



**ESPO MANAGEMENT COMMITTEE –**  
**27 JUNE 2014**

**PARTNERSHIP AGREEMENT AND THE**  
**WITHDRAWAL OF LEICESTER CITY COUNCIL**  
**FROM THE CONSORTIUM**

**REPORT OF THE CONSORTIUM SECRETARY**

**Purpose of Briefing Note**

1. The purpose of this report is to update members on the withdrawal of Leicester City Council from the ESPO Consortium and progress in amending the draft Consortium Agreement since its last meeting on 5 March 2014.

**Background**

2. Leicester City Council took a decision to withdraw from the ESPO Consortium in September 2013 in light of a decision by that Authority to rely less on national framework solutions in favour of public contracts with local suppliers.
3. As a result, it decided that being part of the ESPO management Committee was not consistent with its intended future direction.
4. Leicester City Council however, has confirmed its on-going commitment to using ESPO's services, frameworks and catalogue, including engaging ESPO on a project-by-project basis. It is choosing to do this as a non-member authority rather than as a member authority, and will review its usage in due course, as commitments fall away.
5. The operational relationship between ESPO and Leicester City Council has remained 'business as usual' whilst its terms of exit are discussed. Future decisions regarding engagement in ESPO procurement solutions will be taken as they arise.

**Exit from the Consortium**

6. Led by Warwickshire County Council, legal representatives of the authorities, meeting as the Legal and Governance Group have prepared a new Agreement to allow for Leicester City Council to leave the Consortium without serving a full period of notice and subject to

payment of the dividend for 2013/14 and indemnities as to liabilities which may arise.

7. The terms of that Agreement are acceptable to the members of ESO and the Management Committee will be further updated at the meeting.

#### **New Consortium Agreement**

8. Following the departure of Leicester City, the remaining six Consortium Authorities are now in a position to sign the draft Consortium Agreement which the Management Committee recommended to its Constituent Authorities in March 2013. That process is ongoing with the new Agreement expected to be in place over the summer of 2014.

#### **Resources Implications**

9. No resource implications of concern have been identified arising from the departure of Leicester City from the Consortium.

#### **Recommendation**

10. The Committee is asked to note the contents of the report.

#### **Equal Opportunities Implications**

11. None.

#### **Background Papers**

12. Progress Report of the Director – ESPO Management Committee on 5 December 2013

#### **Officer to Contact:**

David Morgan, County Solicitor  
[David.morgan@leics.gov.uk](mailto:David.morgan@leics.gov.uk), 0116 3056007