

Committee Agenda



**Epping Forest
District Council**

CONSTITUTION WORKING GROUP Tuesday, 27th July, 2021

Place: Council Chamber - Civic Offices

Room: Room

Time: 7.00 pm

Democratic Services Officer V. Messenger Tel: (01992) 564243
Email: democraticservices@eppingforestdc.gov.uk

Members:

Councillors S Rackham (Chairman), M Sartin (Vice-Chairman), D Dorrell, S Heap, S Jones, H Kauffman, J Mclvor, J Philip, C C Pond, J Share-Bernia, J H Whitehouse, N Boateng and G Woodhall

1. APOLOGIES FOR ABSENCE

2. SUBSTITUTE MEMBERS

To report the appointment of any substitute members for the meeting.

3. NOTES OF PREVIOUS MEETING (Pages 3 - 14)

To agree the notes of the meeting of the Working Group held on 12 March 2020.

4. TERMS OF REFERENCE & WORK PROGRAMME (Pages 15 - 18)

To review the terms of reference and progress with the achievement of the current work programme for the Working Group.

5. CONSTITUTION - REVISIONS & AMENDMENTS (Pages 19 - 20)

To consider the attached report.

6. COVID-19 DEVELOPMENT PROJECTS - LOCAL BUSINESS SUPPLIERS / PROCUREMENT STRATEGY AND RULES (Pages 21 - 48)

To consider the Council's updated Procurement Strategy for 2021 – 2026.

7. DATE OF NEXT MEETING

To note that the next meeting of the Working Group will be held on 5 October 2021 at 19.00.

**EPPING FOREST DISTRICT COUNCIL
NOTES OF A MEETING OF CONSTITUTION WORKING GROUP
HELD ON THURSDAY, 12 MARCH 2020
IN COMMITTEE ROOM 2, CIVIC OFFICES, HIGH STREET, EPPING
AT 7.20 - 8.10 PM**

Members Present:	S Jones (Chairman), D Dorrell, S Heap, J Philip and J H Whitehouse
Other members present:	None.
Apologies for Absence:	M McEwen, C C Pond, C P Pond, S Rackham and J Share-Bernia
Officers Present:	N Boateng (Service Manager (Legal) & Monitoring Officer), S Linsley (Senior Auditor), P Maginnis (Service Director (Business Support Services)), S Marsh (Chief Internal Auditor), V Messenger (Democratic Services Officer) and N Richardson (Service Director (Planning Services))

16. SUBSTITUTE MEMBERS

It was noted that there were no substitute members for this meeting.

17. NOTES OF PREVIOUS MEETING

RESOLVED:

That the notes of the meeting of the Working Group held on 24 September 2019 be agreed as a correct record, subject to the following amendment:

Council Meetings – Public Speaking on Planning Applications & Site Visits – Public Speaking (Min no 13 (a)), paragraph 4, the addition of ‘a particular’ and word reorder, to read: Discussion turned to a particular parish and that meetings could become very hostile for residents.

18. TERMS OF REFERENCE & WORK PROGRAMME

(a) Terms of Reference

The Working Group noted the Terms of Reference.

(b) Work Programme

The Working Group noted the updated work programme.

19. CONSTITUTION - REVISIONS & AMENDMENTS

Following the departure of the Democratic Services Manager, it was necessary to make amendments to the Council’s Scheme of Delegation - Appendix 3 - Delegation to Officers from Full Council at CLD1 and CLM3.

Delegation CLD1 referred to the Data Protection Officer for the purposes of the Data Protection Act and the General Data Protection Regulation, and CLM3 referred to the

Deputy Monitoring Officer, both of which had been held by the Democratic Services Manager.

It was noted that the Monitoring Officer, N Boateng, had already taken over the responsibilities of the Data Protection Officer, and it was agreed that reference to the Deputy Monitoring Officer role be deleted from the Constitution until such time as the Monitoring Officer made an appointment to this position.

RESOLVED:

That a report be made to Council recommending:

- (1) That the aforementioned revisions to the Council's Scheme of Delegation be recommended to Council for approval.
- (2) That pursuant to Recommendation (1) above, the Monitoring Officer be authorised to make necessary revisions to the Council's Constitution.

20. DISTRICT DEVELOPMENT MANAGEMENT COMMITTEE - TO ALLOW A DISTRICT MEMBER TO REGISTER TO SPEAK

A planning application for land to the north of Dowding Way in Waltham Abbey was to have been determined at the District Development Management Committee (DDMC) meeting of 22 January 2020, but was deferred to a future meeting of the Committee. The application had generated much local opposition and numerous representations had been made by the public to the District Council. A District Councillor had also wanted to be allowed to register to speak and address the Committee for three minutes on this application.

Currently the relevant provisions of the Constitution in this regard were:

- Article 10, District Development Management Committee and Area Plans Sub-Committees, Appendix 1 (1) that allows for the following speakers to register:
 - (a) one objector;
 - (b) one representative of any relevant Parish or Town Council for the purpose of explaining the views of that Council on the matter in question;
 - (c) one representative of any other authority consulted on the application or as a statutory consultee where they have so requested;
 - (d) the applicant (or one nominated agent or representative); and
- Council Procedure Rules (Rule P2) (Planning Applications)
 - (a) Any planning application submitted to a meeting of the Council shall be subject to the procedure for public participation by applicants, objectors and town/parish councils in the same way as those applied to the District Development Management Committee and/or an Area Plans Sub-Committee; and
 - (b) That, pursuant to the scheme of delegation on planning applications set out in Part 3 of this constitution, where a local council have indicated, during the course of planning consultations, of their intention to attend and speak at the Area Plans Sub-Committee meeting where the proposal will be considered and then subsequently fail to register and attend, the application be referred (without any consideration of the

merits of the development proposal) to the Service Director (Planning Services) for determination.

Currently the only provision for additional speakers was covered by Article 10, Appendix 1 (4) where 'the Chairman of the Area Plans Sub-Committee or the District Development Management Committee or the Council may allow additional speakers in exceptional circumstances'.

The Democratic and Electoral Services Officer, G Woodhall, explained that he had spoken to the Chairman of DDMC who had agreed in advance to let this District Councillor speak at the meeting. However, the Chairman had not allowed other District Councillors or a County Councillor to individually register to speak, but had asked that they contact the District Councillor due to speak with their comments.

The Planning Services Director, N Richardson, said that this application could potentially be going to DDMC in May 2020.

Councillor D Dorrell said that when he had previously spoken at DDMC, he had just asked the Chairman beforehand and it had not been a problem.

Councillor S Jones commented that currently the ad hoc situation was at the discretion of the Chairman and seemed to work satisfactorily.

Councillor J Philip said that he had also previously spoken at DDMC as a councillor. He could not recall an occasion when the Chairman had refused to allow a member to speak, and it was not significantly different to other committees. He did not think this proposal was a good idea because for a lot of areas there could be several councillors interested in that area. It was unnecessary to amend the Constitution, and could potentially cause more problems. If a member registered to speak for three minutes at DDMC, what would his position be at full Council as he would not be able to take part in any debate, otherwise he would fetter his discretion.

Councillor J H Whitehouse could not see why this was an issue either.

RESOLVED:

That a report be made to Council, recommending:

- (1) That existing arrangements for public speaking in respect of planning applications remained the same for District Development Management Committee.

21. DELIVERING INFRASTRUCTURE IN THE DISTRICT: DEVELOPER CONTRIBUTIONS STRATEGY

This item had been deferred from the previous meeting in September 2019 as both the Planning Services Portfolio Holder and Interim Assistant Director (Planning Policy and Implementation) had been delayed by another meeting and had been unable to attend. Councillor C C Pond had previously asked for more information on developer contributions and the involvement of the ward member (see Min no 14).

