

Minutes of a meeting of the ESPO Management Committee held online using Microsoft Teams, on Tuesday, 31 March 2026.

PRESENT

Cllr. T. Bridgwood – Lincolnshire County Council (in the Chair)

Cambridgeshire County Council

Cllr. D. Green

Cllr. R. Wyatt

Norfolk County Council

Cllr. J. James

Peterborough City Council

Cllr. M. Jamil

Cllr. C. Wiggin

Leicestershire County Council

Mr. H. Fowler CC

Lincolnshire County Council

Cllr. L. Kelly

Apologies

Apologies were received from Mr. D. Harrison (Leicestershire County Council).

In attendance

ESPO

Gary Ford – Director of Business Development and Growth

Kristian Smith – Managing Director

Gary Tapp – Commercial Financial Controller

Leicestershire County Council

Patrick Taafe – Assistant Head of Law

Angie Smith – Democratic Services Officer

1. Chairman's Announcement

The Chairman informed those present that the meeting had been convened as a continuation of the Committee's scheduled business following the meeting planned for 25 March. On that occasion, an in-person meeting was arranged but was unable to proceed as the required quorum was not present, and the meeting was therefore adjourned in accordance with the Constitution.

The meeting had been reconvened to be held remotely. Members were aware that, as a consequence of the statutory framework under the Local Government Act 1972, a meeting of the Committee held online could not, of itself, constitute a quorate meeting for decision-making purposes. However, the Constitution made provision for business to be progressed through remote meetings, with decisions taken through the written procedure set out in the Procedural Standing Orders.

Accordingly, the Chairman confirmed that Standing Order 21.6 would apply in respect of the meeting. Any decisions arising from discussions would be circulated in writing to all Members of the Committee and, provided no written objection was received within the

specified period, the Consortium Secretary would be authorised to give effect to those decisions under delegated powers.

Finally, Members noted that officers would be undertaking a review of the governance arrangements of the ESPO Management Committee. The review would consider whether any refinements or updates would assist in supporting the effective and efficient conduct of the Committee's business going forward, including matters such as the frequency of meetings and issues of quoracy, and would also extend to the Finance and Audit Subcommittee where appropriate.

To facilitate early consideration of governance changes, the Chairman proposed that officers prepare a report setting out options and recommendations arising from their review, to be brought back to the Management Committee for consideration at the June meeting. Subject to there being no objection under the written decision-making procedure, that approach would be progressed accordingly.

2. Minutes of the meeting held on 26 November 2025.

The minutes of the meeting held on 26 November 2025 were taken as read, confirmed, and signed.

3. Urgent Items.

There were no urgent items for consideration.

4. 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.

5. Items referred by the Finance and Audit Subcommittee.

There was one item referred by the Finance and Audit Subcommittee, concerning agenda item 10, Budget 2026/27.

6. Managing Director's Progress update.

The Management Committee considered a report of the Managing Director which provided an update of the actions and progress made since the previous ESPO Management Committee meeting held on 26 November 2025. A copy of the report marked 'Agenda Item 5' is filed with these minutes.

Arising from presentation of the report and discussion, the following points were made:

- i. It was reported that ESPO had achieved a surplus of £7.7 million, which was £0.8 million ahead of budget and £0.7 million better than the previous year. Members were advised that market contraction had continued, driven largely by funding pressures affecting schools, although growth in development areas had helped to offset some of the decline in traditional markets.

- ii. It was noted that, despite lower levels of sales, margin performance had remained strong throughout the year and was expected to continue through the final quarter.
- iii. Rebate income was reported to have continued to perform well, while expenditure had been tightly controlled, with staffing vacancies and other cost controls helping to offset lower sales and gross margin during the year.
- iv. ESPO Trading Limited and Eduzone had continued to benefit from international relationships and that overall costs within those businesses had also been well controlled.
- v. A surplus of £134,000 had been achieved across those operations, which was £73,000 above budget.
- vi. Members noted that the conflict in the Middle East could have implications for ESPO, and that mitigating actions were being taken through supplier engagement, stock management and optimisation of deliveries in order to maintain availability.
- vii. Overall, Members were advised that ESPO had continued to perform well in a challenging market, had remained competitively priced, and was on course to surpass its full-year budget target.
- viii. In respect of operational progress, it was reported that stock availability had remained high at 99.2% in January, notwithstanding continuing supply chain pressures.
- ix. Members noted the continued strong customer service performance, including a FEEFO score of 94%, and that ESPO had been awarded FEEFO Platinum status in recognition of maintaining a service rating above 4.5 out of 5 over a three-year period.
- x. It was further reported that facilities management activities and statutory inspections had been maintained and that there had been only one minor health and safety incident to report.
- xi. Members were advised that IT performance remained strong, with high internal satisfaction levels and a robust cyber security score, and that a SharePoint site had been created for the corporate risk register.
- xii. In relation to staffing, Members noted the sickness absence position, including the 7.5 day target, the reported average of 2.27 days lost per FTE during the relevant period, and the further detail set out in the report regarding the causes of absence and the actions being taken in response.
- xiii. Members further noted the range of preventative actions being taken to support staff health, safety and wellbeing and to promote a positive working environment. Members also noted that staff health MOTs provided by Leicestershire County Council had been well received.
- xiv. In the course of discussion, Members congratulated officers on a strong set of results achieved during a particularly challenging trading period and commented that the customer service outcomes demonstrated that ESPO remained a trusted organisation within the market. In response, the Managing Director thanked members for their comments and confirmed that their remarks would be shared with the wider organisation.

