



Essex County Council

Corporate Policy and Scrutiny

11:30	Tuesday, 25 February 2020	Committee Room 1, County Hall, Chelmsford, CM1 1QH
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For information about the meeting please ask for:

Graham Hughes, Senior Democratic Services Officer

Telephone: 033301 34574

Email: democratic.services@essex.gov.uk

		Pages
1	Membership, Apologies and Declarations of Interest	4 - 4
2	Minutes of previous meeting To note and approve the minutes of the meeting held on Tuesday 28 January 2020.	5 - 12
3	Questions from the public A period of up to 15 minutes will be allowed for members of the public to ask questions or make representations on any item on the agenda for this meeting. No statement or question shall be longer than three minutes and speakers will be timed. On arrival, and before the start of the meeting, please register with the Senior Democratic Services Officer.	
4	Procurement Overview and Update Committee to receive report CPSC/03/20	13 - 32
5	Commercial Property Investment Strategy Committee to receive report CPSC/04/20	33 - 37

6 Work Programme - February 2020 38 - 40

To note the Committee's current work programme.

7 Date of next meeting

To note that the next meeting will be held on Tuesday 31 March 2020, in Committee Room 1, County Hall, at 10.30am.

8 Urgent Business

To consider any matter which in the opinion of the Chairman should be considered in public by reason of special circumstances (to be specified) as a matter of urgency.

Exempt Items

(During consideration of these items the meeting is not likely to be open to the press and public)

The following items of business have not been published on the grounds that they involve the likely disclosure of exempt information falling within Part I of Schedule 12A of the Local Government Act 1972. Members are asked to consider whether or not the press and public should be excluded during the consideration of these items. If so it will be necessary for the meeting to pass a formal resolution:

That the press and public are excluded from the meeting during the consideration of the remaining items of business on the grounds that they involve the likely disclosure of exempt information falling within Schedule 12A to the Local Government Act 1972, the specific paragraph(s) of Schedule 12A engaged being set out in the report or appendix relating to that item of business.

9 Urgent Exempt Business

To consider in private any other matter which in the opinion of the Chairman should be considered by reason of special circumstances (to be specified) as a matter of urgency.

Essex County Council and Committees Information

All Council and Committee Meetings are held in public unless the business is exempt in accordance with the requirements of the Local Government Act 1972. If there is exempted business, it will be clearly marked as an Exempt Item on the agenda and

members of the public and any representatives of the media will be asked to leave the meeting room for that item.

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Committee: Corporate Policy and Scrutiny Committee

Enquiries to: Richard Buttress, Democratic Services Manager

Membership, Apologies, Substitutions and Declarations of Interest

Recommendations:

To note

1. Membership as shown below
2. Apologies and substitutions
3. Declarations of interest to be made by Members in accordance with the Members' Code of Conduct

Membership

(Quorum 4)

Councillor M Mackrory (Chairman)
Councillor J Abbott
Councillor M Buckley
Councillor G Butland
Councillor M Garnett
Councillor M Hardware
Councillor M Maddocks
Councillor V Metcalfe (Vice-Chairman)
Councillor J Moran
Councillor R Pratt
Councillor A Sheldon
Councillor M Steptoe
Councillor A Turrell
Councillor J Young (Vice-Chairman)

Minutes of the meeting of the Corporate Policy and Scrutiny Committee, held at 10.30am in Committee Room 1 County Hall, Chelmsford, CM1 1QH on Thursday, 28 January 2020

Present:

County Councillors:

M Mackrory (Chairman)

M Buckley

I Grundy (substitute)

M Hardware (up to 12pm)

M Maddocks

V Metcalfe (Vice Chairman)

J Moran

R Pratt

A Sheldon

M Steptoe

J Young (Vice Chairman)

Councillor Aldridge was also observing for part of the meeting.

Graham Hughes, Senior Democratic Services Officer, was present throughout.

1 Membership, Apologies, Substitutions and Declarations of Interest

The report on Membership, Apologies, Substitutions and Declarations was received and noted. Apologies for absence had been received from Councillors Butland, Garnett (for whom Councillor Grundy substituted), and Councillor Turrell.

2. Minutes

The draft minutes of the meeting held on 26 November 2019 were approved as a true record and signed by the Chairman.

Matter arising – the Senior Democratic Services Officer would chase up the provision of a copy of the 5-year Fosters Strategy.

The review of Property portfolio agenda item intended for this meeting had been deferred due to officer unavailability. Councillor Finch undertook to investigate further to ascertain if alternative cover could and should have been provided for the item. Members also asked for further re-assurance that the Property team were adequately resourced and that there were staff business continuity plans in place across the organisation.

3. Questions from the public

There were no questions from the public.

4. 2019/20 Financial Overview – Quarter Three

The Committee considered report CSPC/01/20 comprising a financial overview of the County Council's revenue and capital budgets as at the third quarter stage of the 2019/20 financial year.

The following joined the meeting to introduce the item and respond to questioning:

County Councillor David Finch, Leader and Cabinet Member and portfolio holder for Finance, Property and Housing.

Christine Golding, Chief Accountant, Essex County Council ("ECC").

Stephanie Mitchener, Director, Finance & Procurement, ECC.

Nicole Wood, Executive Director, Finance and Technology, ECC.

At the invitation of the Chairman, Councillor Finch introduced the item and during a brief introduction and overview included references to:

- (i) The capital programme was forecast to underspend by £18.6m (8.1%) against the current budget of £228.6m.
- (ii) There was a full year forecast overspend of £786,000 on revenue budget mainly due to overspends within the Children's and Families portfolio (£3.5m), primarily down to supporting more complex cases and higher than expected placement costs, and in the Education and Skills portfolio, primarily due to higher than budgeted Home to School transport costs which was offset by under spends within Health and Social Care. There would be an increase of £7m in the Childrens and Families budget for the next financial year.
- (iii) There had been significant growth in SEN costs. This was reflected nationally and comparison costs with other authorities could be shared with the committee upon request. ECC had commenced a deep dive review so as to fully understand the component costs.

