

# **Estate Management Round Table Event and Post Event Survey: April 2025 Summary**

# Background

**Essex County Council's (the Council) current Estate Management Contract ends on the 30th of September 2026. The Council has started on our journey of discovery, regarding how the Estate Management provision could evolve and innovate beyond this date and would like to engage with the Estate Management Industry as part of this approach.**

**Essex County Council (the Council) held a Market Engagement Session for Estate Management at County Hall on Friday 25th April as part of the discovery phase of the project, covering the topics in this slide deck.**

**The Council have engaged with the market through an in-person event and a post event survey. The post event survey gave the opportunity to add further detail on any of the themes covered at the event. The post event survey was available on the Essex Provider Hub and the Councils e-sourcing Portal Pro Contract Project DN760459.**

# Topic: Contract Duration and Local Government Reorganisation

**Questions: Whether a 3+3-year contract would offer value for money for ECC?**

**Whether a 3-year initial contract duration provides time for investment and strategic planning?**

**The most suitable contract length for Estate Management at ECC in the context of LGR?**

- **Most actors in the market indicated that an initial term of 3 years is the minimum acceptable duration and one that makes sense given ECC's current position especially in relation to LGR**
- **A longer initial duration is typically more favourable to deliver innovation and gain share projects, as well as strategic planning**
- **Actors in the market expressed concerns about the extensions of 1 year that create challenges for recruiting and offer strategic advice, stating that a 2-year extension is more favourable**
- **Some actors in the market mentioned that condensed mobilisation will increase costs, this is due to providers needing more resources available upfront**
- **Detailed CCN process required to mitigate risks associated with LGR; TUPE liability and notice period to upscale provisions**

# Topic: Price Quality Split, Gainshare and Indexation

**Questions: How ECC could best achieve VFM with the price quality split given cost pressures?**

**How a Gainshare mechanism will work in practice to incentivise continuous improvement?**

**Whether CPI is a suitable index for an Estate Management Contract?**

- **Majority of the market advised that price quality split market standard is 40% price and 60% quality in recent tenders of a similar size**
- **If price were to be higher, quality would remain high, but delivery speed may be compromised**
- **Most of the actors in the market generally support the Gainshare mechanism but emphasise the need for clarity and how decisions are made by ECC, and quick feedback on proposals**
- **Several actors in the market also suggested that partial payments (or other incentives) could help encourage innovation**
- **Majority of actors in the market indicated that CPI is acceptable on the core and hourly rates**

# Topic: Contract and T&Cs

**Questions: Common areas of ambiguity and risk seen in contracts, and potential mitigations to these?**

**Risks around LGR and devolution that ECC may not be aware of?**

**Any red lines in contracts that would lead to not bidding?**

- **Most actors indicated a common point of ambiguity in contracts is the performance management framework. To avoid this, the key is to ensure clear, realistic, measurable KPIs**
- **The market indicated that clear mobilisation timelines are essential for a smooth mobilisation and continuity of service**
- **Several actors indicated in the context of LGR, clarity on who holds authority, as a way of minimising delays and uncertainty**
- **The market has indicated that unlimited liability clauses are not an acceptable position**

# Topic: Social Value and Climate

Questions: Are ECC TOMs + supporting statement an acceptable approach?

Where can an Estates Management Provider best support ECC's climate ambitions?

What is the market standard in terms of weightings on climate and social value on tenders of a similar size?

## Carbon Reduction Plans and Carbon Calculators

- The majority of the market indicated that the ECC TOMs + supporting statement is an acceptable approach
- Majority of suppliers indicated that reducing emissions as part of the supply chain has been a priority for some time and have contract specific Carbon Calculators in place
- The market indicated that the Social Value weighting should be proportionate to the size of the tender and the Social Value requirement. Given the budget pressures of ECC, providers indicated Social Value should form a low percentage of the quality weighting (between 5-10%)
- The market is familiar with ECC's 7 requirements for a Carbon Reduction Plan and majority of actors are confident that their current plan meets the 7 requirements

# Topic: Tender Timelines and PA2023

Questions: Do the new tender timelines (shared in slides) look acceptable, any risks or concerns ECC need to be aware of?

If negotiation is used, what are the key things for ECC to consider in the negotiation process, risks or areas of consideration?

Any further topics that would be useful to conduct market engagement on?

Would further engagement on PA2023 be valuable?

- Majority of actors in the market indicated that a mobilisation period of three months was not satisfactory. A tender of this size and complexity would require a longer mobilisation period
- Outside of mobilisation, the market is comfortable with the tender timelines
- The market feels that a negotiation process would best be used as a clarification stage
- The market would appreciate further engagement in terms of LGR once more information is available
- Majority of actors in the market are familiar with the new PA2023 regulations