



Minutes of a meeting of the ESPO Finance and Audit Subcommittee held at County Hall, Glenfield, Leicestershire on Wednesday, 12 February 2020.

PRESENT

Cambridgeshire County Council

Cllr. M. Howell

Leicestershire County Council

Dr. K. Feltham CC

Warwickshire County Council

Cllr. P. Butlin

Apologies

Apologies were received from Cllr. S. Rawlins (Lincolnshire County Council), Cllr S. Clancy (Norfolk County Council) and Cllr. D. Seaton (Peterborough City Council).

In attendance

ESPO

Mr. K. Smith – Director

Mr. D. Godsell - Assistant Director

Mr. C. Pitt – Assistant Director

Leicestershire County Council/ Secretariat

Mr. N. Wash – Head of Service Finance, on behalf of the Consortium Treasurer.

Mr. N. Jones – Head of Internal Audit and Assurance

Mr. M. Davies – Audit Manager

Mr. M. Seedat – Head of Democratic Services

Ms. C. Tuohy – Democratic Services Officer

73. Election of Chairman.

Cllr. M. Howell was appointed Chairman for the municipal year ending May 2020.

Cllr. M. Howell in the Chair.

74. Minutes.

The minutes of the meeting held on 8 May 2019 were taken as read, confirmed and signed.

75. Declarations of interest in respect of items on the 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.

76. Urgent Items.

There were no urgent items for consideration.

77. Internal Audit Service - Progress Against the 2019-20 Internal Audit Plan.

The Subcommittee received a report of the Consortium Treasurer outlining the progress made against the Internal audit Plan for 2019-20. A copy of the report, marked 'Agenda Item 5', is filed with these minutes.

RESOLVED:

That the report and information now provided be noted.

78. Annual Internal Audit Plan 2020-21.

The Subcommittee received a report of the Consortium Treasurer on the Annual Internal Audit Plan 2020-21. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

The Subcommittee was informed that 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 Any high assurance recommendations found would be shared with Members.

As part of the Internal Audit plan the team would visit ESPO suppliers as set out in supplier contracts, those chosen would either be due to high contract value or at ESPO's suggestion. Any issues found would be shared with all suppliers where relevant.

RESOLVED:

- a) That the Annual Internal Audit Plan 2020-21 be agreed;
- b) That the Management Committee be advised of the decision of the Subcommittee.

79. Date of next meeting.

RESOLVED:

It was noted that the next meeting of the Committee would be held on 20 May 2020 at 10.30am as a virtual meeting.

80. Exclusion of the Press and 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 remaining items of business.

81. Forecast Outturn 2019/20 and Draft MTFs 2020/21 - 2023/24.

The Subcommittee received an exempt report of the Director and Consortium Treasurer outlining the forecast outturn 2019/20 and the draft MTFs 2020/21 – 2023/24. A copy of the report, marked 'Agenda Item 9', is filed with these minutes.

The 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).

Arising from discussion the following points were noted:

- i) ESPO was on target to achieve the projected surplus despite the increased pressures in the market which presented significant challenges for the foreseeable future.
- ii) Leicestershire County Council provided human resources advice to ESPO to enable them to recruit and retain staff in high demand areas such as procurement.
- iii) The pension deficit figure for ESPO was a result of a highly prudent actuarial assumption. The deficit was lower in the real terms as a result of better than expected performance of the Leicestershire Pension Fund's investments.
- iv) The Website project remained on track to go live in November 2020 and would be demonstrated at a future ESPO Management Committee meeting.
- v) All of ESPO's vehicle fleet was now under two years old. Each year a provision was made in accounts to replace vehicles on a need basis. There remained little innovation in the electric HGV market due to the payload of electric batteries.
- vi) The reference to High Bay racking related to storage and was a dormant area in the warehouse. Automation within areas of the warehouse would be looked at where feasible.

RESOLVED:

- a) The projected surplus 2020/21 be noted;
- b) That the draft MTFS for the period 2019 to 2023 be agreed;
- c) That projected provisional revenue budgets for 2021/22, 2022/23 and 2023/24 as set out in paragraph 21 of the report be agreed;
- d) That the proposed Capital programme for 2019-2020 as set out in paragraph 43 to 45 of the report be agreed;
- d) That the Management Committee be advised of the decision of the Subcommittee.

Times Not Specified
12 February 2020

CHAIRMAN