During subsequent discussion the following was highlighted and/or noted:

- (i) In terms of slippage on the delivery of some capital projects, issues had been identified on these building projects that had not been anticipated;
- (ii) Where resource for a project was being drawn from across different functions and departments then it was appropriate to recharge for them (e.g. economic growth);
- (iii) It was suggested that Home to School transport budget was regularly overspent and clarification was sought on the remit of the deep dive review of SEN costs. It was stressed that the purpose of deep dive was to fully understand the component

- costs and how they were arising and any opportunities to re-engineer the service and deliver more efficiently. Some members stressed the importance of encouraging transport operators to use environmentally friendly vehicles;
- (iv) There had been £220,000 in redundancy costs relating to posts in within Education, Skills, Culture and Communities and some in Adult Community Learning.
 - (v) There was a planned reduction in consultancy spend in Economic Development and some further recruitment planned.
 - (vi) Having specific earmarked reserves enabled clear identification and transparency for accountability. There was no planned addition to the current waste reserve in the current budget round for 2020/21 as it was considered to be adequate for future needs at present. The Emergency Contingency had increased in recognition that there remained a degree of volatility at the moment with no clarification yet on Fare Funding and Business Rates.
 - (vii) Some members questioned whether other financial instruments could be used for investment of cash resources. Generally, investments needed to be managed so as to be able to respond to fluctuating cash calls and this could prevent longer term investments being made. The value of the investment in MedTech had remained constant and generally it was the policy of ECC to only make investments that produced a return. It was suggested that ECC could support other Essex based businesses through its commercial investments.

Conclusion:

The Chairman thanked the Cabinet Member and officers for their update.

The following actions were **agreed** to be scheduled into the Work Programme:

- (i) To provide a post financial year-end performance update on the MedTech investment, to enable a more general discussion on commercial investment strategy;
- (ii) Customer, Communities, Culture and Corporate – Capital Budget – a further update and breakdown of the underspend/slippage on Libraries Self Service;

5. 2020/21 Organisation Plan and Budget

The Committee considered report CSPC/02/20 comprising the Organisation Plan and Budget 2020/21 including the revenue budget, capital programme, financial strategy and capital strategy. The report included the report of the Section 151 Officer on the robustness of the 2020/21 Budget and adequacy of reserves.

The following remained from the previous agenda item to introduce and support the discussion.

County Councillor David Finch, Leader and Cabinet Member and portfolio holder for Finance, Property and Housing.

Christine Golding, Chief Accountant, Essex County Council (“ECC”).

Stephanie Mitchener, Director, Finance & Procurement, ECC.

Nicole Wood, Executive Director, Finance and Technology, ECC.

At the invitation of the Chairman, Councillor Finch introduced the item and some of his key messages were:

- (i) Although the Government settlement had been slightly more favourable for the coming financial year than anticipated, enabling a balanced budget for 2020/21 to be set, there still needed to be focus on the continuing significant uncertainty over funding in the next few years and the need for continued prudence.
- (ii) Since 2010 ECC had saved over £820m with a further £58m planned for 2020/21. For six of those years there had been no increase in the County Council’s component of Council Tax.
- (iii) ECC had secured a £318M grant from the Housing Infrastructure Fund to support infrastructure projects delivering economic growth – the largest amount for any council;

The following were highlighted, and/or noted in subsequent discussion:

- (i) Significant investments were planned within the capital programme (e.g. schools).
- (ii) Risks and uncertainty continued to be kept under review – particularly mindful of increases in children’s services and SEND.
- (iii) The issue of migration from London Borough areas (particularly to Basildon, Harlow and Colchester districts) continued to be reviewed through the Leaders and Chief Executives Forum and representations had been made to London Boroughs. It had also been highlighted to the Mayor of London.
- (iv) Members challenged the extent to which further savings could be sought from back office and service redesign. It was considered that there were still opportunities to use digital technology to improve productivity in these areas and older systems such as MOSAIC were cited as examples of opportunities for greater efficiencies when they came to be replaced. Efficiencies could also be sought on some third-party contracts. There was also ambition for some further income generation.
- (v) ECC were mindful of the impact that increases in Council tax could have on those ‘just about managing’ – there were some

- dispensations available and it would continue to work and support those finding it particularly difficult in paying.
- (vi) Some members sought re-assurance that there was sufficient capacity in the property team to carry out the redevelopment of redundant property.
 - (vii) Some members sought reassurance that there was appropriate targeting of resources at areas that had seen increases in the levels of deprivation. The particular challenges at Jaywick, for example, had led to significant investment being made in the area but there was an acknowledgement that it may not have brought about the significant changes that had been sought. There was also an emerging issue of increasing drug use, gambling and alcohol abuse in Canvey which would need to be confronted with multi-agency collaboration.
 - (viii) It was intended to reduce the dependency on external foster carers and use more in-house which could provide cost savings.
 - (ix) further information would be provided to Councillor Young on the level of respite care services being provided and the use of specialist foster carers'
 - (x) The Coroners Service was an independent service which ECC was required to fund. When there were significant pressures from extraordinary events then it might be possible to seek some financial assistance from Government.

With the consent of the Chairman, Councillor Finch then left the meeting at 12 noon for another commitment.