The Planning Services Director informed Members that a S106 Strategy document had been agreed by Cabinet in July 2019. It stated that Parish Councils would be consulted as part of the statutory process and for larger sites at the pre-application stage, through the master plan/concept framework process or through the

Development Management Forum to establish the most appropriate form of provision taking account of the location, scale and form of the proposed development in their area.

The Infrastructure Delivery Plan (IDP) was the document that identified required infrastructure and apportioned this to development as allocated in the Local Plan. This was based on technical evidence, was a live document and would inform the District's infrastructure needs going forward.

The IDP and the S106 Strategy recognised contribution requirements for some minor type developments, for example between 6 and 10 residential units, as identified in the Local Plan Submission Version.

RESOLVED:

That a report be made to Council recommending:

- (1) That the Developer Contributions Strategy identified infrastructure requirements for minor sites where applicable and the involvement of local councils.

22. OFFICER EMPLOYMENT PROCEDURE RULES

Every Council was required to appoint a Head of Paid Service, a Monitoring Officer, and a Chief Finance Officer (Section 151 Officer). Each of these posts carried specific statutory responsibilities. As these postholders operated in a sensitive environment, Councils had been required to follow special procedures to investigate disciplinary matters regarding officers holding these positions. Prior to the 2015 Regulations, procedures were governed by statutory Designated Independent Person (DIP) provisions. The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 replaced the statutory DIP provisions with an Independent Panel process.

The Council had made the required amendments to the Constitution, in relation to the dismissal of the three statutory officers, to ensure that these officers could discharge their duties without any fear of being unduly influenced or dismissed by the authority without good reason. The Joint Negotiating Committee for Chief Officers of Local Authorities Conditions of Service Handbook had also been updated to reflect the regulations. A revised disciplinary model procedure was published in the 2017 edition as a reference guide for the dismissal process.

A standing Investigating and Disciplinary Committee (IDC) had to be politically balanced with at least five members. The Senior Management Selection Panel established in December 2017 already fulfilled the redundancy panel functions of the existing Officer Employment Procedure Rules and it was recommended that the Terms of Reference of the Panel should therefore be extended to encompass the new requirements of the 2015 Regulations in terms of the establishment of the IDC. Appointment to membership of the Committee could therefore continue to be made as part of the annual appointments process.

The new regulations required that a Council must appoint an Independent Panel made up of a minimum of two Independent Persons appointed under section 28 of the Localism Act 2011 (in relation to standards complaints against members), whose advice, views and recommendations should be considered before any decision by the full Council to dismiss a relevant officer could be made. The Independent

Persons could refuse to accept an invitation to sit on an Independent Panel and if either was unavailable when needed, it would be necessary for the Council to appoint additional Independent Persons from other local authorities, to ensure at least two Independent Persons were appointed. The Panel could only be appointed by the full Council. The Council currently had three Independent Persons appointed under S28 of the Localism Act 2011 in relation to standards complaints, two of whom had been appointed in December 2018 on the basis that they might also be required to form part of a Panel that would consider disciplinary action against the most senior officers of the authority. In order to meet the appointment requirements of the Independent Panel, it was recommended that it was appropriate for the Council to formally appoint the three Independent Persons to membership of the Panel as part of the annual appointments process, so that the Panel remained available at all times.

The proposal on the establishment of a panel of Independent Persons and using the model disciplinary procedure would ensure the organisation was best placed to manage any matters relating to the potential dismissal of the Chief Executive Officer, Monitoring Officer and Section 151 Officer in the unlikely event that such circumstances should occur.

Councillor J H Whitehouse asked about the Senior Selection Panel and was it an ad hoc panel. The Service Director (Business Services), P Maginnis, replied that the proposal was that its Terms of Reference be extended to include the IDC, and to be part of that process to decide if an investigation would be carried out by two Independent Members. The Council did currently have standing members appointed to the Panel.

Councillor J H Whitehouse asked if the specific provision relating to the Independent Panel (paragraph 10 of the report) could be clarified as it was incomplete. The Service Director (Business Services) replied that this should have read, "The Independent Panel shall consist of the Council's Independent Persons appointed under section 28(7) of the 2011 Act provided that at least two such Independent Persons are willing to sit on the Panel. If they are not, then the Council has the option to appoint additional Independent Persons from other local authorities, to ensure that a Panel of the required number of at least two Independent Persons is appointed."

Councillor J Philip asked about the dismissal procedure. The Service Director (Business Services) replied that the dismissal vote would be made by full Council, while the Senior Selection Panel would come in with action just short of dismissal.

To give effect to the above, the Working Group agreed that the Officer Employment Procedure Rules set out in Part 4 Constitution be revised accordingly. There were no changes required to other elements of the Officer Employment Procedure Rules (particularly Section C (Disciplinary Action) – Suspension) as the current provisions remained in line with the 2015 Regulations.

RESOLVED:

That a report be made to Council recommending:

- (1) That the incorporation of the revised Officer Employment Procedure Rules be approved; and
- (2) That pursuant to Recommendation (1) above, the Monitoring Officer be authorised to make necessary revisions to the Council's Constitution.

23. AUDIT & GOVERNANCE COMMITTEE - REVISED TERMS OF REFERENCE

The Audit and Governance Committee should ensure its Terms of Reference remained current and up to date with a review on an annual basis, which was in line with good practice, and make recommendations for any significant changes to the Council.

When the Committee last reviewed its Terms of Reference in November 2018, no changes at that time had been proposed, as they remained fit for purpose. The Chief Internal Auditor had carried out a comparison of the Committee's current Terms of Reference with the 2018 CIPFA model terms of reference and had undertaken benchmarking with the terms of reference of the audit committees operated by Broxbourne Borough Council and Harlow Council.

The review of the Committee's Terms of Reference undertaken by the Chief Internal Auditor in the autumn of 2019 had highlighted two additions to reflect the Group Company structure being set up by the Council and to encompass any future changes to the provision of internal audit services. The Working Group agreed to these revisions, which had been approved by the Audit and Governance Committee without further amendment at its meeting on 25 November 2019.

RESOLVED:

That a report be made to Council recommending:

- (1) That the proposed changes to the Audit and Governance Committee's Terms of Reference be recommended for approval; and
- (2) That pursuant to Recommendation (1) above, the Monitoring Officer be authorised to make necessary revisions to the Council's Constitution.

24. RISK MANAGEMENT RESPONSIBILITIES

The transfer of responsibilities for the reviewing of the Corporate Risk Register from the Finance and Performance Management Cabinet Committee to the Audit and Governance Committee, was recommended as best practice by the Chartered Institute of Public Finance and Accountancy (CIPFA) that, 'Audit Committees should 'consider the effectiveness of the authority's risk management arrangements and the control environment, reviewing the risk profile of the organisation and assurances that action was being taken on risk-related issues, including partnerships and collaborations with other organisations'.

At committee level, formal responsibility for risk management was handled by these two committees as per their Terms of Reference:

- (i) Finance and Performance Management Cabinet Committee – to advise and make recommendations to the Cabinet on risk management and insurance issues; and
- (ii) Audit and Governance Committee – to monitor the effective development and operation of risk management in the Council.

Currently the Finance and Performance Management Cabinet Committee reviewed the Corporate Risk Register, agreed any updates recommended by the Risk

Management Group, considered whether any new or emerging risks that were not on the corporate risk register and passed on recommendations to Cabinet for its approval.

The Audit and Governance Committee received a copy of the most up to date corporate risk register at each of its meetings in order to provide context for the meeting. On an annual basis in March, the Committee received a report on the effectiveness of the arrangements for risk management from the Council's Section 151 Officer. Following the staff restructure, responsibility for championing risk management was now with the Service Director (Commercial and Regulatory), who chaired the officer Risk Management Group.

