

Minutes of a meeting of the ESPO Management Committee held at County Hall, Glenfield on Wednesday, 16 March 2022.

PRESENT

Leicestershire County Council

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

Lincolnshire County Council

Cllr. A. Hagues  
Cllr S. Rawlins

Peterborough City Council

Cllr. A. Coles  
Cllr W. Fitzgerald

Warwickshire County Council

Cllr Watson

Norfolk County Council

Cllr. A. Birmingham

Cambridgeshire County Council

Cllr Goodliffie  
Cllr S. Ferguson

Apologies

Apologies were received from the Chairman, Cllr. P. Butlin (Warwickshire County Council) and Cllr. S. Clancy (Norfolk County Council)

ESPO

Kristian Smith - Director  
David Godsell – Assistant Director  
Maurice Campbell – Assistant Director  
Matt Selwyn Smith – Assistant Director  
David Goodacre – Financial Controller

Leicestershire County Council

John Sinnott – Consortium Secretary  
Declan Keegan – Assistant Director Corporate Resources on behalf of Consortium Treasurer  
Neil Jones – Head of Internal Audit  
Matt Davis – Internal Audit Manager  
Mo Seedat – Head of Democratic Services  
Cat Tuohy – Democratic Services Officer

44. Election of Chairman for this meeting.

It was agreed that Cllr. M. Watson be appointed Chairman for the meeting.  
Cllr. M. Watson in the Chair

45. Minutes.

The minutes of the meeting held on 24 November 2021 were taken as read, confirmed, and signed.

Members noted that as agreed at the November meeting the dividend payments had been made to the constituent authorities at the beginning of December.

46. Urgent Items.

There were no urgent items for consideration.

47. 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.

48. 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 6, the Annual Internal Audit Plan 2022-23 and Agenda Item 12, the Budget 2022-23.

49. Annual Internal Audit Plan 2022-23.

The Committee received a report of the Consortium Treasurer on the Annual Internal Audit Plan 2022-23. A copy of the report marked 'Agenda Item 6' 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.

The Committee was advised that the Finance and Audit Subcommittee had considered the report at its meeting on 2 February and supported approval of the Plan.

Arising from the discussion the following points were raised:-

- i. The Internal Audit Plan included contingency to consider any special projects or emerging issues such as the volatility of the energy market if required.
- ii. There had been delays in the introduction of new procurement rules by Government. Future audit plans would monitor the introduction and subsequent implementation.

RESOLVED:

That the ESPO Internal Audit Plan for 2022-23 be approved.

50. Director's Progress update.

The Management Committee gave consideration to a report of the Director which provided an update of the actions and progress made since the previous ESPO Management Committee held on 24 November 2021. A copy of the report, marked 'Agenda Item 7', is filed with these minutes.

*[Please note a minor amount of information included in Appendix B to the Director's Progress Update, in error, has been removed from the originally published version]*

The Director informed the Committee that ESPO currently retained 96.1% of items held at the Grove Park Warehouse.

Arising from the discussion the following points were noted:

- i. Suppliers had until December 2022 to conform to United Kingdom Conformity Assessed marking for goods placed on the market in Great Britain. ESPO would continue to monitor the situation and work with suppliers accordingly.
- ii. The combined effect of COVID, inflation and the delayed Local Government pay award had affected retention of staff across the industry and within local government. The position was being monitored closely by the Senior Management Team.
- iii. In relation to the risk regarding increased competition the Director assured the Committee that officers kept a close eye on developments in the market and with competitors and continue to review ESPO's offering. Furthermore, officers would continue to update the risk register where applicable to address new pressures.

RESOLVED:

That the report be noted.

51. Date of Next Meeting.

It was noted that the next meeting of the Committee would be held on 29 June 2022 at Leicestershire County Hall.

52. 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.

53. Supplementary Information informing 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 11', 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 Committee noted that the Local Government Pay Award for 2021/22 had just been agreed and together with high levels of inflation would have an effect on its profit and loss statement. Despite this ESPO expected to deliver a surplus of circa £5.6million.

With ESPO's energy supplier, it was noted that ESPO was hedged up to 24 months on a rolling basis, which shielded current customers. Continued high wholesale energy prices, however, would eventually impact pricing. The Committee were assured that the Energy Team were working closely with customers to manage expectations and ensure they were well aware of the circumstances.

RESOLVED:

That the report be noted.

54. Budget 2022/23.

The Committee considered an exempt joint report of the Director and Consortium Treasurer concerning the Budget 2022-23. A copy of the report, marked 'Agenda Item 12', 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).

Arising from the discussion the following points arose:-

- i. Members recognised the ongoing challenge inflation posed to ESPO and businesses generally, which continued to be monitored as a key risk.
- ii. Additional budgeted IT spend included Cyber Essentials plus, a government backed scheme to ensure ESPO was protected against cyber-attacks, and provide assurance to companies that worked with ESPO.
- iii. The Director agreed to report to the Committee at a future meeting on environmental issues and what actions ESPO is undertaking and planning in relation to sustainability and the green agenda.

RESOLVED:

That the report be noted.

55. Public Procurement Rules - Developments during 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 13', 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 the proposed changes to public procurement rules and the transparency provisions in Government's plans would have resourcing implications for ESPO and the sector. Members were assured the Senior Leadership Team would continue to monitor risks, progress plans to ensure compliance and to develop a continuous improvement programme.

RESOLVED

That the report be noted.

10.30 - 11.50 am  
16 March 2022

CHAIRMAN