

Essex County Council Property Portfolio

Corporate Scrutiny Committee – 26th November 2019



Essex County Council

Overview of the portfolio (2018)

- ECC has a varied and substantial property portfolio
- Valued in 2018 at £1.6 billion

1,595 Property Assets

908 freehold sites

143 leasehold sites

544 managed sites
(largely school related through
individual agreements)

Value

£1,608m

For capital accounting

Cost

£25.5m

Annual running cost

Income

£2.48m

Generated through
lettings

Condition

£150m

Estimated repair
requirement

What's working well?

- The capital programme continues to be delivered very effectively with the majority of projects managed to time and budget
- Statutory compliance of the portfolio is comprehensive and up to date
- Services delivered through the facilities management core contract with Mitie and Lambert Smith Hampton are being delivered in accordance with the specification
- A corporate landlord model has been introduced
- Significant receipts from property disposals have been realised (£175m over ten years)

Current issues and Pressures

- **Legacy of underinvestment**

Despite the success of the Mitie / LSH contract there has been a lack of investment in the ECC workplace / estate which now means a significant portion of the estate is no longer “fit for purpose”

- **Limited latent value in existing portfolio**

The easier opportunities for releasing value from the estate have largely been used up. A new approach to review the estate and identify value opportunities on a more commercial basis is being rolled out rather than the historic service led deficit saving basis

- **Governance arrangements**

The recently increased capacity and resilience within the Essex property team is leading to improved engagement with service managers across the business. The reinvigorating of the corporate landlord model within ECC and the introduction of a robust and commercially focussed property review process will greatly enhance the operational effectiveness and efficiency of the ECC estates portfolio.