Councillor J Philip thought it a logical transfer to make that Audit and Governance Committee review the Corporate Risk Register, and that the Finance and Performance Management Cabinet Committee should keep an eye on risk to enable risk to be looked at from both sides.

The Working Group agreed to recommend to Council that the Audit and Governance Committee review and comment on the corporate risk register on a quarterly basis, supplemented with a more in-depth review of an individual risk on a rolling or risk basis. This would enhance the operation of the Council's risk management function.

RESOLVED:

That a report be made to Council recommending:

- (1) That the transfer of the responsibility for the reviewing of, and recommending revisions, to the Corporate Risk Register from the Finance and Performance Management Cabinet Committee to the Audit and Governance Committee be recommended to Council for approval; and
- (2) That pursuant to Recommendation (1) above, the Monitoring Officer be authorised to make necessary revisions to the Council's Constitution on its Risk Management arrangements to reflect the new monitoring and reporting procedures.

25. FINANCIAL REGULATIONS - CONSTITUTION AND TRANSACTIONS

This balance between financial control and risk reduction had always been a consideration when reviewing purchasing and invoicing instructions and procedures. The Council's current position was that the business systems were only partly integrated, and set up in such a way as to mimic the paper systems in use a decade or so ago that an immediate IT solution to the problem of delivering effective and efficient transactional processing was not possible. It should however be noted that the planned review of business systems was intended and would complete by the 30 September 2020.

Improvements to transaction management could be improved in the interim to ensure control and a return from investment in recent management changes regarding the Council's restructure, to make procurement and payment transactional costs including procedures simpler and more efficient. This also allowed the Council to improve and learn before the implementation of improved systems from April 2021 (at the latest).

Currently the approach used IT systems (supported by a significant amount of paper vouchers and controls), emails and double signatures on relatively small items and values well within budget. This was cumbersome, bureaucratic and added to real transactional costs and opportunity costs with managers reviewing and signing paperwork already validated by others.

In line with the majority of accountability and responsibility for budgets being passed to team managers, it was proposed to use this approach and that the designated budget holder (usually a team manager) could make purchases and authorise payments with a value of £24,999 or less that were within the designated budget. It was only for purchases and payments of £25,000 and / or in excess of budget that required a second signature from a director.

To ensure the process was controlled:

- A list of budget holders and the financial codes they could operate was already known and maintained securely.
- Monthly, finance business partners could update this list for any changes of budget overspend issues.
- Email and electronic signature and instruction could replace signed paper records as electronic sign off could be counted as a prime record and was as at least as safe and secure as a paper signature.

Increasingly managers were asking for faster and more rapid ways of securing goods and services. Technology allowed for a virtual rather than a real card to be broadly issued with spending controls at transaction, overall limit or nature of the goods and services purchased level. Details of the transactions were received electronically and could be reconciled and posted to the main finance system with ease. Therefore, the proposal was to issue real or virtual purchase cards to all budget holders and directors and expect all purchase below £1,000 to be made by this route and where applicable purchases of £1,000 to £4,999 to also be made by this route. The default approach to these cards was to set a credit limit of £5,000 a month and limit them to the subjective areas covered by the designated budget, i.e. remove the ability to access cash or buy an unexpected item or service.

Purchase would be reviewed monthly as part of the transaction posting process. Variation of the above limits and approach could be approved by the Section 151 Officer, e.g. for the emergency purchasing role of the Executive Director of Commercial and Regulatory Services.

The Council was trying to modernise the way it worked, as currently systems were fragmented and bureaucratic for small spend, but retain a framework of governance. This approach would be re-examined as part of the more major review of systems and process during 2020/21. The plan was for this change to be delivered by a small start and finish project to be completed no later than the 30 April 2020. The project group will consist of:

- Interim Strategic Director (resources soon to be Chief Operating Officer)
- Section 151 Officer
- Procurement Lead
- Payment Lead
- Representative of NatWest bank (for card issue)
- Internal audit representative

Councillor S Heap queried how important was it that those amounts of money needed to be spent so quickly, how often did this happen and was the card real? The Service Director (Business Services) replied that she would have to find out how often fast payments were needed and report back to the Councillor later. However, there was governance in place and although it was a real card, the money had to be in the budget. Councillor S Jones added that only the budget holder was designated to spend it.

Councillor J Philip said it made sense that if officers were imparted with holding budgets, they should be able to spend that budget if it was under £25,000. The Financial Regulations could always be reviewed at a later date. He proposed that a review be undertaken in a year's time by the Audit and Governance Committee, which was agreed by the Working Group.

RESOLVED:

That a report be made to Council recommending:

- (1) That a change to the current delegations and standing financial instructions to require only one sign off signature (electronic or physical) by the designated budget holder (usually a team manager) for purchases and payments with a value of £24,999 or less that were within budget and only purchases and payments off £25,000 and / or in excess of budget to require a second signature from a director, be approved. (This was to retain control whilst significantly reducing transaction costs and paperwork pending a major system review and change timetabled for April 2021);
- (2) That the issues of real or virtual purchase cards to all budget holders and directors and to expect all purchase below £1,000 to be made by this route and where applicable purchases of £1,000 to £4,999 to also be made by this route, be approved. (This was to retain control whilst significantly reducing transaction costs and paperwork pending a major system review and change timetabled for April 2021);
- (3) That pursuant to Recommendation (1) and (2) above, the Monitoring Officer be authorised to make necessary revisions to the Council's Constitution; and
- (4) That the Audit and Governance Committee review the Financial Regulations in a year's time.

26. AUDIT AND GOVERNANCE AND STANDARDS COMMITTEES - REVIEW OF MERGER PROPOSALS

The Council had considered the results of a review on the desirability of combining the Audit and Governance Committee and the Standards Committee on 18 February 2016. At that meeting, the Council concluded the proposals for a merged committee not be adopted as part of the changes to the Constitution, but for a review of the position to take place after two years.

The Constitution Working Group had revisited the merger proposal at its meeting on 16 April 2018. On the advice of the Assistant Director (Governance), the Constitution Working Group agreed to defer its review of a merger because the restructure of the

Council was underway, as well as the review of the Overview and Scrutiny Select Committees to reflect this new structure.

Since then the Council had undertaken a restructure and replaced the previous four directorates with seven service areas, with Portfolio Holders aligned to each of these. In addition, the four directorate select committees had been reduced to three and aligned with the Council's three corporate objectives (Stronger Place, Stronger Communities, Stronger Council).

The next step options below were considered, whereby the views of both the Audit and Governance Committee and Standards Committee could be sought to establish if there was an appetite to merge the two committees by considering the following provisos to address concerns raised in 2018:

- A higher number of members for the new Committee. Currently there were nine Members available to consider Standards issues, which would have been reduced to three under the initial proposals.
- Ask Council to create a specific group to deal with Standards Investigation Hearings that would meet on an ad hoc basis, i.e. as the need arose.
- With regards to a perceived lack of involvement of Parish Councils as currently there were three representatives from the Local Councils affiliated to the District Council's Standards Committee.
- Ask that all agendas were notified to Parish and Town clerks that were aligned to the District's Standards Committee.
- Ask that existing Parish representatives be invited to attend meetings of the new committee as they considered necessary.
- Change the Terms of Reference to include that any hearing into a Parish/Town Councillor included an appropriate representative.

Councillor J H Whitehouse said that when this had previously been thoroughly discussed, members did not want to do this and she was against the merger.

Councillor S Heap agreed but he did not know where standards issues would fit into the Audit and Governance Committee's remit.

Councillor J Philip also agreed. The Audit and Governance Committee had a hefty work programme as it was, and management of the Risk Register's responsibilities would create a significant amount of work. There was no benefit at this time to merge the two committees, as both committees did different things. Therefore, the Working Group should not reconsider a merger unless instigated at the request of either committee, which was agreed.

