

Minutes of a meeting of the ESPO Management Committee held at County Hall, Glenfield on Wednesday, 28 June 2023.

PRESENT

Lincolnshire County Council
Cllr. S. Rawlins

Peterborough City Council
Cllr O. Sainsbury
Cllr. R. Ray (substitute)

Leicestershire County Council
Mr. J. Poland CC

Warwickshire County Council
Cllr. M. Watson

APOLOGIES

Apologies were received from Cllr. P. Butlin (Warwickshire County Council), Cllr. A. Hagues (Lincolnshire County Council), Cllr J James (Norfolk County Council), Cllr. A. Jamieson (Norfolk County Council), Cllr. A. Coles (Peterborough City Council) and Mrs. M. Wright CC (Leicestershire County Council).

IN ATTENDANCE

Cambridgeshire County Council
Cllr. N. Shailer (Cambridgeshire County Council – Online)
Cllr. S. Ferguson (Cambridgeshire County Council - Online)

ESPO

Kristian Smith - Director
David Godsell – Assistant Director
Gary Ford – Assistant Director
Maurice Campbell – Assistant Director
Dave Goodacre – Financial Controller

Leicestershire County Council
Declan Keegan – On behalf of Consortium Treasurer
Anna Poole – Democratic Services Officer

1. Appointment of Chairman.

RESOLVED:

In her absence, Mrs. Maggie Wright CC was appointed as Chairman of the Management Committee for the Municipal Year ending June 2024.

In the absence of the Chairman, Mr. James Poland CC was appointed Chairman for the duration of the Meeting.

Mr. James Poland CC in the Chair

2. Chairman's Announcements.

The Chairman welcomed new members who had joined the Management Committee:

- Cllr Jane James, Norfolk
- Cllr Martin Watson, Warwickshire
- Cllr Neil Shailer, Cambridgeshire
- Cllr Oliver Sainsbury, Peterborough

He went on to thank Cllr. Greg Peck, Norfolk for his work as Chair of the Management Committee for the period June 2022 to May 2023. During his period of office Cllr. Peck had overseen the following:

- Achieved a trading surplus of 5.9m which is 0.2m ahead of budget and a record surplus for ESPO.
- ESPO's procurement services created a rebate income of £10.5m and a year-on-year growth of circa £1.5m
- Overseen the successful approval of planning permission and principal contractor appointment for 26000 sq ft warehousing extension to the Grove Park with construction set to initiate this August for a summer 2024 completion.
- Progressed the business development agenda including MySchoolFund partnership with Sainsbury's generating over £100k of cash back to schools and significant growth into Scotland via Scotland Excel framework and international sales of over £200,000 from a standing start coming out of the covid years.
- Overseen a robust governance framework for Health & Safety, Legal Compliance, flexible working and employee well-being.

Members of the Committee echoed the Chairman's comments and thanks.

3. Election of Vice-Chairman.

Cllr. Coles was appointed Vice-Chairman for the Municipal Year ending April 2024.

4. Minutes of the previous meeting.

The minutes of the meeting held on 22 March 2023 were taken as read, confirmed, and signed.

5. Urgent items.

There were no urgent items for consideration.

6. Declarations of interests.

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.

7. Items referred by the Finance and Audit Subcommittee.

There was one item referred by the Finance and Audit Subcommittee, discussed under item 13 – Outturn 2022-23 and MTFs Update (minute 12 refers).

8. Director's Progress update.

The Management Committee considered a report of the Director which provided an update of the actions and progress made since the ESPO Management Committee held on 22 March 2023. A copy of the report, marked 'Agenda Item 8', is filed with these minutes.

In presenting the report, the Director explained that Eduzone had had a reasonable start and, although currently behind budget, was ahead of performance this time last year.

He informed the Committee that customer services had answered more than 3000 calls, and average wait times across all teams was 22 seconds. The Feefo customer rating had improved to 96%.

Members were updated on the Grove Park warehouse development which had been progressed under the Project Board. Planning permission had been received from the County Council and the contractor had been appointed. Work was expected to start on site on 10 August with completion expected by the end of quarter 2, 2024.

It was highlighted to members that absence levels due to sickness was lower than 2022/23 levels, with the 12 months rolling average currently at 7.7 days; this was against the corporate target for the County Council of 7.5 days. The three main causes of sickness absence during quarter 4 2022/23 were: Stress/depression/Mental Health, cough/cold/flu, and Musculo-skeletal.

Members were informed that challenges remained with recruitment and retention. Many initiatives were in place, as detailed in the report, to enhance recruitment.

In response to questions, members were informed that:

- i. Although performance was currently £0.3m better than budget, officers had adopted a prudent approach when planning the forecast spend to the end of the year, with a forecast of being on budget. This forecast had taken into account the potential impact that high levels of inflation could have on customer demand.
- ii. Not all issues experienced with stock availability during the pandemic had been resolved, although the situation was considerably stronger than this time last year. Officers would be exploring individual supply chains to identify and address any issues.

It was moved by Mr Poland CC and seconded by Cllr. Rawlins that the update provide by the Director be noted.

RESOLVED:

That the update provided by the Director be noted.

9. Dates of future meetings.

It was noted that the next meeting of the Committee would be held on 20 September 2023 at 10.30am at County Hall, Glenfield and future meetings would be held at the same time on the following dates in 2024:

- 20 March 2024
- 12 June 2024
- 18 September 2024
- 13 November 2024

It was also noted that meetings of the Finance and Audit Subcommittee would be held at 10.30am on the following dates in 2024:

- 14 February 2024
- 9 October 2024

10. 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.

11. Director's Supplementary Report.

The Committee considered an exempt report of the Director which set out further supplementary information regarding the Director's Progress Update. A copy of the exempt 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).

In presenting the report, the Director briefed members on the recent transport incident and assured them that mitigation had been put in place, and an action plan developed to prevent a re-occurrence.

In response to questions, members were informed that:

- i. ESPO officers worked closely with suppliers to prevent issues occurring with the supply chain. However, it was acknowledged that the economic backdrop could potentially affect supply.
- ii. Regarding Russia and the impact on the supply price point of fuel, officers were purchasing supplies ahead as per the risk strategy agreed.
- iii. Officers welcomed the support of members with the promotion of My School Fund and agreed to send marketing materials to them so that the scheme could be more widely promoted within their areas.

RESOLVED:

That the update provided by the Director be noted.

12. Outturn 2022-23 and MTFFS Update.

The Committee considered an exempt report of the Director which provided an update on the financial outturn for 2022/23 and the Medium-Term Financial Strategy. A copy of the exempt report, marked 'Agenda Item 13', 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).

In presenting the report, the Financial Controller summarised that ESPO had had a good year, with a pleasing performance and good stock availability throughout the year. Officers had mitigated the impact of increased inflation following the start of the war in Ukraine by constantly and carefully managing prices but remained concerned about whether schools could afford to accommodate such increases and the consequential impact on the children's education.

They added that, looking further ahead, with the issues being seen throughout the world, and inflation not expected to reduce until late 2024, officers would give careful thought when setting the budget, and would be prudent in volume assumptions.

RESOLVED:

That the update provided on the financial outturn 2022/23 and the Medium-Term Financial Strategy be noted.

13. Business Development and Growth.

The Management Committee received an exempt presentation from the Assistant Director Business Development and Growth concerning plans for developing the ESPO business. A copy of the presentation, marked 'Agenda Item 14', is filed with these minutes.

The presentation 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 presentation provided by the Assistant Director Business Development and Growth on ESPO's approach to business development and growth be noted.