

Commercial Investment Strategy – phase 2 considerations

Corporate Scrutiny – 25th February 2020



Essex County Council

Existing Approach

- Original ambition £150m over a number of phases
- Cabinet approved initial phase of £50m in 2017
- £33m invested in property portfolio 3 locations (balanced portfolio – retail, light industrial, office)
- £1.8m p.a gross rent
- Circa 5% portfolio gross yield
- Policy decision to invest outside Essex, driven by financial return
- Paused 2018 (Brexit, MRP, borrowing ahead of need guidance etc.)

Considerations for Next Phase

- **If we take forward a fresh round of investment what should the focus be?**
- Within / Outside of Essex?
- Economic development priorities?
- Office space / industrial units / retail usage / leisure space / agricultural land?
- Education & skills development?
- Increasing job creation?
- Targeting housing growth?
- Period of investment?
- Minimum yield / Return on Investment? Specific criteria?
- Balance of risk?
- Any new strategy would sit alongside & be complementary to other revenue generation strategies:
 - Fees & Charges
 - Treasury Management
 - Commercial Strategy