



Minutes of a meeting of the ESPO Management Committee held at County Hall, Glenfield on Wednesday, 26 November 2025.

PRESENT

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

Cambridgeshire County Council

Cllr. D. Green

Cllr. R. Wyatt

Warwickshire County Council

Cllr. N. Garland

Leicestershire County Council

Mr. H. Fowler CC

Mr. D. Harrison CC

Apologies

Apologies were received from Cllr. J. Bensly (Norfolk County Council) and Cllr. L. Kelly (Lincolnshire County Council)

In attendance

Cllr C. Hogg (Peterborough City Council) – online

Cllr. J. James (Norfolk County Council) – online

Cllr. M. Jamil (Peterborough City Council) – online

Cllr. S. Shaw (Warwickshire County Council) – online

ESPO

Kristian Smith – Chief Officer

Neil Sinnott – Head of Commercial

Claire Edwards – Head of Marketing

Gary Tapp – Commercial Financial Controller

Leicestershire County Council

Simone Hines – Consortium Treasurer

Angie Smith – Democratic Services Officer

15. Minutes of the Previous Meeting.

The minutes of the meeting held on 17 September were taken as read, confirmed, and signed.

16. Urgent Items.

There were no urgent items for consideration.

17. 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.

18. Items referred by the Finance and Audit Subcommittee.

There was one item referred by the Finance and Audit Subcommittee, concerned in agenda item five, 2024/25 Financial Statements and Annual Governance Statements (minute 18).

19. 2024/25 Financial Statements and Annual Governance Statement

The Management Committee considered a joint report of the Chief Officer and Consortium Treasurer which set out the 2024/25 financial statements following external audit review (also referred to as the Statement of Accounts within a Local Government setting) and the 2024/25 Annual Governance Statement (AGS). The items had been reviewed by the Financial and Audit Sub-Committee at its meeting on 8 October 2025 and recommended for approval. A copy of the report marked 'Agenda Item 5' is filed with these minutes.

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

- i. A clean audit opinion was confirmed. External auditors reported no material errors, control weaknesses, or governance concerns. Financial statements were prepared in line with UK GAAP (generally accepted accounting practices) and presented a true and fair view as of 31 March 2025.
- ii. ESPO achieved a £7.44m trading surplus, exceeding budget by £0.3million, which was a good result despite market challenges such as inflation, funding pressures and cost of living increases.
- iii. Net current assets remained healthy. Grove Park premises were revalued at £24.1million, reflecting a significant uplift.
- iv. After allocations to reserves, a £5.4million dividend was proposed for distribution to member authorities in December 2025. Statutory adjustments, for example, pension revaluation, did not affect dividend value.
- v. The AGS confirmed compliance with the local code of corporate governance and the seven core principles. No significant issues were identified, supporting sound governance and assurance.

It was moved by Cllr. Bridgwood and seconded by Mr. Harrison that the resolutions included in the reported be approved.

RESOLVED:

That the ESPO Management Committee approved:

- a. the 2024/25 Annual Governance Statement;

- b. the 2024/25 financial statements;
- c. the dividend pool of £5.4m to be paid out in December 2025

20. Chief Officer's Progress update.

The Management Committee considered a report of the Chief Officer which provided an update of the actions and progress made since the previous ESPO Management Committee held on 17 September 2025. A copy of the report marked 'Agenda Item 6' is filed with these minutes.

Arising from discussion, the following points were made:

- i. ESPO delivered a strong financial and operational performance despite market challenges. Year-to-date surplus stands at £6.8 million, exceeding budget by £0.5 million and outperforming 2024 by £1.1 million.
- ii. Total sales reached £52.3 million, £2.7 million below budget due to market contraction, but margins remained robust at 32.9%, supported by competitive pricing and growth strategies.
- iii. Rebate income was stable at £7 million, in line with budget and ahead of last year.
- iv. Expenditure was tightly controlled at £14.5 million, £1.1 million under budget, driven by staffing efficiencies.
- v. ESPO remained on track to exceed its full-year surplus target, forecasting £7.5–£7.7 million.
- vi. Operationally, ESPO processed 172,000 order lines in September with improved pick rates and 98.8% stock availability.
- vii. It was noted that, with regards to electric vehicles (EVs), ESPO would review options for optimising charging costs and tariffs.
- viii. Customer service remained strong with a 96% FEEFO rating and call response times under 34 seconds. Preparations were underway for the Institute of Customer Service benchmarking survey. When questioned on ESPO's comparisons with competitors, it was reported that any comparison could be misleading due to varying challenges across organisations, but ESPO was pleased with its strong performance.
- ix. Health and safety incidents were minimal, and statutory inspections completed.
- x. IT performance was high, with one minor outage resolved promptly. Cybersecurity remained a priority, with 97% staff completing training and annual penetration testing in progress, the results of which would be presented to a future Committee meeting. In response to a question on the aim of cyber training and its progression, it was reported that the training focused on reducing human error by teaching staff to avoid unsafe clicks and maintain scepticism.
- xi. It was queried if there were campaigns or training to reduce energy waste, for example, switching off items in standby mode. It was reported that ESPO conducted regular floor checks and used a sweeping system approach, supported by a health and safety manager, to ensure equipment was properly shut down.

