



Minutes of a meeting of the ESPO Management Committee held at County Hall, Glenfield on Wednesday, 24 June 2020.

PRESENT

Cambridgeshire County Council

Cllr. I. Bates
Cllr. M. Howell

Peterborough City Council

Cllr. K. Holdich OBE
Cllr. D. Seaton

Leicestershire County Council

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

Warwickshire County Council

Cllr. P. Butlin

Lincolnshire County Council

Cllr. A. Hagues
Cllr. S. Rawlins

Apologies

Apologies were received from Cllr. P. Birdi (Warwickshire County Council), Cllr Clancy and Cllr Smith-Clare (Norfolk County Council).

In attendance

ESPO

Mr. K. Smith – Director
Mr. C. Pitt – Assistant Director
Mr. D. Godsell – Assistant Director
Mr. M. Campbell – Assistant Director
Mr. M. Selwyn-Smith – Assistant Director

Leicestershire County Council

Mr. J. Sinnott – Consortium Secretary
Ms. L. Haslam – Director of Law and Governance
Mr. D. Keegan – Assistant Director, Strategic Finance and Property on behalf of the Consortium Treasurer
Mr. M. Seedat – Head of Democratic Services
Mr. N. Jones – Head of Internal Audit Service
Mr. M. Davis – Audit Manager
Ms. C. Tuohy – Democratic Services Officer

1. Appointment of Chairman.

Cllr. M. Howell was appointed Chairman for the municipal year ending April 2021.

(Cllr. M. Howell in the Chair)

2. Chairman's Announcements.

The Chairman thanked Cllr S. Rawlins for her work as Chair of the Management Committee for the period May 2019 to May 2020. During her period of office Cllr Rawlins had overseen the following:

- A safe and legal working environment for ESPO, its staff, customers and stakeholders in unprecedented circumstances.
- A record trading surplus of £5.4million against a target of £5million.
- High customer service standards that were valued by some 7,000 regular education customers and recognised with a Platinum Trusted Service award from Feefo. This was the highest level of accreditation, meaning ESPO had consistently delivered excellence to its customers
- Promotion of ESPO's organisational values throughout ESPO Headquarters and its corporate communications with 86% of staff survey respondents believing ESPO is a good employer.
- Continued reduction in staff sickness absence days of ESPO staff to a level 7 days, beating the corporate target of 7.5 days.
- The expansion of ESPO's catalogue portfolio to include a primary, secondary, early years, corporate and Eduzone catalogue range.

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

Cllr Rawlins thanked the Chairman for his kind words and took the opportunity to thank all members and officers for their support.

3. Appointment of Vice Chairman.

Cllr. P. Butlin was appointed Vice-Chairman for the municipal year ending April 2021.

4. Minutes.

The minutes of the meeting held on 4 March 2020 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.

Mr. R. Shepherd CC declared a personal interest in relation to Item 10 – Director’s Supplementary Report (minute 11). As a Cabinet Member for Leicestershire County Council he had been involved in discussion about the potential use of Leicestershire County Council land for the building of the new warehouse.

7. Items referred by the Finance and Audit Subcommittee.

There were two items referred by the Finance and Audit Subcommittee, covered in items 7 – Internal Audit Service Annual Report 2019-20 (minute 8) and item 11 – Draft Outturn 2019-20 and Impact of Coronavirus on Q1 202 (minute 12).

8. Internal Audit Service Annual Report 2019-20.

The Committee received a report of the Consortium Treasurer outlining the Internal Audit Service Annual Report 2019-20. A copy of the report, marked ‘Agenda Item 7’, is filed with these minutes.

Following the Finance and Audit Subcommittee on the 20th May 2020 the Head of Internal Audit Service (HoIAS) for Leicestershire County Council had reviewed his findings in line with guidance from the Chartered Institute of Internal Auditor and concluded that ‘substantial’ assurance, the highest level of assurance, was a more appropriate rating for ESPO. This conclusion was supported by;

- a sound framework of control that operated effectively to mitigate key risks;
- no individual audit giving limited or no assurance;
- confidence in management’s attitude to resolve the occasional medium risk rated weakness in individual auditing arrangements;
- positive assurance from all completed audits on all three components of the ‘control environment’ i.e. the framework of governance, risk management and control.