- (xi) A new approach to public consultation on the budget had been trialled this year and it was hoped that as that new process was further embedded it would facilitate wider public engagement in future.
- (xii) Flood protection had been clearly identified during the public consultation as a risk for which the public expected adequate protection measures to be in place.
- (xiii) There were often opportunities to seek Government match funding for capital investment in flood protection, which would then supplement ECC's capital funding.

Conclusion

The Chairman thanked officers for their dedicated hard work in preparing the budget on tight time constraints. The following actions had been agreed during the discussion:

- (i) 20/21 Organisation Plan and Budget: Performance statistics to be provided on the Foster Carers Provision;
- (ii) 20/21 Organisation Plan and Budget: Further detail and breakdown on ECC Estate Occupancy Rates (this may be picked

in any case up as part of Property Portfolio Review agenda item being scheduled);

- (iii) 20/21 Organisation Plan and Budget: Essex Strategic Employment Space Programme – further details to be provided.
- (iv) Further information to be provided on the flood management budget, including evaluation of ongoing risks, significant planned projects, and opportunities for Government match-funding.

6. Work Programme

The Committee considered and noted report CPSC/03/20 comprising the current work programme for the Committee. A further update on property portfolio would be rescheduled to February or March meeting.

7. Date of Next Meeting

The next meeting would be on Tuesday 26 February 2020 commencing at 11.30am or upon the rise of Cabinet if later.

There being no further business the meeting closed at 12.13pm.

Chairman

ACTIONS ARISING FROM LAST MEETING

Responses to questions raised by members at the meeting of the committee held on 28th January 2020

1. More information on the slippage on Libraries Self Service

Libraries RFID capital budget was recommended to be slipped in order to better align to the work being undertaken as a result of the Future Library Strategy.

Undertaking the work on RFIDs at a point where the Strategy was not agreed would not have been appropriate. We also needed to assess the market which has moved on drastically in terms of self service functionality, to ensure value for money and to ensure we will be buying fit for purpose products that will last.

2. We have previously referred to cuts in respite care, and the use of specialist foster carers – can we have more detail please?

Savings to respite care will be delivered as part of our 'Reinventing services for Children with Disabilities' programme which aims to ensure a range of personalised support for children and families appropriate to their level of need. This covers community based short breaks (clubs and activities) and overnight short breaks for those with assessed social care needs. Savings have been made within community short breaks through recommissioning contracts for an interim period whilst the model for the future service is developed. These options are still in development with an objective to continue targeted support within the community to avert escalation to social care packages wherever possible.

3. More information on the Essex Strategic Employment Space Programme capital scheme

The Essex Employment Space Programme is a strategic overview of employment land availability to consider where we need to intervene in the market to develop appropriate employment space in the right place and of the right type and size. The programme's primary aim is to release growth and improve productivity where the market is not currently delivering and thus a provision has been made in the capital programme for any opportunities.

4. Further information to be provided on the flood management budget, including evaluation of ongoing risks, significant planned projects, and opportunities for Government match-funding.

The Flood Capital programme commenced in 2015/16 and by the end of 2019/20 will have reduced surface water flood risk to over 1,300 residential properties. The current programme has seen over 75 sites investigated for the potential to deliver capital schemes. The knowledge gained from these projects will help to unlock more funding in the future and reduce the risk of surface water

flooding to more residential properties in Essex. By the end of the current programme it is estimated that over £6m of external funding will have been realised towards the delivery of schemes.

It is worth noting that the original ask for the capital programme was to generate 25% of its annual budget from external contributions. At the end of year 5 this will have been exceeded by generating over £6m of funding which equates to 35% of the total 5 year budget

The total capital cost associated with delivering Year 6 (2020/21) of the Flood Prevention programme is £3.5m. This is anticipated to be funded by £1.75m of external grants and £1.750m from ECC. The ECC-led schemes and grant funding projects would result in

- Preventing £21.973m in damages to residential and commercial properties and critical infrastructure (roads, hospitals and care homes).
- Better flood protection for 185 homes in 2020/21 yielding a cost-benefit ratio of 1 to 3.42.

Head of the Cabinet Office
Essex County Council

Procurement overview and update

Reference Number: CPSC/03/20

Report title: Procurement Overview and update	
Report to: Corporate Policy and Scrutiny Committee	
Report author: Graham Hughes, Senior Democratic Services Officer	
Date: 25 February 2020	For: Discussion and identifying any follow-up scrutiny actions
Enquiries to: Graham Hughes, Senior Democratic Services Officer at graham.hughes@essex.gov.uk.	
County Divisions affected: Not applicable	

1. Introduction

- 1.1 An overview and update on procurement is attached.

2. Action required

- 2.1 The Committee is asked:
- (i) to consider this report and the update in the Appendix;
 - (ii) to consider any future oversight and scrutiny of procurement.

3. Background

3.1 Previous discussions

This is the latest in semi-regular updates requested by the Committee.

4. Update and Next Steps

See Appendix. Councillor Dick Madden, Cabinet Member for Performance, Business Planning and Partnerships, Steve Ede, Head of Procurement, and Laura Lee, Category and Supplier Lead will attend to introduce the item.