- xii. With staff absence rising, it was questioned what was being done to address it. It was reported that the corporate target of 7.5 days was set by Leicestershire County Council (LCC). ESPO rates of sickness was being impacted by long-term illnesses (including four cancer cases) and stress-related issues. ESPO had, however, pushed to provide a supportive environment, wellbeing programmes, on-site flu vaccination service for staff, and specialist training for musculoskeletal issues. It was further noted that over 94% of staff rated ESPO as a good employer.

It was moved by Cllr. Bridgwood and seconded by Cllr. Garland that the update provided by the Chief Officer be noted.

RESOLVED:

That the update provided by the Chief Officer be noted.

21. Date of Next Meeting.

It was noted that the next meeting of the Committee would be held on 25 March 2026 at 10.30am.

22. 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.

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

The Management Committee considered an exempt report of the Chief Officer which set out supplementary information relating to the Chief Officer's Progress Update. 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 and discussions related to the following:

- The strategic priority to increase the proportion of schools signed up to the ESPO initiative My School Fund (MSF), and the need to incentivise parents to spend in store.
- Barriers for ESPO International and plans to strengthen relationships and brand awareness abroad, direct marketing to international schools, and support to International's customers. Members asked how they could show their support to international sales expansion, including in-country work, noting there would be some Committee decisions to be made and feedback requested at a later date.

- The Procurement Act, and how it had affected ESPO, changes of process and training undertaken. It was noted as a unique selling point to assist other organisations with the transition as a result of the Act.
- Outside of central government, ESPO spent the most public money, and was the go-to organisation for public procurement.

It was moved by Cllr. Bridgwood and seconded by Cllr. Wyatt that the update provided by the Chief Officer be noted.

RESOLVED:

That the supplementary information informing the progress report of the Chief Officer be noted.

24. Overview of ESPO's Energy Offering.

The Management Committee considered an exempt report of the ESPO Head of Commercial, which provided an overview of ESPO's Energy offer, and was provided following a request at the previous Management Committee meeting. 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).

The Head of Commercial responded to questions which related to the following:

- Challenges and cost implications.
- ESPO's renewable energy offerings.
- In terms of value for money, if there was justification for people to take up green energy.
- Whether trading in renewable energy was worth more than traditional gas and electricity.

It was moved by Cllr. Bridgwood and seconded by Mr. Harrison that the update provided by the Head of Commercial be noted.

RESOLVED:

That the overview of ESPO's Energy offering report, with particular attention to the benefits delivered to public sector organisations through ESPO's energy frameworks, as well as the considerations involved in any potential future expansion into renewable energy technologies, be noted.

25. ESPO's Digital Marketing and Approach to Search Engine Optimisation (SEO).

The Management Committee considered an exempt report of ESPO's Head of Marketing, which provided an overview of ESPO's approach to Digital Marketing and Search Engine Optimisation (SEO), and to provide information on ESPO's approach and the data driving ESPO's current decision making. 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 Head of Marketing responded to questions which related to the following:

- Geotagging and meta data.
- Advertising targeted at schools and parents, through schools and in Sainsbury's stores.
- Google adverts targeting school fundraisers, and the cost of advertising.
- Operating pay per click.

It was moved by Cllr. Bridgwood and seconded by Mr. Fowler that the update provided by the Head of Marketing be noted.

RESOLVED:

That ESPO's approach to Digital Marketing and Search Engine Optimisation (SEO) report be noted.

10.30am to 11.49am
26 November 2025

CHAIRMAN