- xv. A question was raised regarding the differential in sickness absence between warehouse-based and office-based staff, particularly in relation to mental health, and members asked what support was in place for staff experiencing mental health difficulties. In response, the Managing Director emphasised the importance of mental health support, referred to the mental health first aiders available at ESPO, and noted that particular attention was given to staff working night shifts given the potential impact of that working pattern on wellbeing. It was also noted that, as ESPO employed more staff within operations, a higher number of absences in that area might be expected.

It was moved by Cllr. Bridgwood and seconded by Cllr. Jamil that the update provided by the Managing Director be noted.

RESOLVED:

That the update provided and progress made since the last update be noted.

7. Date of Next Meeting.

It was noted that the next meeting of the Committee would be held on 17 June 2026 at 11.00am.

8. 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.

9. Supplementary Information Informing the Progress Report of the Managing Director's Progress Update.

The Committee considered an exempt report of the Managing Director which set out supplementary information relating to the Managing Director'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 Managing Director responded to questions and discussions related to the following:

- Noted that ESPO had continued to perform well despite challenging market conditions and trading standards, and had increased market share, had growth in new customer accounts and continued progress in a number of key business areas.
- Noted continued success of My School Fund, including its growth and external recognition.

- Considered survey findings on staff satisfaction, and were advised that further work would be undertaken to understand the context behind survey findings, including through a focus group and further action led by HR.
- Members emphasised the importance of maintaining multiple channels through which staff could raise concerns.
- Noted a drug and alcohol test had been conducted in line with policy, and appropriate management action had been taken.
- Sought further clarification on the future approach to gas purchasing and the extent to which ongoing geopolitical instability might affect timing of procurement decisions.
- Received assurance that specialist governance and trading arrangements were in place to manage market fluctuations within agreed parameters.

It was moved by Cllr. Bridgwood and seconded by Cllr. James that the update provided by the Managing Director be noted.

RESOLVED:

That the update provided by the Managing Director be noted.

10. Budget 2026/27

The Committee considered a joint report of the Managing Director, ESPO and the Consortium Treasurer which provided an update on the 2025/26 financial outturn and sought approval for the 2026/27 budget. It was noted that the Finance and Audit Sub-Committee had considered the budget for 2026/27 at its meeting on 25 February 2026 and had approved the budget for submitting to the Management Committee in March 2026 for consideration and approval. 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 (include the authority holding that information).

Members offered congratulations to the team, noting that setting a standstill budget in a contracting market was a strong achievement and expressing confidence for the year ahead.

It was moved by Cllr. Bridgwood and seconded by Cllr. Wyatt that the budget report provided by the Managing Director and Consortium Treasurer be noted.

RESOLVED:

- a) That the financial outturn for 2025/26 be noted.
- b) That the budget for 2026/27 be approved.

11. 2026/27 Commercial Plan Summary.

The Committee considered a report of the Director of Business Development and Growth, which provided a summary of the 2026/27 Commercial Plan. The detailed Commercial Plan was appended to the report. 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 (include the authority holding that information).

The Director of Business Development and Growth highlighted key repoints and responded to questions on the following:

- Expected increased catalogues sales, which a budget set prudently to reflect prevailing market conditions.
- Reduction in stores and directs volume to reflect the continued contraction of the education supplies market.
- The expectation that framework income would continue to grow and that local government reorganisation could also present further opportunities for ESPO's framework portfolio.
- Sales strategy focus was on ensuring that the product offer remained aligned to customer demand.
- Education technology, together with PunchOut and finance management system integrations, had been identified as important areas for growth.
- Assessment of procurement solutions to identify specific framework opportunities.
- Strategic category plans to assess the future framework portfolio.
- Website improvement for framework customers to transact online.
- A programme of events and webinars to demonstrate ESPO's expertise and promote both its catalogue and framework offer to senior leaders.

It was noted that the Plan was intended to be a dynamic document which would be progressed flexibly in response to the commercial environment.

It was moved by Cllr. Bridgwood and seconded by Cllr. Wyatt that the update provided by the Director of Business Development and Growth be noted.

RESOLVED:

That the update provided Director of Business Development and Growth be noted.

10.30am to 12.12pm
31 March 2026

CHAIRMAN