5. List of Appendices – Power Point presentation overleaf.

Corporate Policy and Scrutiny Committee

Procurement Overview

February 2020

Procurement Services

Realising Essex's potential through our suppliers



Essex County Council

Agenda

February 2020

- Review of approach to procure contracts and the effectiveness of this approach
- Review ECC's capability for procuring large/high value contracts
- Discussion item
 - Consideration of procurements that the Committee could engage in through a Task & Finish

Welcome to Procurement

**DID
you
KNOW?**

£5.8bn
is the value
of all
managed
contracts

306
contracts
managed

1300
suppliers
managed

150
sourcing
projects in
2018/19

£5.7m
average
value of a
sourcing
project

**ECC is
the only**
CIPS
accredited
County Council

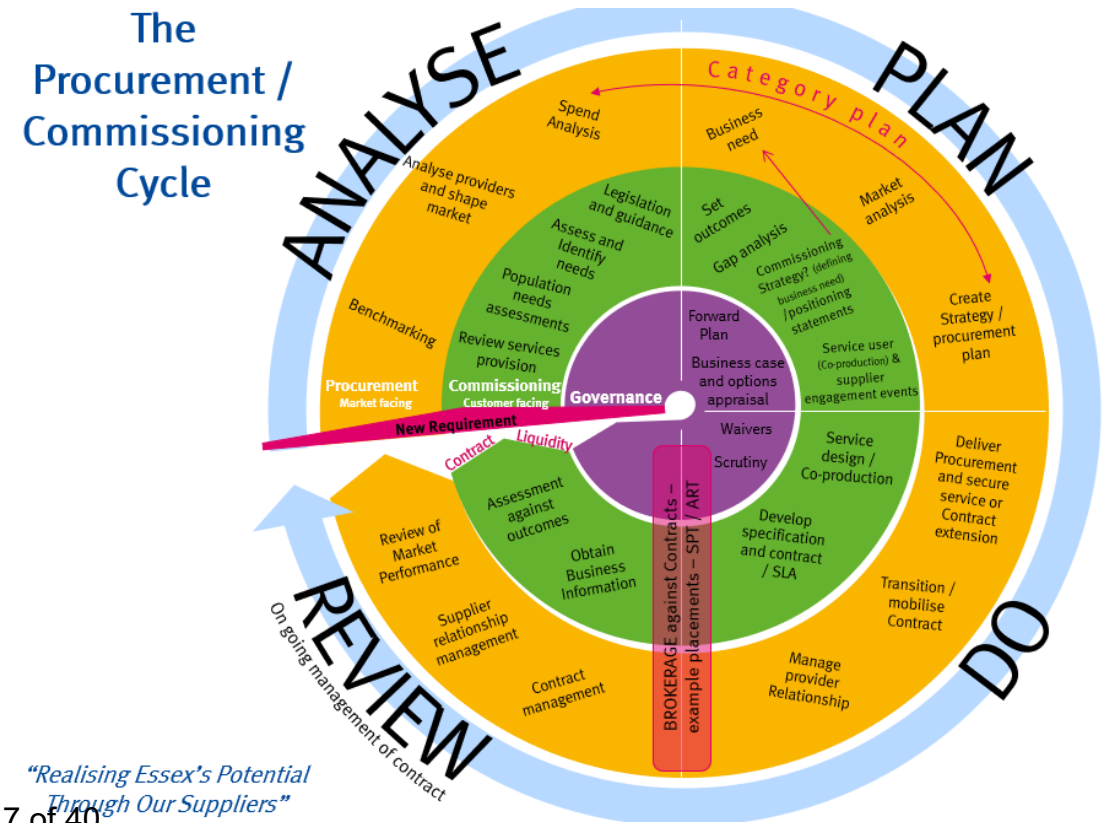
9%
is the value of a
contract that can
be lost with poor
or no contract
management