RESOLVED:

That a report be made to Council recommending:

- (1) That existing arrangements remained the same for the Audit and Governance Committee and the Standards Committee with no merger; and
- (2) That any future merger would be reconsidered by the Constitution Working Group only at the request of either of the Audit and Governance Committee or the Standards Committee.

27. OVERVIEW & SCRUTINY COMMITTEES - CO-OPTION OF MEMBERS

The Overview and Scrutiny Committee had considered a draft revised protocol for the co-option of independent members to the Council's Overview and Scrutiny committees on 28 January 2020. Article 6 (Overview and Scrutiny) of the Constitution, paragraph 6, stated that 'The Overview and Scrutiny Committee shall be entitled to recommend to the Council the appointment of appropriate persons as non-voting co-optees.'

Previously, this process had been followed to appoint representatives of the Epping Forest Youth Council and the Chairman of the Tenants and Leaseholders Federation to membership of the former Communities Select Committee. With the introduction of the new Select Committee arrangements at the start of this municipal year, the Service Director (Housing & Property Services) had suggested that the Chairman of the (renamed) Tenants and Leaseholders Forum should be co-opted onto the Stronger Communities Select Committee, whilst the Epping Forest Youth Council was also keen to secure co-opted membership of the same Select Committee.

The Overview and Scrutiny Committee considered proposals for appropriate selection procedures and criteria for the appointment of co-opted members to the Council's Overview and Scrutiny Committees. It had agreed to bring the co-option of independent members for the Select Committees in line with the existing arrangements for the Audit and Governance Committee, Standards Committee and the Remuneration Panel (which was entirely composed of independent members).

The Members' Allowances Scheme for the current municipal year provided for the application of an annual allowance of £500.00 for co-opted independent members of an Overview and Scrutiny Committee. Any proposals for revision to this element of the Scheme would be required to be considered by the independent advisory Remuneration Panel, and whose views the Council would be required to take into consideration.

Councillor J H Whitehouse said that she had served on the previous Housing Committee, which had also had co-opted members, and therefore supported this proposal. However, she was not happy with paragraph 1.3 of the Protocol, as it gave the impression that only co-opted members could bring views forward but councillors could as well. The Democratic and Electoral Services Officer replied that this paragraph recognised that co-opted members saw a different side to councillors and officers. It also depended on why that person had been co-opted.

At the suggestion of Councillor J Philip, the Working Group agreed to include a minor amendment to this draft protocol to clarify that it was not only co-opted members, but that councillors also brought views forward. Thus, the inclusion of 'another' in paragraph (1.3), last sentence, was made, to read, 'Co-opted members could also add value to the scrutiny process by considering service provision from a customer perspective and acting as another channel for questions from outside the authority'.

RESOLVED:

That a report be made to Council recommending:

- (1) That 'another' at paragraph 1.3 last sentence be included in this draft revised protocol, to read, 'Co-opted members could also add value to the scrutiny process by considering service provision from a customer

perspective and acting as another channel for questions from outside the authority’;

- (2) That the draft revised protocol for the co-option of non-elected Members to the Council’s Overview and Scrutiny Committees pursuant to Recommendation (1) above, be recommended to the Council for approval; and
- (3) That pursuant to Recommendations (1) and (2) above, the Monitoring Officer be authorised to make necessary revisions to the Council’s Constitution’.

28. DATE OF NEXT MEETING

It was noted that the next meeting of the Working Group would be held on 18 June 2020 at 7.00pm.

CONSTITUTION WORKING GROUP

TERMS OF REFERENCE

Title: Constitution Working Group

Status: Working Group

Terms of Reference:

- (1) To review any aspect of the authority's constitutional arrangements as requested by the Council;
- (2) To undertake general reviews of specific elements of the Constitution in order to ensure that the authority's constitutional arrangements complement current legislative requirements and decisions made by the Council; and
- (3) To consider any proposals of the Monitoring Officer for necessary revision to any element of the Constitution.

Reporting:

The Working Group shall report directly to the Council in connection with its Terms of Reference and the achievement of its work programme.

Chairman: Cllr S Rackham

This page is intentionally left blank

Constitution Working Group
(Chairman – Councillor S Rackham)
Work Programme 2021/22

Item	Timescale	Progress	Officer / owner
(1) Constitution	Ongoing	To consider the ongoing review of the Constitution to ensure alignment with the Council's management structure.	N Boateng
(2) Procurement Rules 2021 - 2026	27 July 2021	To consider the new Procurement Rules (agreed by Cabinet Dec 2020)	J Warwick / S McNamara
(3) Article 4 – The Full Council Terms of Reference	5 October 2021	To review Article 4 – The Full Council Terms of Reference sub-para (c).	N Boateng (report due)
(4) Part 3 – Scheme of Delegation – Appendix 3 – Delegation to Officers from Full Council	5 October 2021	To discuss the delegated powers in relation to Planning Officers.	N Boateng (report due) (incl. N Richardson)
(5) Statutory Statement of Accounts to be approved by Audit Committee	5 October 2021		Andrew Small

This page is intentionally left blank

Report to Constitution Working Group

Date of meeting: 27 July 2021



**Epping Forest
District Council**

Subject: Constitution - Revisions and Amendments

Officer contact for further information: N Boateng (01992 564323)

Democratic Services Officer: V. Messenger (01992 564243)

Recommendations/Decisions Required:

To note the work programme for 2021/22 of the Constitution Working Group and identify other areas of the Constitution that should be reviewed by the Working Group.

Resource Implications:

The recommendations of this report seek to ensure that the Council's Constitution remains fit for purpose.

Legal and Governance Implications:

The Council's Constitution sets out procedures and rules for the operation of its functions and responsibilities.

Safer, Cleaner, Greener Implications:

There are no implications arising from the recommendations of this report in respect of the Council's commitment to the Climate Local Agreement, the corporate Safer, Cleaner, Greener initiative, or any crime and disorder issues within the district.

Consultation Undertaken:

The matters subject of recent revisions to the Constitution have been agreed by the Council.

Background Papers:

None

Risk Management:

The Council's Constitution sets out procedures and rules for the operation of its functions and responsibilities.

Equality:

There are no equality implications arising from the recommendations of this report.

This page is intentionally left blank

Report to Constitution Working Group

Date of meeting: 27 July 2021



**Epping Forest
District Council**

**Subject: Covid-19 Development Projects – Local Business
Suppliers / Procurement Strategy and Rules**

Officer contact for further information: S. McNamara (01992 564331)

Democratic Services Officer: V. Messenger (01992 564243)

Recommendations/Decisions Required:

- (1) That the Working Group consider the updated Procurement Strategy for 2021 – 2026; and**
- (2) That, subject to recommendation (1) above, a report be made to Council recommending the incorporation of the updated Procurement Rules 2021 – 2026 within the Constitution.**

Report:

1. The current Procurement Strategy needed to be renewed from January 2021, which required an updated version. The strategy has been updated to reflect how Procurement can support the delivery of the Council's Corporate Objectives and Covid-19 recovery plan.
2. The attached Cabinet Report (ref: C-045-2020/21) was submitted to Cabinet on 3 December 2020 when Cabinet agreed to the updated Procurement Strategy for 2021 – 2026, which has been effective since 1 January 2021.
3. The Constitution Working Group is asked to consider the updated Procurement Strategy for 2021 – 2026, as this is needs to be incorporated within the Constitution.
4. Subject to its consideration, the Working Group is asked to recommend the updated Procurement Rules 2021 – 2026 to Council for approval.

Resource Implications:

To put a clear strategy and rules in place to enable Procurement to contribute towards the Council's objectives.

