



Minutes of a meeting of the ESPO Management Committee held at County Hall, Glenfield, Leicestershire on Wednesday, 28 February 2018.

PRESENT

Dr R. K. A Feltham (in the Chair)

Cambridgeshire County Council

Mr. I. Bates CC  
Mr. M. Howell CC

Norfolk County Council

Mr. J. Fisher (on-line)

Leicestershire County Council

Dr. R. K. A. Feltham CC  
Mr. R. Shepherd CC

Peterborough City Council

Mr. D. Seaton CC (on-line)

Lincolnshire County Council

Mr. R. Butroid CC (on-line)  
Mrs. S. Rawlins CC (on-line)

Warwickshire County Council

Mrs. H. Timms CC (on-line)

102. Minutes of the meeting held on 29 November 2017

The minutes of the meeting held on 29 November 2017 were taken as read, confirmed, and signed.

103. 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.

104. 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.

105. Items referred by the Finance and Audit Subcommittee.

*The Subcommittee noted the MTFS Monitoring Report (minute 107) and recommended approval of the MTFS draft budget of 2019-2022 (minute 111).*

106. Annual Internal Audit Plan 2018-19

The Committee received a report of the Consortium Treasurer regarding the annual internal audit plan 2018-19. A copy of the report, marked Agenda Item 5, is filed with these minutes.

RESOLVED:

- a) That the methodology used as a basis for developing the internal audit plan be noted.
- b) That the proposed Internal Audit Plan of 2018-19 as set out in the report be approved.

107. MTFS Monitoring for the first 9 months of 2017-18

The Committee received a report of the Director and Consortium Treasurer outlining the results of the first nine months of trading April to December 2017. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

The Management Committee was advised that:-

- i) Whilst there were eighteen less FTE operational staff, ESPO had taken on more agency staff, meaning they had a more flexible workforce.
- ii) A key strength of ESPO is the four profit streams and the portfolio approach, which provided resilience for the business.

RESOLVED:

That the contents of the report be noted.

108. 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 29<sup>th</sup> November 2017. A copy of the report marked 'Agenda Item 9', is filed with these minutes.

The Management Committee was advised that:-

- i) Following a road accident it would be normal for the police to undertake drugs and alcohol testing. Leicestershire County Council are in the process of developing a strategy which will set out the circumstances in which drug and alcohol testing could be carried out.
- ii) Sickness absence at ESPO was comparable with other warehouse businesses with the key causes of illness being of stress, depression and muscular skeletal problems. Compared to Leicestershire County Council as a whole, however, ESPO were still lagging behind, hence the intensive programme for improvement as set out in the report.

RESOLVED:

- a) That the contents of the Director's Progress update be noted;
- b) That the appreciation be conveyed to the winners of ESPO Employee of the Year.

109. Exclusion of the Public

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 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:-

- i) Supplementary Information Informing the Progress Report of the Director's progress update.
- ii) Forecast Outturn 2017/18 and Draft MTFS 2018/19 – 2021/22
- iii) Replacement Website Project
- iv) ESPO's Operations and Supply Chain Productivity Strategy
- v) ESPO Trading Limited: Implementation

110. Supplementary Information Informing the Progress Report of the director's Progress Update

The Committee received an exempt report from the Director which set out further supplementary information regarding the Director's Progress Update, together with a supplementary report on the possible acquisition of a private company. A copy of the exempt report and the supplementary report, marked 'Agenda Item 9', are 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).

In response to questions from members the Director advised as follows:-

- i) Sales agents employed by the company worked on a commission model with the average being 20%. The precise commission depending on products sold.
- ii) It is in both parties interest to move quickly with the sale, but the owner had indicated he wished to be involved and has committed to see one year through, allowing a smooth transition.
- iii) The decision to buy the Company would only take place when all 'due diligence' had taken place.
- iv) The company name would be part of the acquisition and retained.

RESOLVED:

- a) That the supplementary report of the Director be noted;
- b) That the Director of ESPO and ESPO Treasurer be requested to undertake the necessary due diligence.
- c) That subject to a positive outcome of the due diligence the Director of ESPO and ESPO Treasurer are authorised to acquire the company for a sum not exceeding the amount outlined in the report.
- d) That the Chief Officer Group at its next meeting be updated on the progress being made with the acquisition.
- e) That the Director of ESPO be required to keep members of the Management Committee informed of progress.

111. Forecast Outturn 2017/18 and Draft MTFS 2018/19 - 2021/22

The Committee received an exempt report of the Director which set out the Forecast Outturn 2017/18 and Draft MTFS. 2021-22. A copy of the exempt report, marked 'Agenda Item 10', 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 forecast outturn for 2017/18 be approved:
- b) That draft budgets for, 2017/18 to 2020/21 be approved.

112. Replacement Website Project

The Committee received an exempt report of the Director on the Replacement Website Project. 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 replacement website project to be funded from expenditure from the reserves be approved.

113. ESPO's Operations and Supply Chain Productivity Strategy

The Committee received an exempt report of the Director on the Replacement Website Project. 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 contents of the report and the proposed operational and supply chain productivity strategy outlined in the report be approved.
- b) That the option of mechanisation of the warehouse be kept under review.

114. ESPO Trading Limited: Implementation

The Committee received an exempt report of the Director on ESPO Trading Limited. 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).

RESOLVED:

That the proposed approach to be adopted by ESPO Trading Limited be noted.

115. Dates of Next Meeting.

It was noted that the next meeting of the Committee would be held on Wednesday 13<sup>th</sup> June at 10.30am at Leicestershire County Council.

CHAIRMAN

28 February 2018