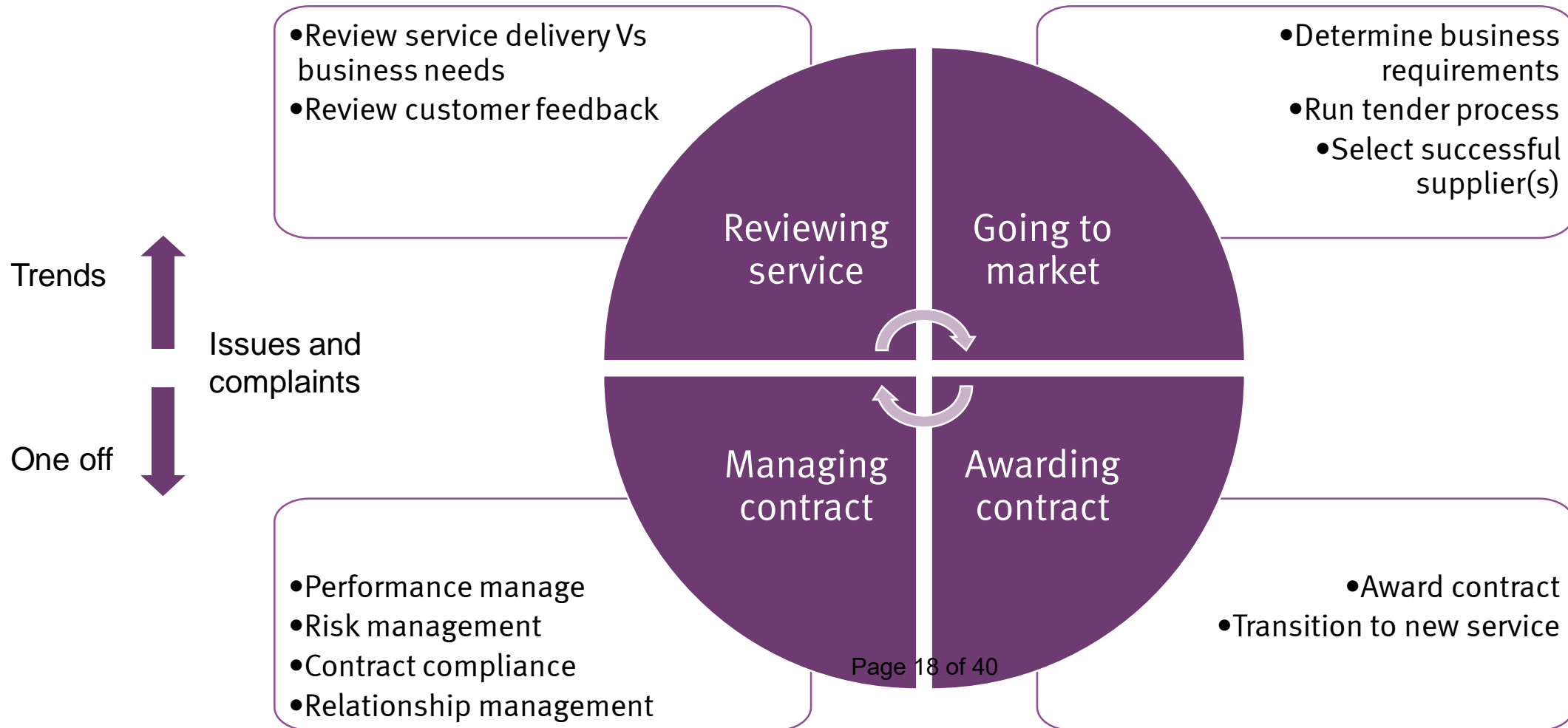
Essex County Council

Procurement and Commissioning Cycle

- Procurement are part of the end to end commissioning cycle and support through:
 - Category planning to help inform commissioning strategy
 - Running sourcing/extension activity
 - Contract management and Supplier relationship management throughout the life of the contract



The Procurement Cycle



A Risk Based Approach to Sourcing

	<u>Very Low Risk</u>	<u>Low Risk</u>	<u>Medium Risk</u>	<u>High Risk</u>
Total contract value	<£10,000	£10,001 to £100,000.00	£100,001 to EU Thresholds (including Light Touch Services threshold)	EU Thresholds and above (including Light Touch Services threshold)
Responsibility	All ECC Officers	All ECC Officers	Procurement Officers	Procurement Officers
Process/ Tool	Self Serve Purchase Card (P-Card), Electronic Payment Request Tool (EPRT), Compliant Framework or TCS	Request for Quotation (RFQ via self-serve) or Compliant Framework	Simplified Tender via e-sourcing portal or Compliant Framework	Official Journal of the European Union (OJEU) Tender via e-sourcing portal or Compliant Framework

- Strategic contracts need to provide best value overall
 - so we may not always get the best price on every element of a contract
- Suppliers need sustainable contracts

Contract Extensions

New processes being developed following best practice work delivered on Mitie and Ringway Jacobs

Includes:

- Benchmarking
 - Market Insight
 - Peer Insight
 - Options appraisal
-



Why we Contract Manage

- Ensure the original objectives/requirements of the contract are met
- Work with suppliers to embed continuous improvements into service delivery
- Identify and deliver savings
- Work with suppliers to identify solutions for wider market issues (opportunity to learn from broader experience of our supply base)
- Ensuring our suppliers deliver value for money
- Satisfy audit requirements that the contracts are being managed in line with the agreed methodology (or agreed variation)



Horizon Scanning – Place and Corporate

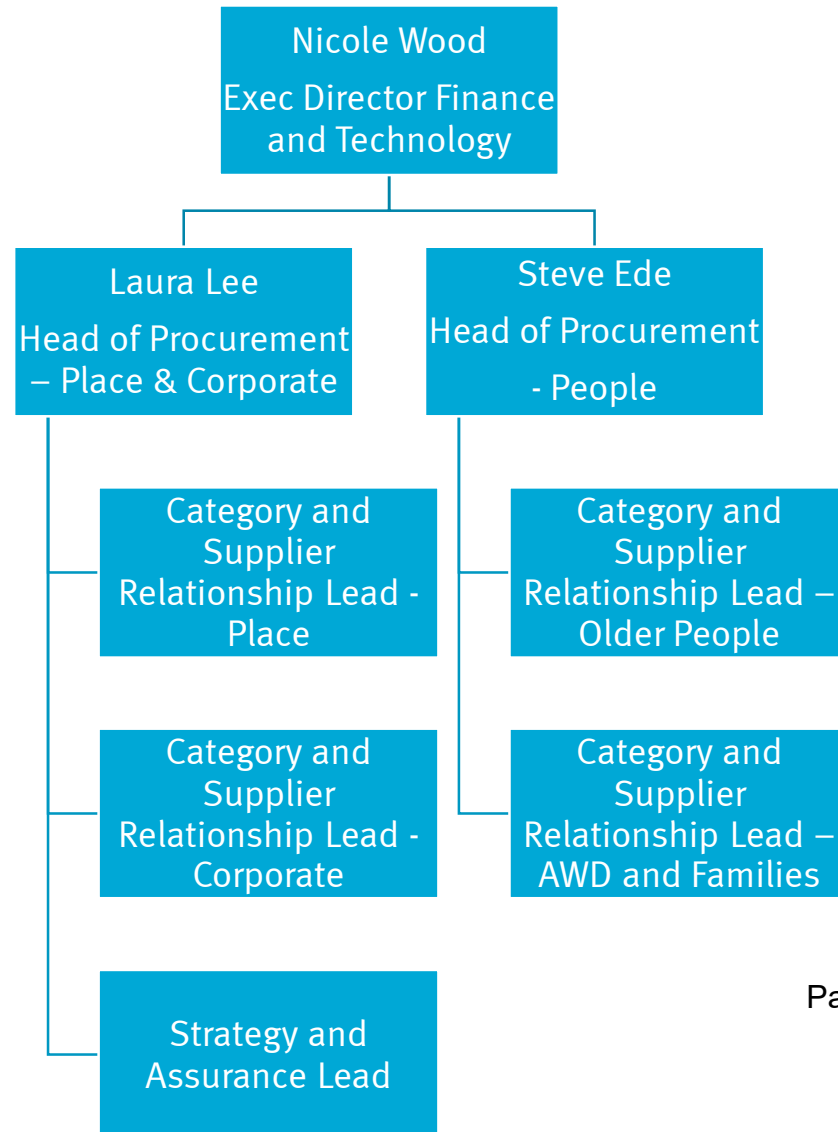
Supplier	Decision	By When
Veolia - Integrated Waste Handling Annual spend £14m	Extension or new procurement	31 Mar 2020. Contract expires 31 March 2022. Extension up to March 2029 possible - more likely to be new procurement.
Bio-waste Treatment, Transfer and Transport Services Framework Annual spend £6.2m	New procurement	Jan 2022. Contract expires Jan 2023.
Matrix (SCM) Annual spend £14.5m	Extension or new procurement	Oct 2020. Contract expires Sep 2021. 1 year extension possible.
DUCL Annual spend £9m	Extension or new procurement	Aug 2021. Contract expires Dec 2022. Extension up to 2 years possible.
Fujitsu Annual spend £5.5m	New procurement	Extension utilised till July 2021.
Servelec Annual spend £0.8m	New procurement	Extension utilised till July 2021.