Legal and Governance Implications:

The recommendations of this report seek to ensure that the Council's Constitution remains fit for purpose.

Safer, Cleaner, Greener Implications:

There are no implications arising from the recommendations of this report in respect of the Council's commitment to the Climate Local Agreement, the corporate Safer, Cleaner, Greener initiative, or any crime and disorder issues within the district.

Consultation Undertaken:

Cabinet 3 December 2020 agreed the updated Procurement Strategy for 2021 – 2026; and prior to Cabinet, the Leadership Team and the Procurement and Contracts Working Party.

Background Papers:

None.

Risk Management:

The Council's Constitution sets out procedures and rules for the operation of its functions and responsibilities.

Equality:

There are no equality implications arising from the recommendations of this report.

Report to the Cabinet

Report reference: C-045-2020/21
Date of meeting: 03 December
2020



Portfolio: Environment and Technical – Cllr N Avey

Subject: Covid-19 Development Projects – Local Business Suppliers /
Procurement Strategy and Rules

Responsible Officer: Shane McNamara (01992 564331).

Democratic Services: Adrian Hendry (01992 564246).

Recommendations/Decisions Required:

- (1) To agree the updated Procurement Strategy for 2021 – 26 which supports the Council objectives under Covid-19 Development Projects to become effective from 01 January 2021; and**
- (2) To agree the updated Procurement Rules, that will come into effect from 01 January 2021.**

Executive Summary:

The current Procurement Strategy is required to be renewed from January 2021, and as such an updated version is required. The strategy has been updated to reflect how Procurement can support the delivery of the Council's Corporate Objectives and Covid-19 recovery plan.

To help support the recovery plan, we have undertaken the following:

A

- The Procurement Strategy has been updated to increase number of local suppliers that must be invited to tender, and to agree to pay local suppliers faster.
- Social Value and Sustainability evaluation criteria will now be used wherever possible in procurement exercises to maximise the benefits to the district and ensure sustainable practices throughout our supply chains.
- A Social Value template has been created which will measure contractors on elements such as locality of their business, their supply chains, their workforce and any other benefits they can bring to the district.
- EFDC's Procurement Rules have been updated to ensure these changes are adopted into our everyday practices.
- A Procurement Checklist has been created to help officers with a step by step, tick off guide to ensure they are including all relevant steps throughout the process.
- Training will be run by the Procurement and Contract Development Team throughout January and February for officers to ensure awareness across EFDC of the updates.
- We are working with Economic Development to offer EFDC Procurement support to Local Businesses through Meet the Buyer days or similar events, which will help to inform local businesses of our processes and help them to bid more successfully for EFDC business.

The Procurement Rules have been in effect since April 2018 and required an update to support the Council's new Procurement Strategy, and to ensure that the rules are aligned with the Strategy and help the Council to achieve its objectives. The Council is making changes to its approach to procurement, to recognise the broader economic and well-being impact of existing local businesses and attract new businesses to the District. The new procurement strategy and rules require a minimum of two local suppliers to be invited to tender wherever possible and a commitment to make faster payments to local suppliers (21 days instead of the mandatory 30). The latest spend analysis that was conducted on EFDC's 2018/19 data showed that while 57% of our spend was with Small and Medium Enterprises (SME's), only 6% of our spend was with businesses based in the Epping Forest District and these changes will help to try to increase that figure and make it more attractive and accessible for local business to work with us.

The new procurement strategy includes the use of Social Value, to enable bidders to be explicit in the provision of local job opportunities, apprenticeships and community benefits as part of their tender. A Sustainability-focused evaluation criteria has also been developed when assessing tenders to maximise the benefit to the District and its local businesses and communities.

Training and guidance are being developed to help contracting officers in procuring and managing contracts. This will include templates, checklists, examples of good practice and suggested structures for supplier meetings to ensure they are performing to the agreed standards set out when the contract was entered into, and that the Council gets maximum value and benefit.

Reasons for Proposed Decision:

To update the current Procurement Strategy and accompanying Procurement Rules in line with current best practice and use the opportunity to incorporate Covid-19 Development Project aims.

Other Options for Action:

To let the Strategy expire and not replace it, this would mean there is no high-level strategic direction to the Council's purchasing and will drastically reduce the likelihood of achieving value for money and providing good quality services to our residents.

To leave the Procurement Rules as they are, this would not be a viable option as the rules would not be in alignment with our Corporate Objectives and Covid-19 recovery plan, thus making the achievement of those objectives much more difficult.

Report:

1. Epping Forest District Council will continue its policy of using best practice procurement approaches and processes. This will assist in the delivery of high-quality services to support strategic priorities at good value for money.
2. The Procurement Strategy (Appendix 1) supports the Council's Corporate Objectives and Covid-19 recovery plan. At a general level, procurement of goods and services assists in delivering the Council's strategic objectives and statutory responsibilities. At a specific level, this procurement strategy is designed to support the Council's objectives of:
 - Ensuring that the Council has appropriate resources, on an ongoing basis, to fund its statutory duties and appropriate discretionary services while continuing to keep

Council Tax low.

- Ensuring the Council adopts a modern approach to the delivery of its services and that they are efficient, effective and fit for purpose.
3. New policies have been introduced into the Strategy to help achieve specific outcomes, in particular to attempt to encourage local suppliers to participate in tender opportunities by increasing the minimum number invited to all EFDC tenders, to be more sustainable by setting specific evaluation criteria to afford weighting to sustainable practices / supply chains, and to look to generate additional benefit to the district through Social Value evaluation criteria, prioritising what social value the bidders can offer, ranging from creation of jobs and / or apprenticeships in the local area, or funding to benefit local communities (a draft social value proforma is included in Appendix 3).
 4. In order to support this Procurement Rules (Appendix 2) have been updated to make them easier to follow; they have been updated to reflect the Council's new organisational structure, and processes have been reviewed and amended to ensure they are effective while still retaining control of the Council's Procurement processes. Tender rules have been amended and all tenders are now conducted electronically, they will be opened centrally by the Procurement and Contract Development Team, waivers will be approved by the level of officer who is permitted to accept tenders at that value and financial thresholds have been updated to try to align them more closely with the Council's Decision Making Accountability (DMA) guidelines.
 5. A Procurement Checklist has been created to guide and help contracting officers through the Procurement process by following a stepped process to ensure they have considered all relevant factors before proceeding. The completion of this checklist will be mandatory for all tender processes and will help to ensure all contracting officers are aware of the Strategy and are adhering to Rules.
 6. Following the adoption of the Strategy and Rules, the Procurement and Contract Development Team will run a training programme to raise awareness of the changes that have been made and the support documents that are available, such as the Procurement Checklist. The training will start in January and will be offered to staff at all levels of the authority to provide the opportunity to go through the new documents in details and ask questions. Processes for Business Support Finance, such as use of Marketplace and Accounts Payable, will be included in this training to ensure the whole Procurement cycle is covered.
 7. Although not expressly mentioned in the Procurement Strategy and Rules, it has been highlighted that Contract Management can get complacent. The Procurement and Contract Development Team will develop further training and guidance that will help contracting officers with the ongoing management of contracts. This will include templates and suggested structures for supplier meetings, performance monitoring, change management and dispute resolution etc.

Resource Implications:

There are no direct resource implications for this report. It is an officer view that a robust strategy and rules will lead to greater value being derived from our Procurement exercises, sometimes through Social Value and Sustainable practices and through cost savings where possible.

EFDC expects to spend approximately £18.5m with contractors in 2020/21, and it is vital that we use those funds as efficiently and effectively as possible.

