

Minutes of a meeting of the ESPO Management Committee held at County Hall, Glenfield on Wednesday, 17 March 2021.

PRESENT

Cllr. M. Howell (in the Chair)

Peterborough City Council

Cllr J. Holdich OBE

Lincolnshire County Council

Cllr A. Hagues

Cllr. S. Rawlins

Leicestershire County Council

Dr. R. K. A. Feltham CC

Mr. R. Shepherd CC

Warwickshire County Council

Cllr. P. Butlin

Apologies

Apologies were received from Cllr. S. Clancy and Cllr. M. Smith-Clare from Norfolk County Council, Cllr D. Seaton from Peterborough City Council, Cllr. I. Bates from Cambridgeshire County Council and Cllr. P. Birdi Warwickshire County Council.

In attendance

ESPO

Kristian Smith - Director

Maurice Campbell – Assistant Director

David Godsell – Assistant Director

Matt Selwyn Smith – Assistant Director

David Goodwin – Finance Controller

Leicestershire County Council

John Sinnott – Consortium Secretary

Declan Keegan – Assistant Director Strategic Finance and Property on behalf of Consortium Treasurer

Mo Seedat – Head of Democratic Services

Neil Jones – Head of Internal Audit and Assurance

Matt Davis – Audit Manager

Cat Tuohy – Democratic Services Officer

36. Chairman's Announcement.

The Chairman reported that Cllr. David Seaton would be stepping down from Peterborough City Council at the elections in May 2021. Cllr. Seaton had joined the Management Committee in 2011 and served as Chairman in 2018 in which he had overseen and scrutinised the expansion into ESPO Trading Limited.

The Chairman also thanked Cllr Ian Bates who had been first elected in 2001 to Cambridgeshire County Council and did not plan on standing for election in May 2021. Cllr Bates had been a long serving member of the Management Committee.

The Chairman also reminded the Committee that Cllr. John Holdich OBE would also not be standing for elections for Peterborough City Council in May 2021 Cllr Holdich had been one of the longest serving Members on the Management Committee, serving as Chairman in 2005 and 2012 and he made a major contribution to modernising and transforming ESPO, in particular the development of the prominent ESPO brand seen today.

Members and officers echoed the Chairman's comments and sent Cllrs Bates, Holdich and Seaton the best wishes for the future.

37. Minutes of the meeting held on 25 November 2020.

The minutes of the meeting held on 25 November 2020 were taken as read, confirmed and signed.

38. 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.

39. 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.

40. Items referred by the Finance and Audit Subcommittee.

The Chairman informed the Committee that there were two items referred and recommended for approval by the Finance and Audit Subcommittee, covered in Agenda Item 5, the Annual Internal Audit Plan 2021-22 and Agenda Item 9, the Forecast Outturn 2020-21 and the Draft MTFs.

41. Internal Audit Plan 2021/22.

The Committee received a report of the Consortium Treasurer on the Annual Internal Audit Plan 2021-22. A copy of the report marked 'Agenda Item 5' is filed with these minutes.

The Committee noted 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 its audits. Members were assured that any high assurance recommendations would be shared with them and reported to the Management Committee.

Members noted that as a result of COVID-19 site visits had been deferred. Such visits remained beneficial due to the valuable insight gained from engaging with companies

and verifying their financial figures. Once the relevant restrictions were lifted visits would resume.

The Committee was advised that the Finance and Audit Subcommittee had considered the report at its meeting on 17 February and supported approval of the Plan.

RESOLVED:

That the ESPO Internal Audit Plan for 2021-22 be approved.

42. Director's Progress update.

The Committee considered a report of the Director which provided an update on the actions and progress made since the previous Committee held on 27<sup>th</sup> November 2020. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

The Director informed the Committee that ESPO currently stocked 97.3% of its catalogue within its warehouse. The value of items out of stock was circa £20,000, which was not considered high value and did not contain any key items.

The impact of the United Kingdom's exit from the European Union had been marginal due to good governance and having a customs agent and propriety systems in place. The situation would be monitored closely by the Senior Leadership Team.

RESOLVED:

That the progress report be noted.

43. 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.

44. 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).

Arising from the discussion members noted the following:-

- i. To recognise ESPO's 40<sup>th</sup> anniversary a video had been produced celebrating its history and role within the public sector. There were other promotional activities that would be shared with its members and customers.
- ii. Regarding imports, ESPO had decided to use the deferred VAT scheme to postpone charges on individual consignments to prevent any potential delays.
- iii. There were issues regarding food importation which affected some suppliers' abilities to fulfil all customer needs in relation to certain procurement solutions. ESPO itself did not handle any food importation or storage within its warehouse.

RESOLVED:

That the report and supplementary information now provided be noted.

45. Forecast Outturn 2020/21 and Draft MTFs 2021/22-2024/25.

The Committee considered an exempt joint report of the Director and Consortium Treasurer concerning the forecast outturn for 2020/21 and the Medium Term Financial Strategy 2021 - 2025. A copy of the report, marked 'Agenda Item 9', 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 Committee noted that ESPO and Leicestershire County Council were working on the assumption, following the Chancellor of the Exchequer's announcement on public sector pay, that whilst a pay freeze would not be mandated to apply to local government it was expected that local government employers would follow the central government approach, as had been the case during austerity.

The Director informed Members that the costs set out within the MTFs were dependent on the volume of sales. As sales increased so would the cost of the overall operation. ESPO's business strategy was set out over ten years to ensure its logistics model became more efficient, aided through the planned creation of a storage warehouse and separate distribution centre.

The Committee were pleased to note the performance of ESPO, despite the pressure from COVID-19.

The Committee was advised that the Finance and Audit Subcommittee had considered and recommended the report for approval at its meeting on 17 February.

RESOLVED:

- a) That approval be given to the Medium-Term Financial Strategy 2021-2025, that incorporates the recommended revenue budget for 2021/22 projecting a surplus of £5.0million.
- b) That the projected provisional revenue budget as set out in paragraph 28 be approved.
- c) That the level of reserves as set out in paragraph 56 be noted and the use of those earmarked fund as set out in the report be approved
- d) That the 2021/22 capital programme as set out in paragraph 52 be approved.

46. Public Procurement Rules Update from 1 January 2021.

The Committee considered an exempt joint report of the Director, the purpose of which was to set out an update to Public Procurement Rules. 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).

RESOLVED

That the report be noted.

47. Date of Next Meeting.

It was noted that the next meeting of the Committee would be held on 23 June via Microsoft Teams.

48. Any other items which the Chairman has decided to take as urgent.

The Committee considered this matter, the Chairman having decided that it was of an urgent nature...

Times Not Specified  
17 March 2021

CHAIRMAN