastern Link Road a key strategic road around the periphery of Aylesbury.

- 2.15 A report on the update of the performance of BA is included in the confidential appendices including business plan, performance against business plan and audited accounts, ready for presentation to the Select Committee by the Members representatives to the Company.
- 2.16 **Consilio**
- 2.17 Consilio Property Limited was incorporated on 15<sup>th</sup> September 2017 and numbered 10964980. It is a company limited by shares. The original company proposal was to acquire investment property to facilitate the development of affordable housing. Since inception it has acquired two commercial assets and developed a mixed tenure residential development. However there has been a change in the funding landscape in relation to the Councils ability to seek funding from Public Works Loan Board to facilitate development. Consilio has bid on opportunities the Council has in its portfolio but has not been successful to date when compared with market offers for 100% affordable housing that the Council has received.
- 2.18 The Company is managed by two Officers of the Council, David Pearce and Nigel Dicker (Part time). The Company is undergoing wider review which will be presented to Cabinet in the Spring 2024.
- 2.19 A report on the update of the performance of Consilio is included in the confidential appendices including business plan, performance against business plan and audited accounts, ready for presentation to the Select Committee by the Members representatives to the Company.
- 2.20 **London Road Business Park Management Company**
- 2.21 London Road Business Park Management Company Limited was incorporated on 6<sup>th</sup> March 2012 under company number 07977974. The Company is a small Company and not for profit that operates as a holding account for shared site expenses at the Business Park and that are recharged to Landlord and Tenants of the site in the manner of service charge management.
- 2.22 A report on the accounts is in the confidential appendices.

### **3. Other options considered**

- 3.1 The other options are;
- 3.2 Do nothing and provide no oversight. This is not recommended, as it is not in accordance with good practice as identified in the best practice review considered by the Committee.

- 3.3 Provide oversight in another way. This is not the recommended option. The Shareholder Committee provides oversight and Members receive training. In addition, reports will come forward to Cabinet with an update on the performance of the Companies.

#### **4. Legal and financial implications**

- 4.1 *Agreed by S151 and Head of Finance for PGS to follow.*

##### **4a Director of Legal & Democratic Services comment**

- 4.2 The Director of Legal has read and approved the report.

##### **4b Section 151 Officer comment**

- 4.3 *To follow.*

#### **5. Next steps and review**

- 5.1 The Shareholder Committee produces an annual report that goes to Cabinet highlighting the work done over the year by the Committee. This report will go to the Shareholder Committee in March for approval and then onto Cabinet in May.



## **Appendix 1**

Buckinghamshire Shareholder Committee Terms of Reference

## **Appendix 2**

Best Practice Review (Governance)

## **Appendix 3**

Buckinghamshire Shareholder Committee Annual Report 2022-23

## **Appendix 4**

4.0 Aylesbury Vale Estates Business Plan

4.1 Financial statements of Aylesbury Vale Estates LLP

4.2 Financial statements of Hale Leys LLP

4.3 AVE Performance Update

## **Appendix 5**

5.0 Buckinghamshire Advantage Plan 2023/24

5.1 Financial Statements of Buckinghamshire Advantage

5.2 Buckinghamshire Advantage Performance Update

## **Appendix 6**

6.0 Consilio Property Limited Business Plan 2023-25

6.1 Financial Statement of Consilio Property Limited

6.2 Consilio Performance Update

## **Appendix 7**

Financial Statement London Road Business Park Management Company

