



Minutes of a meeting of the ESPO Management Committee held at County Hall, Glenfield, Leicestershire on Wednesday, 2 March 2016.

PRESENT

Mr. I. Monson CC – Norfolk County Council (in the Chair)

Cambridgeshire County Council

Norfolk County Council

Mr. M. Castle CC

Leicestershire County Council

Peterborough City Council

Dr. R. K. A. Feltham CC

Mr. J. Holdich CC

Lincolnshire County Council

Warwickshire County Council

Mr. R. Foulkes CC

Mrs. S. Rawlins CC

53. Minutes of the meeting held on 4 December 2015.

The minutes of the meeting held on 4 December 2015 were taken as read, confirmed, and signed.

54. To advise of any items that the Chairman has decided to take as urgent elsewhere on the agenda.

There were no urgent items for consideration.

55. Declarations of interests in respect of items on this agenda.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

No declarations were made.

56. Items referred by the Finance and Audit Subcommittee.

There were no items referred by the Finance and Audit Subcommittee. Members were advised that the Subcommittee had considered items 7, 12 and 13 (minutes 60, 61 and 65 refer) on the agenda. During the consideration of these items the Subcommittee was advised that ESPO was on target to achieve a surplus of £3.0 to £3.3 million. The Subcommittee was also updated on the significant challenges facing the educational supplies market and how ESPO was responding to these challenges.

The Subcommittee also received an update on progress against the Internal Audit Plan 2015/16 and had been advised that no high importance recommendations had been made.

57. External Audit Plan.

The Committee received a report of the External Auditors, PricewaterhouseCoopers (PwC) on the External Audit Plan 2015/16. A copy of the Plan, marked 'Agenda Item 5', is filed with these minutes.

Although the changes to the Audit Commission's Code of Audit Practice meant that ESPO no longer had a statutory obligation to carry out an external audit, officers had decided that in the interests of good governance it would be beneficial to continue having an external audit which would be undertaken in line with CIPFA guidance.

Previous changes in accounting policy, and an increased reliance on rebate income, had resulted in the external auditors placing greater focus on rebate income.

Members were advised that although the External Audit Plan asked for the opinion of the Committee on matters relating to fraud, this was usually the responsibility of the Internal Audit Service. Members were advised that the responses to the questions would be circulated and the External Audit Plan would be updated to reflect this arrangement in the future.

RESOLVED:

That the External Audit Plan 2015/16 be noted.

58. Change to the order of business.

RESOLVED:

The Chairman, having sought and obtained the consent of the Committee, changed the order of business from that set out on the agenda.

59. Exclusion of the public.

RESOLVED:

That under Section 100(A)(iv) of the Local Government Act 1972 the public be excluded from the meeting on the grounds that it will involve the likely disclosure of exempt information during consideration of the following items of business entitled 'Four Year Business Strategy 2016 - 2020', and 'Forecast Outturn 2015/16 and Draft MTFS', as defined in paragraphs 3 and 10 of Schedule 12A of the Act; and, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.'

60. Four Year Business Strategy 2016 - 2020

The Committee received an exempt report of the Director which set out the Four Year Business Strategy 2016 – 2020. A copy of the exempt report, marked 'Agenda Item 13', is filed with these minutes.

The report was not for publication as it contained exempt information relating to the financial or business affairs of a particular person (including the authority holding that information).

Members welcomed the presentation on the Strategy and endorsed the proposed direction of travel which would aim to improve operating efficiency, moving customer behaviour, and a sensible commercial approach within the market on the basis that this was necessary for ESPO to operate competitively and grow the business, whilst remaining true to its ethos.

RESOLVED:

That the Business Strategy 2016 – 2020 be noted.

61. Forecast Outturn 2015/16 and Draft MTFS.

The Committee received an exempt report of the Director which set out the Forecast Outturn 2015/16 and Draft MTFS. A copy of the exempt report, marked 'Agenda Item 12', is filed with these minutes.

The report was not for publication as it contained exempt information relating to the financial or business affairs of a particular person (including the authority holding that information).

RESOLVED:

- a) That the draft four year Medium Term Financial Strategy be approved;
- b) That the forecast outturn for 2015/16 and draft budgets for 2016/17, 2017/18, 2018/19, and 2019/20 be approved.

THE MEETING WAS RESUMED IN PUBLIC SESSION

62. Director's Progress update.

The Management Committee received a report of the Director which provided an update of the actions and progress made since the previous ESPO Management Committee held on 4 December 2015. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

Whilst officers had continued to work on sickness absences, the Director was also pleased to report that at the end of 2015 a number of employees were recognised for their significant contribution to ESPO at the Employee of the Year Awards.

RESOLVED:

That the contents of the Director's Progress Update be noted.

63. Exclusion of the public.

RESOLVED:

That under Section 100(A)(iv) of the Local Government Act 1972 the public be excluded from the meeting on the grounds that it will involve the likely disclosure of exempt information during consideration of the following item of business entitled 'Supplementary Information Informing the Director's Progress Update' as defined in paragraphs 3 and 10

of Schedule 12A of the Act; and, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.'

64. Supplementary Information informing the Director's Progress Update.

The Committee received an exempt report of the Director which set out further supplementary information to inform the Director's Progress Update (minute 62 refers). A copy of the exempt report, marked 'Agenda Item 11', is filed with these minutes.

The report was not for publication as it contained exempt information relating to the financial or business affairs of a particular person (including the authority holding that information).

RESOLVED:

That the supplementary information informing the Director's Progress Update be noted.

THE MEETING WAS RESUMED IN PUBLIC SESSION

65. Management Accounts to December 2015.

The Committee received a report of the Director outlining the results for the first nine months of trading up to December 2015. A copy of the report, marked 'Agenda Item 7', is filed with these minutes.

It was anticipated that by the end of March, ESPO would achieve a surplus in the range of £3.0 to £3.3 million. Whilst this is a record surplus achievement for ESPO, store sales at £2.7 million were behind budget largely due to a decline in non-education store sales.

RESOLVED:

That the results of the first nine months of trading to December 2015 be noted.

66. Annual Review of Organisational Approach to Risk Management.

The Committee received a report of the Director outlining the annual review of the organisational approach to Risk Management, and to present the revised Risk Management Statement as a result of this review. A copy of the report, marked 'Agenda Item 8', is filed with these minutes.

RESOLVED:

That the revised Risk Management Statement be approved.

67. Date of Next Meeting.

It was noted that the next meeting of the Committee would be held on 21 July 2016 at 11.00am at County Hall, Glenfield.