

Minutes of a meeting of the ESPO Management Committee held at County Hall, Glenfield on Wednesday, 19 March 2025.

PRESENT

Cllr. S. Rawlins – Lincolnshire County Council (Chair) then
Cllr. M. Jamil – Peterborough City Council (in the Chair)

Norfolk County Council
Cllr J James

Leicestershire County Council
Mrs. M. Wright CC

Apologies

Apologies were received from Cllr. P. Butlin (Warwickshire County Council) and Cllr. S. Ferguson (Cambridgeshire County Council)

In attendance

Cllr. A. Hagues (Lincolnshire County Council) – online
Cllr. C. Hogg (Peterborough City Council) – online
Mr. J. Poland CC (Leicestershire County Council) – online

ESPO

Kristian Smith – Chief Officer
Gary Tapp – Commercial Financial Controller

LEICESTERSHIRE COUNTY COUNCIL

Lauren Haslam – Consortium Secretary
Simone Hines – on behalf of the Consortium Treasurer
Angie Smith – Democratic Services Officer

37. Inquorate Meeting.

The Vice-Chairman advised Members present that the ESPO Constitution provided that for a quorum there should be at least four Members who were entitled to attend and vote, provided that at least four of the Member Authorities were represented. As the meeting was currently inquorate, until such a time as Councillor Jamil was present, it would be necessary for the Consortium Secretary to write to all constituent authorities to seek their agreement to “decisions” reached in relation to any items considered whilst the meeting was inquorate.

38. Minutes of the previous meeting.

The minutes of the meeting held on 13 November 2024 were taken as read, confirmed, and signed.

39. Urgent Items.

There were no urgent items for consideration.

40. Declarations of Interest.

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.

41. Items Referred by the Finance and Audit Sub-Committee

There were no items referred by the Finance and Audit Sub-Committee.

42. Chief Officer's Progress update.

The Management Committee gave consideration to a report of the Chief Officer which provided an update of the actions and progress made since the previous ESPO Management Committee held on 13 November 2024. A copy of the report, marked 'Agenda Item 5', is filed with these minutes.

Arising from discussion, the following points were raised:

- i. As previously reported the effects of the contraction in the educational supplies market had worsened in both Q3 and in part of the Q4 period to date, however despite the contraction of the market, trading activity had continued to perform really well against the market, particularly in development areas. There had been growth in store sales though the competitive pricing offer and targeting growth strategies which had helped to offset some of the decline of spend from traditional member and established areas.
- ii. Competition on price remained a key factor across 2024/25 and although catalogue sales were down 4.5% and direct sales down 10% due to market contraction, the budgeted marketing levels had been good and allowed for achievement of budgeted surplus position.
- iii. Rebate income continued to do well, benefiting from inflation and organic growth and had delivered a total growth profit margin across all sectors of £29.9million.
- iv. Costs continued to be tightly controlled with expenditure £0.3million better than budget, which helped to offset the lower store sales seen across 2024/25.
- v. ESPO Trading Limited (ETL) and Eduzone had seen international sales grow well across the first six months of the period, with improved relationships with international distributors and increased brand recognition overseas.
- vi. Whilst there were still risks with increased contraction of the educational supplies market, with the final couple of months remaining a much quieter trading period where school spend was likely to remain restricted, the outturn was still expected to be close to £7.2million budget surplus which was in line with the uplifted MTFS (Medium Term Financial Strategy).

- vii. ESPO had been awarded Gold Status and an Exceptional Service Award from FEEFO for its customer service performance in 2024.
- viii. The Leadership Team at ESPO had recently agreed an electrical vehicle charging policy, and following permission electrical charges were installed in the car park.
- ix. In terms of FTE days sick, sickness rate had crept up over 18 months from being slightly below 8 days to 8.23, and work continued to bring the figure to the corporate target of the County Council of 7.5 days.
- x. In response to a question regarding back and neck problems increasing, the Chief Officer explained that officers were always looking at innovative ways to improve sickness statistics, and previously an ex-Olympic weightlifter, who had a training company, had been invited in to show people how to lift items correctly, which had worked well.

Councillor Jamil arrived at the meeting at 10.45am and the meeting became quorate.

- xi. Whilst the current gross margin was welcomed, the ambition was to grow the margin, which was a reflection on how much needed to be done, for example, holding more stock over a larger range, quicker delivery times, whilst balancing inflationary pressures and maintain competitive prices.

The Chief Officer expressed thanks on behalf of the ESPO Leadership Team to the long serving members, Mrs. Wright, Councillor Mrs. Rawlins, and Councillor Butlin for their time on the Committee. Members echoed thanks to ESPO officers for their hard work and stated it had been a privilege working with them.

RESOLVED:

That the update provided by the Chief Officer be noted.

Councillor Jamil took over the role of Chairman at this point.

43. Date of Next Meeting.

It was noted that the next meeting of the Committee would be held on 18 June 2025 at 10.30am.

44. 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 would involve the disclosure of exempt information as defined in the Act and that in all circumstances the public interest in maintaining the exception outweighs the public interest in disclosing the information.

45. Supplementary Information Informing the Progress Report of the Chief Officer's Progress Update.

The Committee considered an exempt report of the Chief Officer which set out further supplementary information regarding the Chief Officer's Progress Update. 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 Chief Officer responded to questions related to school budgets and deficit, vacancies, standard delivery times, energy and commodity prices.

RESOLVED:

That the update provided by the Chief Officer be noted.

46. Budget 2025/26

The Management Committee considered a joint report of the Chief Officer and Consortium Treasurer which provided an update on the 2024/25 financial outturn and sought approval for the 2025/26 budget. 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 Chief Officer responded to questions on main competitors and threats, dividend pool, and proposed changes to NHS England.

It was moved by Cllr. Jamil and seconded by Cllr. Mrs. Rawlins that the 2025/26 budget be approved.

RESOLVED:

- a) That the 2024/25 financial outturn be noted.
- b) That the 2025/26 budget be approved.

47. ESPO Trading Limited and Eduzone Merger - March 2025

The Management Committee considered to a joint report of the ESPO Chief Officer and Consortium Treasurer which proposed the simplification to the company structure for Eduzone Limited (Eduzone) and ESPO Trading Limited (ETL). The report also sought Management Committee Shareholder representative formal approval to integrate Eduzone into ETL as a single company through a merger of the companies. 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).

It was moved by Cllr. Jamil and seconded by Cllr. Mrs. Rawlins that the proposal to integrate Eduzone into ETL as a single company through a merger of the companies be approved.

RESOLVED:

That the proposal to merge ETL and Eduzone and note the steps needed to integrate systems and processes of Eduzone into ETL be approved by the Management Committee shareholder representatives.

10.30am to 11.28am
19 March 2025

CHAIRMAN