

**EPPING FOREST DISTRICT COUNCIL
NOTES OF A MEETING OF CONSTITUTION WORKING GROUP
HELD ON THURSDAY, 2 SEPTEMBER 2021
IN VIRTUAL MEETING ON ZOOM
AT 7.00 - 7.30 PM**

Members Present: S Rackham (Chairman), M Sartin (Vice-Chairman), S Heap, S Jones, J McIvor, J Philip, C P Pond, C C Pond, J Share-Bernia and J H Whitehouse

Apologies for Absence: H Kauffman

Officers Present: N Boateng (Service Manager (Legal) & Monitoring Officer), A Hendry (Democratic Services Officer), S McNamara (Procurement and Contract Development Manager), V Messenger (Democratic Services Officer), A Small (Strategic Director Corporate and 151 Officer), J Warwick (Acting Service Director (Contracts)) and G Woodhall (Team Manager - Democratic & Electoral Services)

7. SUBSTITUTE MEMBERS

The Committee noted that Councillor C P Pond was appointed as substitute for Councillor H Kauffman.

8. NOTES OF PREVIOUS MEETING

RESOLVED:

That the notes of the meeting of the Working Group held on 27 July 2021 be agreed as a correct record.

9. 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 work programme.

10. CONSTITUTION - REVISIONS & AMENDMENTS

A Small, Strategic Director (Corporate) and 151 Officer, introduced the report. Currently on completion of the external audit, the Statement of Accounts underwent detailed consideration by the Audit and Governance Committee but required the approval of Full Council under the Constitution, in particular, the Council's Terms of Reference – Article 4 under Section 1(c). Regulation 20 of the Accounts and Audit (Amendment) Regulations 2021 had now amended Regulation 10 of the 2015 Regulations and required the Council to publish its 2020/21 Statement of Accounts and supporting documents (together with any external audit certificate or opinion) by 30 September 2021, which had moved the deadline forward from 30 November requirement for the 2019/20 Statement of Accounts. This was a challenging

timeframe. Council had supported giving delegated authority to Audit and Governance Committee at its meeting on 29 July 2021, subject to consideration by the Constitution Working Group.

Members raised the following questions:

- If the Statement of Accounts did not go to Council at what stage would members see the accounts?
- Audit and Governance was not high profile enough nor did it seem right for the Committee to both scrutinise and approve the Statement of Accounts.
- The Statement of Accounts was more prominent on the Council agenda.
- Was there a way to publicise to members that the accounts had been through Audit and Governance so that there was more an advisory announcement to Full Council, in the interests of transparency, rather than a requirement?

A Small replied that the whole process was a struggle to co-ordinate with the external auditors, then present to Audit and Governance in addition to seeking Council approval. Thus, moving the completion date forward by two months had only increased the pressure on finance officers and the external auditors. The members of the Audit and Governance Committee had a greater understanding of the technicalities of accounting. The Statement of Accounts was fairly impenetrable and took account of the findings in the external auditor's report, which was presented alongside. All members could attend Audit and Governance Committee and the agenda was published online accompanied by all the relevant documents. In previous years the Statement of Accounts had not generated much scrutiny at Council but was more a straightforward process of approval.

Councillor J Philip, Portfolio Holder (Finance, Qualis Client and Economic Development), fully supported approval of the Statement of Accounts by Audit and Governance Committee. There had not been any significant issues raised at Full Council in past years. Audit and Governance was a specialist committee that received input from the external auditor and looked at the Statement of the Accounts in great detail. From an overall operational view, the opinion of Audit and Governance Committee was already accepted, so there was no point in having Full Council rubberstamp the Statement of Accounts. Therefore, to keep to the timescales it was the sensible and straightforward approach to take. He would continue to notify Council members about the progress of the Statement of Accounts as this was important and would highlight any issues at appropriate times.

Councillor M Sartin remarked that councillors should be following the progress of the Statement of Accounts and suggested it was also publicised in the Bulletin when it was due to go before the Audit and Governance Committee.

RESOLVED:

That the Constitution Working Group recommended to Council the amendment of the Constitution under Article 4, section 1(c), to give the Audit and Governance Committee delegated authority for approving the Council's annual Statement of Accounts, with effect from the 2020/21 financial year.

11. COVID-19 DEVELOPMENT PROJECTS - LOCAL BUSINESS SUPPLIERS PROCUREMENT STRATEGY AND RULES

The Procurement and Contract Development Team Manager, S McNamara, reported that the current Procurement Strategy was renewed in January 2021 to reflect how Procurement could support the delivery of the Council's Corporate Objectives and Covid-19 recovery plan by increasing the number of local suppliers invited to tender, and paying local suppliers faster. Social value and sustainability evaluation criteria were being used wherever possible in procurement exercises to maximise the benefits to the District and to ensure sustainable practices throughout the Council's supply chains. The creation of a social value matrix measured contractors on elements such as the locality of their business, their supply chains, workforce and any other benefits they might bring to the District. A procurement checklist guided officers through a step by step process and helped officers meet the socially sustainable evaluation criteria. The Procurement Rules had been updated to ensure these changes were adopted into everyday practices, but the Rules also needed to be incorporated into the Constitution.

Members raised the following questions:

- How did the Council guarantee local suppliers were paid within 30 days?
- Would the Procurement Team invite tenders to compete against Qualis?
- Could feedback on the experience and use of the social value matrix since January 2021 be reported back to a scrutiny committee?
- It would be useful for a scrutiny select committee to receive a progress report on this and the use of apprentices or work placements, which would help people, and was easier to do for local companies. Were new local companies coming forward?
- Support for the Essex Procurement Hub that was a good resource owing to the cost savings the Council had achieved, which helped to keep Council Tax low, but were there any other procurement hubs that could be beneficial to the Council that it was not a part of yet?

S McNamara replied that electronic invoices were usually paid within 21 days. He did not know the KPI performance figures although he could research data after the meeting, if required. Qualis would be treated as an internal supplier but if Procurement officers felt the need to include their details with external suppliers, this could be done on a case by case basis. So far, six or seven projects had requested that bidders complete the social value matrix and officers had received some good responses back, so they were happily surprised at the take up. However, other local authorities were also doing this already. Officers had to find two companies rather than one, and more local suppliers were coming forward. The social value matrix could technically be changed to include work placements, which officers could amend on request. Other procurement hubs had not been implemented as the Essex Procurement Hub was working very well and brought the Council savings. The resources the Council had received since joining and becoming a member of the Essex Procurement Hub was most cost effective and efficient. There were also working groups within procurement where best practice was shared.

Councillor J Philip, Portfolio Holder (Finance, Qualis Client and Economic Development), was fully supportive of the updated Procurement Rules and Strategy as it was helping to promote economic development within the District. The Council's Economic Development Team was reaching out to businesses with its newsletter – Epping Forest Business Matters. He supported a report going to a scrutiny committee to track relevant KPIs, such as to cover invoice payments, so positive progress could be highlighted.

RESOLVED:

- (1) That the Working Group noted the updated Procurement Strategy for 2021 – 2026; and
- (2) That the Working Group recommended to Council the incorporation of the updated Procurement Rules of August 2021 within Part 4 of the Constitution.

12. DATE OF NEXT MEETING

It was noted that the next meeting of the Working Group would be held virtually on 5 October 2021 at 19.00.