Legal and Governance Implications:

The United Kingdom is still in the process of transitioning out of the EU, and as such we are still subject to EU Procurement Law at the present time. It is envisaged that we will continue to be subject to these laws after January 2021, when the UK officially leaves the EU, and therefore our Procurement Rules still make mention of the EU Procurement Law and the applicable financial thresholds at which they apply. Should the situation change in the future, the Council will amend Procurement Rules accordingly.

Safer, Cleaner and Greener Implications:

Climate change and sustainability are big drivers for the updating of the Strategy and Rules, and we are seeking to include Sustainability criteria wherever possible for our future procurement exercises to ensure our suppliers are operating sustainably and environmentally friendly.

Consultation Undertaken:

Procurement and Contract Development Team
Procurement and Contracts Working Party
Accountancy
Climate Change Officer
Economic Development Specialist Officer
Leadership Team

Background Papers:

Procurement Strategy 2021-2026
Procurement Rules
Procurement Checklist
Social Value Proforma for EFDC

Risk Management:

If procurement is not co-ordinated and controlled, it is unlikely that the Council will achieve value for money.

Failure to comply with the EU Procurement Regulations could result in the UK High Court preventing the award of a contract and/or awarding damages to any supplier who has suffered loss or damage as a result of any breach in the regulations, as well as imposing fines on the authority.

Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, ie have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:
 - Factsheet 1: Equality Profile of the Epping Forest District
 - Factsheet 2: Sources of information about equality protected characteristics
 - Factsheet 3: Glossary of equality related terms
 - Factsheet 4: Common misunderstandings about the Equality Duty
 - Factsheet 5: Frequently asked questions
 - Factsheet 6: Reporting equality analysis to a committee or other decision making body

Section 1: Identifying details

Your function, service area and team: Contracts and Technical

If you are submitting this EqlA on behalf of another function, service area or team, specify the originating function, service area or team:

Title of policy or decision: Procurement Strategy and Rules

Officer completing the EqlA: Tel: 01992564331 Email: smcnamara@eppingforestdc.gov.uk

Date of completing the assessment: 13.10.2020

Section 2: Policy to be analysed

2.1	Is this a new policy (or decision) or a change to an existing policy, practice or project? Change to existing policies
2.2	<p>Describe the main aims, objectives and purpose of the policy (or decision): To renew and update the Council's Procurement Strategy and Procurement Rules</p> <p>What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)? To put a clear strategy and rules in place to enable Procurement to contribute towards the Council's objectives.</p>
2.3	<p>Does or will the policy or decision affect:</p> <ul style="list-style-type: none">• service users• employees• the wider community or groups of people, particularly where there are areas of known inequalities? <p>The policy affects EFDC Staff who procure on its behalf.</p> <p>Will the policy or decision influence how organisations operate? No.</p>
2.4	<p>Will the policy or decision involve substantial changes in resources? No</p>
2.5	<p>Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes? The Procurement Strategy is designed to put measures and processes in place to help achieve the Council's Corporate Objectives and Covid Recovery Plan.</p>

Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	What does the information tell you about those groups identified? N/A
3.2	Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision? Yes, the policies have been discussed at Leadership Team and at the Procurement and Contracts Working Party, and have been accepted and agreed.
3.3	If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary: This is an internal policy that will not affect communities directly.

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	N/A	N/A
Disability	N/A	N/A
Gender	N/A	N/A
Gender reassignment	N/A	N/A
Marriage/civil partnership	N/A	N/A
Pregnancy/maternity	N/A	N/A
Race	N/A	N/A
Religion/belief	N/A	N/A
Sexual orientation	N/A	N/A

Section 5: Conclusion

		Tick Yes/No as appropriate	
5.1	Does the EqIA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No <input checked="" type="checkbox"/>	
		Yes <input type="checkbox"/>	If ' YES ', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 6: Action plan to address and monitor adverse impacts

What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.

Section 7: Sign off

**I confirm that this initial analysis has been completed appropriately.
(A typed signature is sufficient.)**

Signature of Head of Service:

Date:

Signature of person completing the EqIA: Shane McNamara

Date: 27.10.2020

Advice

Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqIA you undertake to the director responsible for the service area. Retain a copy of this EqIA for your records. If this EqIA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken.

This page is intentionally left blank



Epping Forest District Council

Procurement Strategy

2021 - 2026

TABLE OF CONTENTS:

INTRODUCTION	1
SUPPORTING THE DELIVERY OF THE COUNCIL PLAN.....	1
Other influences on the strategy	2
RESPONSIBILITIES	3
Service Director – Contracts and Technical.....	3
Service Directors / Service Managers.....	3
Officer Groups.....	3
THE STRATEGY	4
Essex Procurement Hub	4
Partnership and Collaboration	4
Regulatory Framework.....	4
Value for Money.....	5
Local Suppliers.....	5
Sustainability and Climate Change.....	6
Forward Planning	7
Contract and Performance Management	7
e-Procurement.....	7
ACTION PLAN	8
APPENDIX 1	9
THE PROCEDURAL RULES GOVERNING PROCUREMENT	9
APPENDIX 2	10
ACTION PLAN	10

INTRODUCTION

Procurement is much more than a narrowly based technical issue. 'Procurement' is the process of acquiring goods, works and services, covering acquisitions from third parties, partnering and from in-house providers. The process spans the whole life cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset. It involves options appraisal and the critical 'make or buy' decision which may result in the provision of services in-house in appropriate circumstances.

The Procurement Strategy sets out the Council's procurement objectives and principles and describes the contribution that effective procurement will make to the achievement of Epping Forest District Council's vision and corporate priorities. The strategy is supported by an annual action plan and the Council's Procurement Rules.

SUPPORTING THE DELIVERY OF THE COUNCIL PLAN

The Procurement Strategy supports the Council's Corporate Plan. At a general level, procurement of goods and services assists in delivering the Council's strategic objectives and statutory responsibilities. At a specific level, this procurement strategy is designed to support the Council's objectives of:

- Ensuring that the Council has appropriate resources, on an ongoing basis, to fund its statutory duties and appropriate discretionary services.
- Ensuring the Council adopts a modern approach to the delivery of its services and that they are efficient, effective and fit for purpose.

It also supports the Council:

- To respond to issues of deprivation in the district: through promoting a consistent approach to equality and diversity and reducing inequality in the provision of services and through requiring and promoting good practice in equality and diversity in the employment and contracting practices of suppliers and partners.
- To maintain and improve the links between the Council, local town centres and the business community: through, to the extent that the EU Procurement Directives, collaborative procurement and value for money allow, sourcing appropriate goods and services through local businesses and promoting the development of local businesses by making the Council easier to do business with.

Other influences on the strategy

A number of external influences have been taken into account in the preparation of this strategy, including:

- Delivering Value for Money as measured through the annual assessment by the Council's external auditors;
- The Council's duty to promote equality of opportunity in line with the public sector equality guidance.

A number of internal drivers have also been taken into account in the strategy, including:

- The Medium-Term Financial Strategy and Budget 2020/21, which set the framework for a balanced budget over the medium term. Delivering these forecasts will require, amongst other things, delivering real efficiencies, including through improved procurement and sourcing decisions and through improved procurement processes and financial controls.
- The Council's Climate Change Strategy is directed towards reducing the Council's carbon footprint and has included a specific action to update the Procurement Strategy for the inclusion of green and local issues.

The key legislative requirements are set out in:

- Public Contract Regulations 2015
- Equalities Duty Act (2010)
- Localism Act (2011) including Community Right to Bid and Community Right to Challenge
- Public Services (Social Value) Act (2012)
- National Procurement Strategy (2015)

RESPONSIBILITIES

Service Director – Contracts and Technical

As the officer “Procurement Champion” the Service Director is responsible for the updating and maintenance of this strategy and the supporting processes.

