

Minutes of a meeting of the ESPO Management Committee held at County Hall, Glenfield on Wednesday, 4 March 2020.

PRESENT

PRESENT

Mrs. S. Rawlins CC – Lincolnshire County Council (in the Chair)

Cambridgeshire County Council

Cllr. I. Bates (Virtual)
Cllr. M. Howell (Virtual)

Norfolk County Council

Cllr. M. Smith-Clare

Leicestershire County Council

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

Peterborough City Council

Cllr. J. Holdich OBE (Virtual)

Warwickshire County Council

Cllr. P. Butlin

Lincolnshire County Council

Cllr. A. Hagues

Apologies

Apologies were received from Cllr. D. Seaton (Peterborough City Council), Cllr. P. S. Birdi (Warwickshire County Council) and Cllr. S. Clancy (Norfolk County Council).

In attendance

ESPO

Mr. K. Smith – Director
Mr. D. Godsell - Assistant Director
Mr. C. Pitt – Assistant Director
Mr. M. Selwyn-Smith – Assistant Director

Leicestershire County Council/Secretariat

Mr. J. Sinnott – Chief Executive / Consortium Secretary
Mr. D. Keegan – Assistant Director Strategic Finance and Property, on behalf of the Consortium Treasurer
Mr. M. Davies – Audit Manager
Mr. M. Seedat – Head of Democratic Services
Ms. C. Tuohy – Democratic Services Officer

42. Chairman's Announcements - Cllr. J. Holdich OBE

The Chairman reported that Cllr. J. Holdich OBE would be retiring following the elections in May 2020. John had joined the Management Committee in 2001 and had served as Chairman in 2005 and 2012.

The Chairman thanked John for his enormous contribution over the last 20 years during which he had overseen and scrutinised significant changes and made a major

contribution to modernising and transforming ESPO. In particular John had been in the development of the robust ESPO brand seen today.

Members and officers echoed the Chairman's comments and wished John a long and happy retirement.

Cllr Holdich thanked officers and members for their kind words and support over the years.

43. Minutes of the meeting held on 21 November 2019.

The minutes of the meeting held on 21 November 2019 were taken as read, confirmed, and signed.

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

The Chair advised that he had not been notified of any urgent items for consideration.

45. 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.

46. 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 5 (Annual Internal Audit Plan, minute 47 refers) and 10 (Forecast Outturn 2019/20 and Draft MTFS 2020/24, minute 52 refers).

47. Annual Internal Audit Plan 2020-21.

The Committee received a report of the Consortium Treasurer on the Annual Internal Audit Plan 2020-21. A copy of the report marked 'Agenda Item 5', is filed with these minutes.

The Committee were informed that the 2020-21 Internal Audit plan had been agreed on an indicative resource requirement of 150 days which included flexibility in order to ensure the risks ESPO faced were being managed accordingly. The ESPO Senior Management Team met regularly with the Consortium Treasurer and the Head of Internal Audit at Leicestershire County Council to review the findings of audits and Members were assured that any high assurance recommendations would be shared with Members.

The Committee was advised that the Finance and Audit Subcommittee had considered the report at its meeting on 12 February and its recommendations are set out in the report.

RESOLVED:

That the Annual Internal Audit Plan 2020-21 be approved.

48. Director's Progress update.

The Committee considered to a report of the Director which provided an update of the actions and progress made since the previous Committee held on 21 November 2019. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

The Director updated the Committee on ESPO's planning in response to the Coronavirus and assured Members that its business continuity plans were in place and that they were working closely with Leicestershire County Council, the employer of ESPO staff.

Arising from discussion the following points were noted:

- i) Development was ongoing of a longer-term financial strategy that would be presented to the Management Committee in June to ensure ESPO continued to grow and exploit the opportunities that were presented.
- ii) ESPO had been awarded the Feefo Platinum Trusted Service award, having achieved Gold standard for three consecutive years with a customer satisfaction rating consistently over 95%. The award served as an independent seal of excellence that recognised ESPO delivered exceptional experiences to its customers.
- iii) The Director reported that the following employees had been nominated and received the following awards:-
 - Andreea Czirik, Operations and Supply Chain Analyst for Employee of the Year,
 - Jamie O'Connor, Customer Relationship Manager for Excellent Service Award,
 - Attila Brezsa, Warehouse Operative and Haleema Patel, Marketing Officer, for the People's Champion Award.
- iv) ESPO was undertaking a review of the structure of the Leadership Team and its senior managers to ensure it was appropriately resourced to meet future demands and changing markets.
- v) Arrangements were being made to celebrate ESPO's 40-year anniversary.

RESOLVED:

That the report be noted and that the Committee's appreciation be conveyed to the employees who had received awards.

49. Date of Next Meeting.

RESOLVED:

It was noted that the next meeting of the Committee would be held on 24 June as an Attended Meeting at County Hall.

50. Exclusion of the Press and Public.

RESOLVED:

That under Section 100 (A) (iv) of the Local Government Act 1972 the public be excluded from the meeting for the remaining items of business on the grounds that it will involve the disclosure of exempt information as defined in the Act and that in all of the circumstances the public interest in maintaining the exception outweighs the public interest in disclosing the information.

51. 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. A copy of the exempt report, marked 'Agenda Item 8', is filed with these minutes.

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

The Director reported that the Website Project remained on track and would be demonstrated at a future Management Committee meeting.

RESOLVED:

That the report and supplementary information now provided be noted.

52. Forecast Outturn 2019/20 and Draft MTFS 2020/21 - 2023/24.

The Committee considered an exempt joint report of the Director and Consortium Treasurer concerning the forecast outturn for 2019/20 and the Medium Term Financial Strategy 2020 - 2024. A copy of the report, marked 'Agenda Item 10', is filed with these minutes.

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

The Director responded to Members' questions, agreeing that ESPO needed to invest to respond to a rapidly changing and competitive market.

Members noted that, following exceptional investment returns by the Leicestershire Pension Fund, ESPO's deficit would be paid down within 15 years. This approach had been recommended by the Actuary to ensure there was less pressure on employer contributions over time.

The Committee was advised that the Finance and Audit Subcommittee had considered the report at its meeting on 12 February.

RESOLVED

That the recommendations of the Finance and Audit Subcommittee in respect of:

- a) the Medium Term Financial Strategy, incorporating the recommended revenue budget for 2020/21 as set out in paragraph 32;
- b) the projected provisional revenue budgets for 2021/22, 2022/23 and 2023/24 set out in paragraph 36;

- c) the level of reserves and the use of earmarked funds as set out in paragraph 66;
- d) the 2020/21 capital programme as set out in paragraph 64;

be approved.

53. Streamlining ETL Governance Arrangements.

The Committee considered an exempt joint report of the Director and Consortium Secretary, the purpose of which was to set out arrangements to streamline ESPO Trading Limited's Governance Arrangements. A copy of the report. Marked 'Agenda Item 11', is filed with these minutes.

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

RESOLVED:

That the Management Committee having considered the legal advice from Anthony Collins as set out in the Appendix to this Report approve the proposals in the report in order to:-

- a) Streamline the governance arrangements of ETL and the wider flow of information concerning ETL's business to the Management Committee.
- b) Provide the Management Committee with ETL's financial and business information to inform them of ETL's contribution to the wider ESPO business objectives.

10.30-12.10

CHAIRMAN

04 March 2020