Horizon Scanning – Social Care

Supplier	Decision	By When
Children's Residential framework Annual spend £12m	Extension or new procurement	Dec 2022. Framework expires Mar 2023. Possible extension to 2028
ER External Fostering Placements Annual spend £8.6m	New procurement	July 2021. Framework expires Sept 2022.
SIA -Semi Independent Accommodation and support services Annual spend £2m	Extension or new procurement	Framework expires Jun 2020. Possible 1 year extension.
ECL - Short Term Enablement Annual spend £8.4m	Extension or new procurement	Contract expires Apr 2021. 1 year extension possible.
Supported to Independence framework Annual spend £1.5m	New procurement	Jun 2020. Framework expires Nov 2020. 4-8 month extension then new procurement
Metropolitan - Intensive Enablement Annual spend £1.3m	New procurement	Jun 2020. Contract expires Nov 2020. 4-8 month extension then new procurement
Provide CIC - Integrated Sexual Health Services Annual spend £8.1m	New procurement	Mar 2022. Contract expires Mar 2023

Appendices

Procurement Structure (As at January 2020)



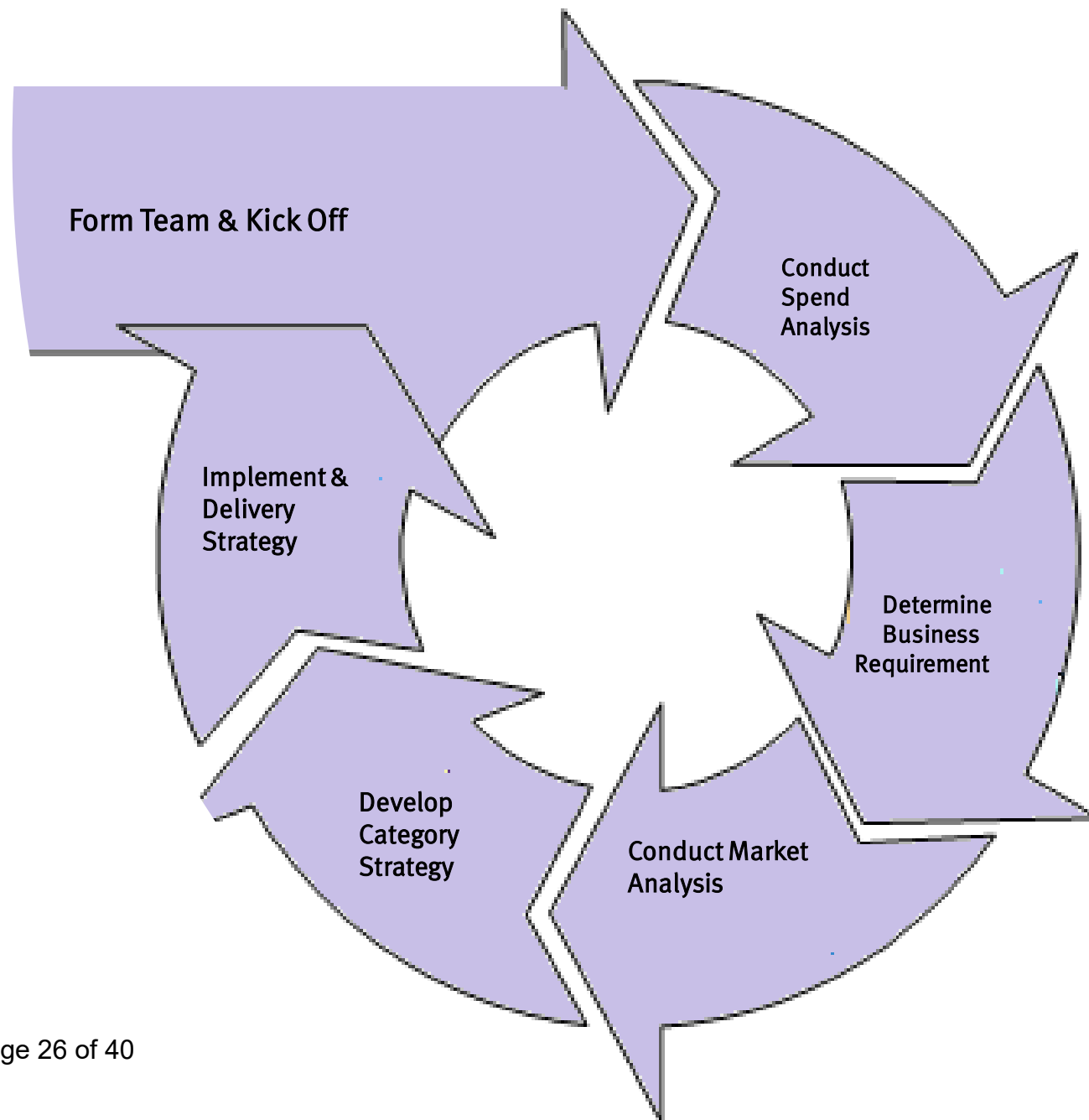
Procurement have a total of 84 employees across a range of disciplines

What is Category Management?