The Procurement Champion is responsible for ensuring:

- The strategy is in place, reviewed and updated on a regular basis;
- The strategy is communicated to Directors for implementation;
- The implementation of the strategy to the extent that it mandates compliance with processes and procedures is monitored across services and that an effective reporting system is in place to report breaches or weaknesses to the Finance and Performance Management Cabinet Committee;
- The provision of reports on the effectiveness of the strategy, the performance during the year and any recommendations for improvement to the Finance and Performance Management Cabinet Committee.

Service Directors / Service Managers

Service Directors and Service Managers are responsible for ensuring that the compliance requirements of the strategy are effectively communicated to their directorates, that the strategy is followed within their directorates and to participate fully in the development and execution of the strategy.

Service Directors are also responsible for ensuring that the provisions of the Constitution regarding Procurement Rules and Financial Regulations are effectively implemented and monitored within their directorates. There is a requirement to have procurement as a standing item on the agenda for all Service Management Team Meetings.

Officer Groups

The Procurement and Contracts Working Group is made up of Service Managers/Team Managers from each service and is chaired by the Procurement and Contract Development Team Manager. Meetings are held during the year to disseminate procurement policies and practices across the Council and achieve a more consistent and co-ordinated approach to procurement.

THE STRATEGY

Epping Forest District Council will continue its policy of using best practice procurement approaches and processes. This will assist in the delivery of high-quality services to support strategic priorities at good value for money. Long term sustainability will also be promoted, as will the public duties to promote equality of opportunity both within the Council's operations and through the impact of its buying decisions, using effective selection and management of its relationships with its partners and supply chain.

Essex Procurement Hub

Since October 2006, the Council has been a member of the Essex Procurement Hub, along with Braintree, Castle Point, Maldon and Rochford. The Hub is a group of procurement specialists who are employed by Braintree District Council to provide procurement expertise to the members that subscribe to the service. The Council will promote efficiency in its own processes and improve its impact in promoting change amongst partners and suppliers.

In 2019/20, EFDC's subscription fee for membership of the Hub was £58,420 – this cost was offset by rebates generated by usage of the Hub's frameworks, bringing the actual amount paid down to £30,000 for this extremely beneficial service (during the same period, savings in excess of £350,000 were made which enables more money to be put towards service improvement for the local community and keeping the District's Council Tax low).

Partnership and Collaboration

As outlined earlier, the Council Corporate Plan recognises that the Council cannot deliver its objectives in isolation and that there is a need to work with other organisations to help improve efficiency and outcomes using the expertise of others. This may include collaboration, partnering and/or the use of consortia arrangements.

One example of this would be the Procurement Alliance for Essex (PAE). The PAE offers a strategic advice service for Essex local authorities. Our strategy is to use the PAE to help identify joint procurement opportunities and best practice procedures across the County.

The Essex Procurement Hub provides both the expertise to assist with individual member's procurement projects and the opportunity for collaboration in areas of mutual benefit. Before any framework contracts are let the requirements of all members are considered to ensure the widest possible relevance and greatest concentration of spending power. The Hub also provides advice on the use of framework contracts established by other purchasing consortia, such as those established by the Pro 5 group (ESPO, YPO, CBC & NEPO) or the [Crown Commercial Services](#).

Regulatory Framework

Procurement has to work within a number of controls including EU legislation, the Chartered Institute of Purchasing & Supply's Code of Ethics and internal governance requirements. In addition, the Council has other policies which this strategy seeks to align with.

The key control over procurement activities is the Council's Procurement Rules as set out in the Constitution. These rules are set at levels to assist in achieving value for money and allow decision making at practical levels (summary provided at Appendix 1).

Our strategy is to ensure that our Procurement Rules remain relevant and ensure compliance with EU regulations. Failure to comply with EU regulations could result in contracts being ruled illegal and the Council being subject to significant fines. The Public Contract Regulations 2015 also incorporate the 2014 EU Procurement Regulations into UK Law, and it is vital that EFDC remains up to date and compliant with these regulations.

Value for Money

A function of procurement is to achieve value for money. We will achieve this by:

- challenging the way things are done and the way services are provided
- by encouraging collaboration with other Essex Procurement Hub members and organisations such as the East of England Local Government Association (EELGA) and Crown Commercial Services (CCS) to take advantage of increased purchasing power
- taking into account the potential impact of a sustainable approach and balancing price with quality (by using 'whole life costs' for example)

Local Suppliers

Epping Forest DC is committed to encouraging the use of local suppliers wherever possible to boost the local economy and to try to use our spend to create opportunities and added value in the local community, such as local job opportunities and apprenticeships.

Some of the actions we will take to try to achieve this are:

- Ensuring at least 2 local suppliers are invited to bid on all tender opportunities issued by Epping Forest District Council
- Using Social Value elements as evaluation criteria, to ensure greater value is generated for the local area through our spend.
- Ensuring that Local Suppliers are paid within 21 days of receipt of a valid and undisputed invoice, rather than the 30 days set out in the Public Contract Regulations 2015.

Sustainability and Climate Change

The Procurement Strategy is designed to support the Council's efforts to reduce the Council's carbon footprint and environmental impact, aiming to be Carbon Neutral by 2030. The Council will use its procurement strategy to promote long-term sustainability in its own operations, reduce its carbon footprint through its own services and its supply chain, consistent with meeting value for money criteria.

There are a series of actions to support this approach:

- Include sustainability as a part of our quality evaluation criteria for all relevant projects.
- Look to use whole life costing as pricing evaluation criteria wherever possible, to consider the ongoing cost of a product to the Council instead of only purchase costs.
- Educate, train and encourage internal procurers and commissioners to review their consumption of goods/services, reduce usage and adopt more environmentally friendly alternative products
- Consider the costs and benefits of environmentally preferable goods/services as alternatives
- Investigate the impact of the Council's expenditure on goods and services, via purchase spend analysis, to identify potential environmental impacts
- Investigate opportunities for the recycling and re-use of materials where appropriate
- Assess the environmental and corporate risks to the organisation with a commitment to continually improving sustainable performance related to the supply chain
- Work in partnership with other organisations, such as buying consortia to improve sustainable procurement
- Ensure that, where appropriate, suppliers' environmental credentials are, as far as legally practicable, considered in the supplier evaluation process and that environmental and equality and diversity criteria are used in the award of contracts
- Ensure that consideration is given to inclusion, within all specifications, of a facility for suppliers to submit offers for environmentally friendly alternatives
- Specify, wherever possible and practicable, the use of environmentally friendly goods
- Aim to provide goods and services at best value to the Council
- Address barriers to entry to encourage Small and Medium Sized Enterprises (SMEs), local suppliers and the voluntary sector to bid for the Council's business
- Educate our suppliers regarding the Council's environmental, sustainability and equality and diversity objectives
- Encourage and persuade suppliers to adopt environmentally friendly processes and supply environmentally friendly goods/services
- Work with key suppliers to make changes and thereby extend sustainability improvements throughout the supply chain
- Comply with all relevant environmental, health & safety, equality and diversity, disability, race relations, social responsibility and employment legislation

Forward Planning

Forward Planning, particularly of major expenditure, is essential to maximise the potential savings through efficient and effective procurement. Planning annual procurement activity in advance will enable officers to undertake procurement in a more structured manner, identify options and prepare properly.

Specifications should include measurable outputs or outcomes, performance standards or other appropriate measures by which the contract can be assessed.

To plan effectively it is essential to maintain and update where necessary a central Contract Register detailing all contracts in place and all future known procurements, both for renewal of existing period-based contracts and for new future requirements.

Contract and Performance Management

Effective procurement is measured by the outcomes and not by the completion of the process. Contracts must be managed throughout their life to ensure that benefits identified in business cases are delivered. Regular review meetings with incumbent suppliers are crucial in ensuring that set Key Performance Indicators and Service Level Agreements are achieved and maintained.

