



Minutes of a Special Meeting of the Management Committee of the Eastern Shires Purchasing Organisation held at County Hall, Glenfield, Leicestershire on Friday 24 September 2010.

PRESENT:

Cambridgeshire County Council

Cllr. N. Clarke; Cllr. D. Jenkins; Cllr. J. Reynolds

Leicester City Council

Cllr. P. Coley, Cllr. J. Thomas (Chairman)

Leicestershire County Council

Cllr. R. K. A. Feltham; Cllr. M. B. Page; Cllr. R. Page

Lincolnshire County Council

Cllr. D. C. Hoyes;

Norfolk County Council

Cllr. B. Borrett; Cllr. G. Jones; Cllr. R. Smith

Peterborough City Council

Cllr. J. F. Holdich OBE

Warwickshire County Council

Cllr. T. Naylor; Cllr. J. Whitehouse

Apologies for absence were received from – Cllr. M. Johnson (Leicester City Council), Cllr D. R. Parsons CBE (Cllr. R. Page substituting) (Leicestershire County Council), Cllr. Shore (Lincolnshire County Council), and Cllr. Heatley (Warwickshire County Council).

1. Declarations of interests

The Chairman invited Members who wished to do so to declare any interests in respect of items on the agenda for the meeting.

No declarations were made.

## 2. ESPO Business Strategy Review

The Committee considered a joint report of the Secretary and Treasurer which sought endorsement of the interim management arrangements and agreement to the scope of the Business Strategy Review for ESPO and arrangements for undertaking this review, a copy of which, marked 'A', is filed with these minutes.

During the ensuing discussion, the following points were noted:

- i) That it was important for the Review to look at the future role and purpose of ESPO in terms of its relationship with Member Authorities and wider commercial goals, and whether current governance arrangements, such as the joint committee model, were still appropriate;
- ii) It was clarified that the current governance arrangements meant that Member Authorities were jointly and severally liable in the event that ESPO should accrue any debts;
- iii) The Review would proceed as a Member led exercise, in three stages, to be supported by an independent organisation which would be assisted by an officer subgroup specialising in the areas of commercial, legal and governance, finance and procurement;
- iv) The Interim Manager of ESPO would concentrate on operational matters at ESPO, he would contribute to the Review and also provide a day to day point of liaison between staff and the independent organisation carrying out the Review;
- v) At the end of the Review process, Members would be involved in the appointment of a permanent Director of ESPO. It was recognised that the new Director would need to review the internal staffing structure, including taking into account previous recommendations regarding Succession Planning, such as increasing the opportunity for officers to achieve promotion through the organisation;
- vi) It would be of benefit for Members to receive previous and future minutes of Chief Officer Group meetings in order to keep up to date with developments in between meetings of the Management Committee and the Workshops to be undertaken;

RESOLVED:

- a) That approval be given to the scope and arrangements for the Review of the Business Strategy for ESPO as set out in Paragraphs 3 and 4 of the report, noting it will be Member led, that the specification will be drawn up by the Chief Officer Group in consultation with their respective Members, and agreed at the first

Member workshop;

- b) That the Treasurer be given delegated authority to appoint an independent organisation to carry out the review;
- c) That the decision taken by the Consortium Secretary following consultation to appoint an Interim Manager be noted and that the interim management arrangements whilst the review is being undertaken be endorsed;
- d) That the decision taken by the Chief Officer Group to limit major project activity to confirmed projects identified at their meeting on 1<sup>st</sup> September 2010 be endorsed;
- e) That Chief Officer Group minutes from previous and future meetings be circulated to members of the Management Committee, for their information;
- f) That it be noted that a news bulletin will be circulated to all staff, and copied to members, by the Chairman of the Committee advising them of the review of ESPO's Business Strategy.

### 3. 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 involves the likely disclosure of exempt information during consideration of the following items of business entitled:

'Annual Bonus Payments' (Paper 'B' on the agenda) as defined in Paragraphs 3, 4, 5 and 10; and

'Legal Claim against ESPO' (Paper 'C') as defined in paragraphs 3, 5 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.

### 4. Annual Bonus Payments (Exempt Item)

The Management Committee received a report of the Secretary and Treasurer seeking its approval for the level of staff bonus for the year 2009/10. A copy of the report, marked 'B', is filed with these minutes. The report was not for publication by virtue of Paragraphs 3, 4, 5 and 10 of Section 12A of the Local Government Act 1972.

The Secretary informed the Committee of the decision of the Bonus

Subcommittee meeting held earlier that day in respect of the level of staff bonus to be paid for 2009/10, as follows:

- a) That the Management Committee be recommended to approve a payment, at some level, in respect of the staff bonus for 2009/10.
- b) That the Management Committee be recommended to approve the level of payment as Option 3 (Interim Partial Payment of 3% as set out in Paragraph 11 of this report) in respect of the staff bonus for 2009/10;
- c) That the Bonus Subcommittee's previous decision on the bonus targets for 2010/11 be reversed and that the staff and Trade Unions be consulted as part of the review of the Bonus Scheme.

Cllr Holdich moved and Mr Page seconded the following motion:

- 'a) That the recommendations of the Bonus Subcommittee be noted;
- b) That Option 3 (Interim Partial Payment of 3% as set out in Paragraph 11 of this report) in respect of the staff bonus for 2009/10) be approved and that consideration be given to a further payment when the outstanding legal claim has been resolved.'

An amendment was moved by Cllr Clarke and seconded by Cllr Jenkins that the following words in b) '...Option 3 (Interim Partial Payment of 3% as set out in Paragraph 11 of this report)...' be deleted and replaced with '...an interim partial payment of 1%...'

The amendment was put and not carried, 3 voting for and 11 against.

The substantive motion was put and carried, 9 voting for and 0 against.

RESOLVED:

- a) That the recommendations of the Bonus Subcommittee be noted;
- b) That Option 3 (Interim Partial Payment of 3% as set out in Paragraph 11 of the report) in respect of the staff bonus for 2009/10) be approved and that consideration be given to a further payment when the outstanding legal claim has been resolved.

5. Legal Claim against ESPO (Exempt Item)

The Management Committee received a report of the Secretary, the purpose of which was to provide a brief outline of the legal claim noted in the Statement of Accounts for 2009/10. A copy of the report, marked 'C', is filed with these minutes. The report was not for publication by virtue of Paragraphs 3, 5 and 10 of Section 12A of the Local Government Act 1972.

During discussion, the Secretary informed members they would be informed of any significant changes in legal position that occurred prior to the next meeting of the Management Committee.

RESOLVED:

That the latest position in respect of the legal claim be noted.

11.00 am – 12.25 pm  
24 September 2010

CHAIRMAN