Category Management is the strategic 'end to end' process whereby supply / market capability is fully aligned to business goals and customer requirements.

Our intention is to engage all stakeholders, Commissioning Leads as nominated by the category sponsors, identified subject matter experts from both service and support services across the Authority to form a team (one team approach) who will analyse, understand and plan the future output and direction of this category

The output of this piece of work is to identify short /6 medium / long term procurement business plans to deliver best **quantitative** and **qualitative** outcomes for ECC.



Key stages – Restricted Process

High Risk

Understanding the requirement

Project preparation

Preparation of documents

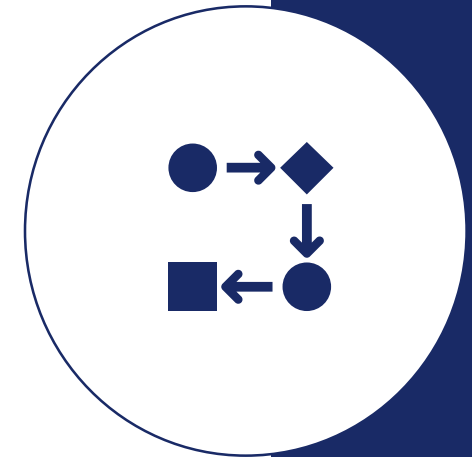
Tendering stage of SSQ

Tendering stage of ITT

Contract Award

Validations and Benefits

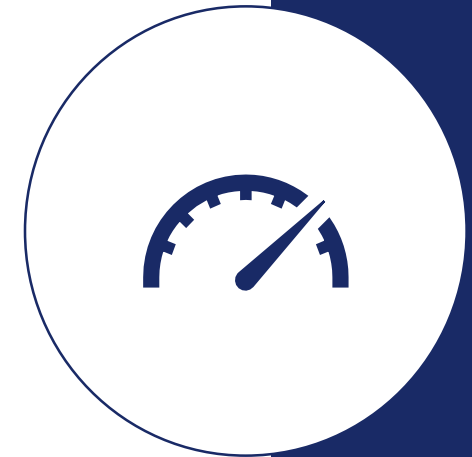
Transition



Why Contract Manage

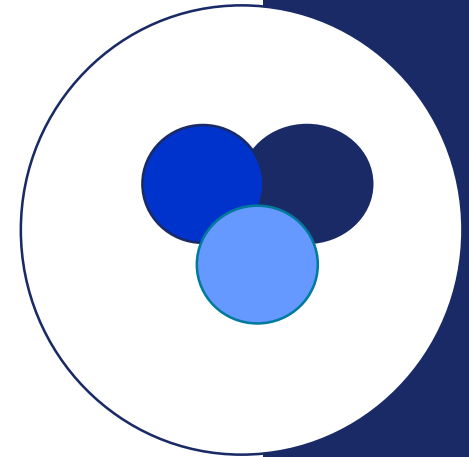
Poor contract management costs companies 9% of annual revenue

- Major areas of contract and management weaknesses leading to leakage are:
 - Disagreement over contract scope
 - Weaknesses in contract change management
 - Performance failures due to over-commitment
 - Performance issues due to disagreement over what was committed
 - Inappropriate contract structures
 - Disputes over pricing
 - Issues with subcontractors



Contract Segmentation

- Essex County Council segments contracts using The TaRT (Tiering and Resourcing Tool)
 - 8 measures to determine the Tier of the Contract
 - Spend
 - Duration
 - Replaceability
 - Criticality
 - Supply Risk
 - Segementation
 - Preferencing
 - Performance
 - Profile



High Level Overview of Contract Management workflow

Plan/Initiate

- Creating the Contract operations manual
- Developing a stakeholder map
- Develop/verify KPIs

Manage (Monthly/quarterly/six monthly depending on the tier)

- Hold contract review meeting
- Review performance reports
- Monitor and manage risk

Annual

- Review and log benefits
- Run contract compliance audits



Contract and Supplier Relationship Management

There are two common levels of management (they overlap by some degree):

- **Contract Management** – Managing the process of developing a contract and post-contract administration, including ensuring the performance of the contract.
- **Supplier Relationship Management** - This includes aspects of contract management but additionally involves a **focus on improving the performance** of the supplier in fulfilling the needs of the buying organisation.
- It also includes aspects of supplier management, but **additionally both parties actively seek to become sufficiently familiar with each other that they can predict how each other will react even in situations that have not so far been experienced.**

There are two key aspects to these types of relationship:

- Clear commitment between the two parties involved
- The objective of understanding, agreeing, and whenever possible codifying the interactions between the two parties



Supplier Relationship Management

SRM is a structure and a process that brings all of the players together to identify, plan and deliver measured improvements based on agreed objectives.

The purpose of investing in a relationship with a supplier is to improve their performance in fulfilling the needs of the buying organisation.

Performance management, managing changes to improve that performance, and monitoring performance by the buying organisation are at the core of SRM.

