

Minutes of the meeting of the Corporate Policy and Scrutiny Committee, held in Committee Room 1 County Hall, Chelmsford, CM1 1QH on Tuesday, 27 March 2018

Present:

Cllr M Mackrory (Chairman)
Cllr I Henderson (Vice-Chairman)
Cllr R Pratt
Cllr M Durham
Cllr V Metcalfe
Cllr M Buckley
Cllr J Moran
Cllr M Maddocks
Cllr M Hardware
Cllr M Steptoe
Cllr J Beavis

Richard Buttress, Senior Democratic Services Officer was in support of the meeting.

1 Membership, Apologies and Declarations

Apologies for absence were received from Cllr M Garnett, Cllr W Schmitt and Cllr J Abbott.

It was noted that Cllr M Maddocks was a substitute for Cllr M Garnett and Cllr M Durham was a substitute for Cllr W Schmitt.

No declarations of interest were received.

2 Minutes of previous meeting

The minutes of the meeting held on 27 February 2018 were approved and signed by the Chairman.

3 Minutes of the call-in meeting (FP 01/071/02/18)

The minutes of the call-in meeting held on 20 February 2018 were approved and signed by the Chairman.

4 Questions from the public

There were no questions from the public.

5 Procurement (CSC/28/18)

Members received a report which provided an overview of Essex County Council's (ECC) Procurement service.

Cllr M Mackrory welcomed Melanie Evans and Steve Ede, both Head of Procurement to the meeting.

Upon conclusion of the presentation, Members made various contributions and received responses:

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- Upon obtaining three separate quotes, the cheapest is normally selected however, the quotes provided are based on a minimum specification and therefore does not compromise the quality of the product being procured
 - The Buying Hub in the Purchase to Pay team scrutinise those requisitions that go through the Request for Quotation (RFQ) process
 - Essex County Council (ECC) are able to justify not always going out to tender for contracts. A lot of information is put forward to assess what the options might be in terms of extending a contract
 - There is a significant cost difference between a new procurement exercise and extending a contract – this is something that has not been costed before so the exact figures are unavailable
 - The biggest issue around Brexit is around the social care market, in particular the impact on staffing. They are working with the market around retaining staff
 - A financial assessment is carried out monthly on strategic suppliers to identify any trends or concerns
 - ECC's Procurement Team carry out tender and contract management activity for other bodies but this is not actively promoted. The contract management service provided to Schools with PFI contracts is fully funded
 - The RFQ process is such that the service area completes this. Officers are expected to have local knowledge of the market for which they are procuring for. The RFQ process equates to £26m of ECC's overall procurement spend
 - Businesses can register to receive alerts for contracts that are being procured in their specialist area
 - Businesses are given the opportunity to bid for contracts and the policies state that at least one local subject matter expert should be invited to bid but there is no active monitoring by our team
 - Concerns were raised around ECC's ability to procure large, specialist contracts, such as Ringway Jacobs and TOVI
 - The ability to procure specialist contracts effectively is making sure the commissioning strategy is right. ECC is not always very good at clearly specifying what is required for the service
 - ECC service areas write the contract specifications which Procurement offer support with
 - Savings are expected to be made over the life of the contract however, this depends on what service or contracts are being procured but as a principle, the aim should be to drive costs down
 - Checks and balances are carried out during the evaluation of contract procurement which does not just focus on cost. On the tender, a weighting will be given to quality and a weighting given to cost, ensuring the evaluation criteria reflects both elements.
 - ECC is one of the largest buyers in the Country.

At the meeting, it was agreed that a Task and Finish Group will be set up to look at the procurement of ECC's resourcing contract which is due to expire in September 2019.

The Task and Finish Group will comprise of:

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- Cllr R Pratt
 - Cllr V Metcalfe
 - Cllr M Buckley
 - Cllr J Moran
 - Cllr M Maddocks

The Task and Finish Group will meet to carry out a scoping exercise and report back to the committee at the next meeting.

6 Budget 2019/20: Pre-Scrutiny

Cllr M Mackrory welcomed Cllr L McKinlay, Cabinet Member for Resources and Margaret Lee, Executive Director for Corporate and Customer to the Committee.

Cllr L McKinlay introduced the item and informed the committee of the following:

- The gap in the budget for 2019/20 is currently £40m and £100m for 2020/21 – this is the ‘do nothing’ gap
- Aim of the budget is to drive up investment - £50m has already been spent on property investment
- A paper is being put forward to look at investing in Essex.

Upon conclusion of this introduction, Members made various contributions and received responses:

- Financial performance information is discussed at Cabinet level and is looking to bring this, and the quarterly financial position, together in a cohesive way – this commenced during Autumn 2017
- Process is running for Business Rate Retention (BRR), specifically around defining and designing a scheme
- The BRR pilot in Essex would have given ECC an extra £7m
- The BRR programme itself does not mean that all business rates are kept within ECC – it would be shared out across other District, Borough and City Councils
- Fair funding review consultation has finished and is awaiting feedback on this. The formula is complex and it is felt this should be more simpler to make it fair
- A green paper on social care and how it is funded and run is being published next year
- ECC, along with all social care authorities, received a proportion of the additional £2bn funding for social care spread over three years
- An update on ECC’s property investment will be circulated to the committee after the meeting
- The reason behind the differences in funding gap between 2019/20 and 2020/21 is due to schemes coming up which has contributed to the smaller gap. Also there will be change to the national living wage which will have an impact on ECC’s budget
- Planning ahead takes into account ageing demographics and those living with health conditions
- Cllr L McKinlay has asked for a report on the lessons learnt from the issues at Northamptonshire County Council and will brief the committee on this upon its conclusion.

7 Work Programme (CSC/25/18)

An update on the Committee's work programme over the next three months was provided. It was agreed by the committee that on rise of the formal meeting in April, Members will receive training on Scrutiny from Richard Buttress, Senior Democratic Services Officer following his recent attendance on a course.

8 Date of next meeting.

It was noted that the next meeting is due to be held on Tuesday 24 April 2018, commencing at 10:30am. Members will not be required to book the whole day as the meeting will likely conclude before 1:00pm.

9 Exempt business

No exempt business was raised.

10 Urgent exempt business

No urgent exempt business was raised.

The meeting concluded at 12:23pm.

Chairman