



Minutes of a meeting of the ESPO Management Committee held at County Hall, Glenfield, Leicestershire on Wednesday, 4 March 2015.

PRESENT

Mr. J. Clarke CC - Warwickshire (in the Chair)

Dr. R. K. A. Feltham CC - Leicestershire

Mr. J. Holdich CC - Peterborough

Mr. R. Foulkes CC - Lincolnshire

Mr. D. Parsons CC - Warwickshire

Mr. G. A. Hart CC - Leicestershire

Mrs. S. Rawlins CC - Lincolnshire

Mr. R. Hickford CC - Cambridgeshire

114. Minutes of the meeting held on 4 December 2014.

The minutes of the meeting held on 4 December 2014 were taken as read, confirmed and signed.

115. To advise of any items that the Chairman has decided to take as urgent elsewhere on the agenda.

The Chairman advised that there were no urgent items for consideration.

116. 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.

117. Items referred by the Finance and Audit Subcommittee.

There were no items referred by the Finance and Audit Subcommittee.

118. 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 previous ESPO Management Committee held on 4 December 2014. A copy of the report, marked 'Agenda Item 5', is filed with these minutes.

Arising from discussion the following points were raised:-

- (i). As had been reported at previous meetings, total sales were behind budget due to lower gas sales. Members were informed that this was primarily due to a mild winter resulting in approximately 14% lower usage and was not as a result of customer loss;
- (ii). Although energy prices were significantly lower the benefits of this would not be immediate due to forward purchasing and that the benefits would be seen in the next contract round;

- (iii). Staff expenditure had increased due to an increased use of agency staff to alleviate the pressure experienced during the summer, and whilst new warehouse processes were being implemented. The Director reported that improvements were being seen as a result of these new warehouse processes which could ultimately reduce costs;
- (iv). The Director advised the Committee that there were no patterns emerging in employee sickness absence, but long-term sickness absences were a contribution to the increased sickness absence rates. The Committee was informed that further training was being provided on managing sickness absences;
- (v). New EU regulations on procurement practices had recently come into force and the Director would report back to a future meeting on how this would affect ESPO.

RESOLVED:-

That the Director's Progress update be noted.

119. Change to the order of business.

RESOLVED:

The Chairman sought and obtained the consent of the Committee to vary the order of business to that set out on the agenda.

120. Exclusion of the public.

RESOLVED:

That under Section 100(A)(iv) of the Local Government Act 1972 the public be excluded from the meeting on the grounds that it will involve the likely disclosure of exempt information during consideration of the following items of business as defined in paragraphs 3 and 10 of Schedule 12A of the Act and, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

10. Supplementary information informing the Director's Progress Update;

11. Forecast Outturn 2014/15 and draft MTFs 2015/16 – 2018/19;

12. Updated Strategy Report.

121. Supplementary Information informing the Director's Progress update.

The Management Committee considered an exempt report from the Director, which set out supplementary exempt information to his Progress Update (minute 118 refers). A copy of the exempt report, marked 'Agenda Item 10' is filed with these minutes.

The exempt report was not for publication by virtue of paragraph 3 and 10 of Section 12A of the Local Government Act 1972.

RESOLVED:

That the contents of the report be noted.

122. Updated Strategy Report.

The Management Committee considered an exempt report from the Director, which set out the revised strategy and to highlight progress made in the last year. A copy of the exempt report, marked 'Agenda Item 12' is filed with these minutes.

The exempt report was not for publication by virtue of paragraph 3 and 10 of Section 12A of the Local Government Act 1972.

RESOLVED:

That the contents of the report be noted.

123. Forecast Outturn 2014/15 and draft MTFs 2015/16 - 2018/19.

The Management Committee considered an exempt report from the Director, which updated members on the financial implications of the Four Year Medium Term Financial Strategy, and presented the draft budgets for 2015-16, 2016-17, 2017-18, and 2018-19. A copy of the exempt report, marked 'Agenda Item 11' is filed with these minutes.

The exempt report was not for publication by virtue of paragraph 3 and 10 of Section 12A of the Local Government Act 1972.

RESOLVED:-

- a) That the contents of the Forecast Outturn for 2014/15 be noted; and
- b) That approval be given to the four-year medium term financial strategy, and the incorporated budgets for 2015-16, 2016-17, 2017-18, and 2018-19, be approved.

THE MEETING THEN RECONVENED INTO PUBLIC SESSION.

124. Internal Audit Charter.

The Committee considered a report of the Consortium Treasurer outlining the Internal Audit Charter for ESPO and to inform the Committee of the progress against the Quality Assurance and Improvement Programme. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

The Committee was informed that the Charter had been presented to the Finance and Audit Subcommittee which recommended it be approved.

RESOLVED:-

The Committee approved the Internal Audit Charter for ESPO.

125. Governance Over Managing the Risk of Fraud.

The Committee considered a report of the Consortium Treasurer containing the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption, and the progress made

against the adoption of the Servicing Authority's policies and procedures against fraud and corruption (including the recently revised Employee Code of Conduct). A copy of the report, marked 'Agenda Item 7' is filed with these minutes.

The principles outlined in the Fraud Code had been considered by the Director, Consortium Treasurer and Secretary, and the Finance and Audit Subcommittee, all of whom had recommended that they be adopted.

The Committee was advised that ESPO staff would be advised of the roll out of the new Employee Code of Conduct through an internal communications strategy.

RESOLVED:-

- a) That the principles of the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption be adopted and that a statement be included in the next annual governance report outlining ESPO's conformity to these principles; and
- b) That ESPO's progress on adopting the revised Employee Code of Conduct of Leicestershire County Council (the Servicing Authority) be noted.

126. Date of Next Meeting.

It was noted that the next meeting of the Committee would be held on Wednesday 24 June at 10.30am at County Hall, Glenfield.

10.30 am - 12.00 pm
04 March 2015

CHAIRMAN