Different approaches are applied to best manage these suppliers in order to achieve:

- maximised value
- development opportunities
- reduced supply chain risk
- continuous improvement and innovation

Relationships can be close, long-term and enacted on a partnering basis as may be appropriate in high-value, high-risk projects such as joint ventures.



Commercial Investment Strategy – review and considerations

Reference Number: CPSC/04/20

Report title: Commercial Investment Strategy – review and considerations	
Report to: Corporate Policy and Scrutiny Committee	
Report author: Graham Hughes, Senior Democratic Services Officer	
Date: 25 February 2020	For: Discussion and identifying any follow-up scrutiny actions
Enquiries to: Graham Hughes, Senior Democratic Services Officer at graham.hughes@essex.gov.uk.	
County Divisions affected: Not applicable	

1. Introduction

- 1.1 An update on the review of and considerations for the next Phase of the Commercial Investment Strategy is attached.

2. Action required

- 2.1 The Committee is asked:
- (i) to consider this report and the update in the Appendix;
 - (ii) to consider future oversight and scrutiny of proposals as they further develop.

3. Background

3.1 Previous discussions

As part of the discussion on 29 October 2019 on 2019/20 Financial Overview as at Half Year Stage the following was raised and noted in the minutes:

- Currently a lot of ECC's investments are focused outside of Essex. The new Commercial Investment in Essex Places reserves creates opportunities to invest within Essex, with the aim of producing a return on investment and to help develop high streets across the County.

A more detailed discussion on the commercial investment programme took place at the following meeting on 26 November 2019 as a Part 2 item due to the inclusion of commercially confidential and sensitive information. In consultation with the Chairman, a further update is now proposed.

4. Update and Next Steps

See Appendix. Councillor Dick Madden, Cabinet Member for Performance, Business Planning and Partnerships and James Cook, Head of Finance – Major Programmes and Commercial Finance will attend to introduce the item.

Commercial Investment Strategy – review and considerations

5. **List of Appendices** – Power Point presentation overleaf.

6. **Further reading**

National Audit Office – Local Authority Investment in Commercial Property – 13 February 2020.

[National Audit Office - Local Authority Investment in Commercial Property](#)

Commercial Investment Strategy – phase 2 considerations

Corporate Scrutiny – 25th February 2020

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

Work Programme

Reference Number: CPSC/05/20

Report title: Work Programme	
Report to: Corporate Policy and Scrutiny Committee	
Report author: Graham Hughes, Senior Democratic Services Officer	
Date: 25 February 2020	For: Discussion and identifying any follow-up scrutiny actions
Enquiries to: Graham Hughes, Senior Democratic Services Officer at graham.hughes@essex.gov.uk.	
County Divisions affected: Not applicable	

1. Introduction

- 1.1 The current work programme for the Committee is attached.

2. Action required

- 2.1 The Committee is asked:
- (i) to consider this report and work programme in the Appendix and any further development or amendments;
 - (ii) to discuss further suggestions for briefings/scrutiny work.

3. Background

3.1 Briefings and training

Further briefings and discussion days will continue to be scheduled on an ongoing basis as identified and required.

3.2 Formal committee activity

The current work programme continues to be a live document, developed as a result of work planning sessions and subsequent ongoing discussions between the Chairman and Lead Members, and within full committee.

3.3 Task and Finish Group activity

There are no Task and Finish Groups operating at present.

4. Update and Next Steps

See Appendix.

5. List of Appendices – Work Programme overleaf.

CORPORATE POLICY AND SCRUTINY COMMITTEE (as at 17 February 2020)

WORK PROGRAMME 2019/20 – (ADOPTED BY SEPTEMBER 2019 COMMITTEE MEETING)

Approach to topic selection – where can the committee conduct reviews quickly, influence change and make a difference to the residents of Essex

Date/Timing	Issue/Topics	Focus/other comments	Approach	RAG
March 2020				
March 2020	Property portfolio	Additional detail on the breakdown of ECC's property portfolio	Presentation by relevant Cabinet Member and Officers Breakdown of ECC property estate and their values	
March 2020	ECC's Transformation Programme	Committee to receive an update on the progress made to date on the Transformation Programme and next steps	Presentation by the Leader and Chief Executive	
March 2020	ECC's Organisation Strategy	Committee to be engaged with future business plan for 2021 – 2024.	Presentation by relevant Cabinet Member and officers	
April 2020				
April 2020	Delivery Risk Assessment Update	Committee to receive six monthly updates on the progress of delivery risk assessment.	Presentation by Cabinet Member and relevant officers	
April 2020	Property Investment Portfolio	To receive an in-depth update on the latest position on ECC's property investment programme.	Presentation by relevant Cabinet Member, Director and Officers	
April 2020	Property Portfolio	Value of ECC Estate and disposal strategy.	Presentation by relevant Cabinet Member and Officers	

May 2020				
May 2020	Financial Overview 2019/20 as at the half year position	Regular six-monthly updates after Cabinet.	Presentation by Cabinet Member and relevant officers	
May 2020	Commercial Investment Strategy	Post financial year-end performance update on the MedTech investment, to facilitate a more general discussion on commercial investment strategy and returns	Presentation by Cabinet Member and relevant officers	
June 2020				
July 2020				
August 2020				
NO MEETING PLANNED				
Topics identified being pursued				
TBC	Essex Legal Services – update on external charging policy		Presentation by Cabinet Member and relevant officers	
TBC	Reserves		Presentation by Cabinet Member and relevant officers	
TBC	ECC's Trading Activities		Presentation by Cabinet Member and relevant officers	
TBC	Brexit		Presentation by the Leader and relevant officers	