As a result of COVID-19 only two planned audits had not been completed, Members were assured despite the ongoing situation working practices and standards within ESPO had remained high.

RESOLVED:

That the Internal Audit Service Annual Report 2019/20 be approved.

9. 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 4 March 2020. A copy of the report, marked ‘Agenda Item 8’, is filed with these minutes.

The Director updated Members on ESPO's position in relation to COVID-19. Members were pleased to note ESPO's role in supporting the national Shielding of Vulnerable People programme, having been nominated as Food Hub for Leicestershire, and the work being undertaken with the local Resilience Planning Group to distribute food parcels and PPE.

As a result of COVID-19, and the reduced demand for its services, ESPO's Consortium Secretary had made the decision under delegated powers to furlough 99 members of staff, under the Government's scheme. As of Wednesday 24th June 34 members of staff remained furloughed, but it was expected that they would be taken off the furlough scheme by September.

The Director took the opportunity to thank all ESPO staff who had been working hard to keep ESPO running and were responding every day to new emerging and changing priorities. This sentiment was echoed by all members of the Committee.

RESOLVED:

That the contents of the report including action taken by the Consortium Secretary to furlough staff under delegated powers be noted.

10. Exclusion of the Press and Public.

RESOLVED:

That under Section 100(A) of the Local Government Act 1972 the public be excluded from the meeting for the remaining items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12(A) of the Act:

11. Director's Supplementary Report.

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 10', 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).

Mr. R. Shepherd CC declared a personal interest arising from the discussion he had had as Cabinet Member at Leicestershire County Council regarding the ESPO Warehouse.

Arising from the discussion the following points were noted:-

- i) The Director informed Members that the supply of non-clinical PPE had improved, and that ESPO prioritised supply to schools as they re-opened following Government guidance.
- ii) The Website Project remained on track and would be demonstrated at the next Management Committee meeting.
- iii) Members were pleased that ESPO's Feefo rating (an independent customer satisfaction review provider) had remained above 90% during COVID-19.

iv) Arrangements were being made to celebrate ESPO's 40 year anniversary in 2021.

RESOLVED:

That the report be noted.

12. Draft Outturn 2019/20 and Impact of Coronavirus on Q1 2020/21.

The Committee considered an exempt joint report of the Director and Consortium Treasurer concerning the draft outturn 2019/20 and the impact of the Coronavirus on Q1 2020/21. 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).

Arising from the discussion the following points were noted:-

- i) A detailed update on the impact of COVID-19 on ESPO and its draft outturn was given. ESPO were preparing for changing demand across its customer base, and were looking at how they could continue to supply them appropriately.
- ii) Members supported the proposal to continue to allocate £400,000 annually to building reserves, to support future building replacements at end of life.
- iii) Consideration of the timing of the dividend payment for 2019/20 would be given at the September Management Committee when more detail could be provided to Members. Members would receive financial updates from the Director in the interim.

The Director reported that that this would be the last meeting that Clive Pitt would be attending as he would be retiring from his post as Assistant Director of ESPO. The Chairman and Members thanked Clive for his enormous contribution to the success of ESPO and wished him well for the future.

RESOLVED:

- a) That the 2019/20 provisional revenue and capital outturn, and impact of COVID-19 on Q1 2020/21 be noted.
- b) The £400,000 allocation to Building Reserves be approved in line with previous years.
- c) That the timing of payment of the dividend for 2019/20 be considered at the Autumn Management Committee.

13. LGA Truck Cartel Litigation.

The Committee considered an exempt report of the Legal Advisor to the Servicing Authority the purpose of which was to set out information on the litigation to be undertaken by the Local Government Association (LGA) in relation to the truck cartel. 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).

The Legal Advisor to the Servicing Authority set out the possible risks that might arise from taking part in such litigation, as well as the possible settlement return. After a detailed discussion it was moved that “ESPO participate in the Local Government Association’s Truck Cartel Litigation”.

Five members voted for the motion and two against.

The motion was carried.

RESOLVED:

That ESPO’s participation in the LGA’s Truck Cartel Litigation be approved.

14. Date of Next Meeting.

It was noted that the next meeting of the Committee would be held on 16 September 2020 at 10.30am.

10.30-12.07
24 June 2020

CHAIRMAN