The Council will expand the use of contract management and build on areas of current best practice. This will involve working closely with both the Essex Procurement Hub and the PAE.

Risk will be managed throughout the procurement cycle to ensure that risks are identified and managed by the most appropriate stakeholder. Risks will be added to service risk registers or the Corporate Risk Register where appropriate. All risks will be revisited at key milestones in the procurement process and throughout the life of the contract.

When suppliers and contractors handle information on behalf of Epping Forest District Council, then we will ensure where possible that equivalent processes are applied or seek to influence our supplier's and contractor's standards.

e-Procurement

e-Procurement is a tool to enable procurement activities, including sourcing, ordering, commissioning, receipting and making payments for the whole spectrum of an authority's activities. Epping Forest District Council uses the BiP Delta e-Sourcing System to manage its Procurement activities, from issuing, receiving and awarding tenders to ongoing management of its Contract Register. Technology can be used to achieve efficiencies in the procure-to-pay cycle including reduction in cycle time and reduction in transaction costs. This will free resources that can be directed into front line services. The Council also uses an electronic procurement system, the Proactis Marketplace system, to place purchase orders.

e-Invoicing

Epping Forest District Council has been using the e-invoicing system provided by Proactis since 2016, and now has a large number of suppliers and invoices being processed via this method. Using e-invoicing is a more efficient and automated process, which in turn leads to reduced cost to the Council of invoice processing.

ACTION PLAN

An annual action plan for procurement will be produced. This will set out the key work areas and provide a set of measurable targets for the coming year. Progress against those key work areas is monitored regularly in conjunction with the Essex Procurement Hub. The current action plan is attached at Appendix 2.

APPENDIX 1**THE PROCEDURAL RULES GOVERNING PROCUREMENT**

The Constitution provides guidance on the commissioning of goods and services and is managed through the Procurement Rules and Financial Regulations. Officers are required to adhere to these rules when purchasing on behalf of the Council.

Broadly the guidelines can be summarised as follows:

1. A buyer identifies the need to purchase goods/services.
2. Before any tender is conducted or order placed, a budget needs to be approved, following Financial Regulations.
3. Once a budget has been determined, current contracts and frameworks in place should be reviewed to determine whether a supplier is already available. If in any doubt the buyer should check with the Procurement and Contract Development Team.
4. If yes, then the Marketplace Purchase Order Process is followed.
5. If no contract or framework is available then the buyer will need to follow the Procurement Rules, which state an informal process is permitted up to £25k, and a tender process should be undertaken with a minimum of five suppliers invited for any spend over £25k, or conducting a full EU tender process (spend on Goods or Services over 4 years of over £189,330 or Works of over £4,733,252 at January 2020 values).
6. All contract spend should be assessed on a lifetime value basis.
7. Once a contract or framework is in place, buyers should follow the Purchase Order Process to secure the order and record the financial transactions correctly.

ACTION PLAN

Action	Outcome	Lead Officer	Target Date
Continued maintenance of data on the Corporate Contracts Register.	Better planning and co-ordination of procurement activities.	Team Manager – Procurement and Contract Development	Ongoing
Continue to hold Procurement and Contract Working Party meetings.	To disseminate procurement policies and practices across the Council and achieve a more consistent and co-ordinated approach to procurement.	Service Manager - Contracts	Ongoing
Ensure use of Procurement Checklist for all procurement processes, and maintain and update the Checklist on a regular basis.	Greater compliance with Procurement Rules, Financial Regulations and all relevant Procurement Regulations.	Team Manager – Procurement and Contract Development	Ongoing
Review Procurement Rules to ensure they are up to date and fit for purpose.	Updated Contract Procedure Rules in the Constitution. Publicised to staff within Council.	Service Director – Contracts and Technical	January 2021
To encourage use of the Essex Procurement Hub where possible.	Ensuring best value is being obtained in the Council's procurement activities.	Service Manager – Contracts Team Manager – Procurement and Contract Development	Ongoing

APPENDIX 3: Glossary of commonly used procurement terms and acronyms

Best Value: Often defined as ‘value for money’, Best Value is the optimum combination of whole life costs and quality to meet the customer’s requirement.

Collaboration: In this context, public sector organisations that engage in a joint procurement for works, services or supplies with the intention of obtaining better value for money through economies of scale and reduced tendering costs.

Commissioning: Commissioning is a broad concept and there are many definitions, the following definition from the Audit Commission perhaps best captures the key elements of the commissioning tasks: “*Commissioning is the process of specifying, securing and monitoring services to meet people’s needs at a strategic level*”.

Competitive Tendering: Awarding contracts following a process of obtaining competing tenders.

Contract: A binding agreement between two or more parties that is enforceable in law.

Contract Management: The activities of a buyer before, during and after a contract period to ensure that all parties to the contract fulfil their contractual obligations. An important aspect of this is managing the relationships between all parties in the most effective way so as to ensure the contract meets the optimum combination of cost, time and quality.

(Source: Adapted from CIPS definition in the contracts management Knowledge Summary)

E-Procurement: is the ability to purchase/sell through electronic trading via the Internet.

Evaluation: A detailed assessment and comparison of offers made by the Council in accordance with published criteria of responses to a request for quotations or tenders.

Framework Agreement: A framework agreement is a general term for agreements with suppliers which set out terms and conditions under which specific purchases (call-offs) can be made throughout the term of the agreement.

Invitation to Tender (ITT): A formal document inviting an organisation to tender to provide services or, supply goods to or carry out works for the Council. It will include the instructions for submitting a tender, the specification for the requirement, the criteria against which the tender will be assessed, the proposed terms and conditions for the contract and, sometimes, a business questionnaire.

Key Performance Indicator (KPI): KPIs are placed against certain elements of a contract or SLA and indicate the items that are to be measured to see if the contractor has achieved the required contract standard.

MEAT: Most Economically Advantageous Tender.

Method Statement: A document used in the invitation to quote or to tender which sets out specific questions for the bidder to answer to explain to the Council how a service is to be delivered/works to be carried out. It will be evaluated and form a part of the contract.

Official Journal of the European Union (OJEU): The on-line publication in which notices advertising a Council tender that fall within the EU thresholds must be placed at the start and end of all the procurement.

Procurement: Often used interchangeably with Purchasing. Procurement is the totality of acquisition starting from the identification of a requirement to the disposal of that requirement at the end of its life. It therefore includes pre-contract activities e.g. sourcing and post contract activities e.g. contract management, supplier relationship management activities. Procurement generally relates to goods, works and service(s) requirements.

Public Procurement Directives: The EU procurement Directives set out the legal framework for public procurement. They apply when public authorities and utilities seek to acquire goods, services, and works. They set out procedures which must be followed before awarding a contract when its value exceeds set thresholds.

Quotation: An offer by a supplier to supply goods or services or to carry out works requested either orally or in writing.

Regulations: The Public Contracts Regulations 2015 that implement the various EU Procurement Directives

Risk Management: Involves three key activities, risk analysis, risk assessment, and risk mitigation, all of which facilitate the taking of decisions and actions to control risk appropriately by providing a disciplined and objective approach.

(Source: www.cips.org Knowledge Summary on risk management)

Selection Questionnaire (SQ): A document asking the tenderer to provide information about his / her business and experience. Most commonly used in EU level procurements.

SME: In this context Small and Medium Enterprises (businesses).

Specification/Statement of Requirements: A description of the requirements for the service or of the service to be provided.

Supplier Relationship Management: (SRM) is the discipline of strategically planning for, and managing all interactions with contractors that supply goods and/or services in order to increase the value of those interactions. In practice, SRM entails creating closer, more collaborative relationships with key suppliers in order to uncover new value and reduce risk.

Tender: The offer submitted by the tenderer in response to the Invitation to Tender.