

Minutes of a meeting of the ESPO Management Committee held at County Hall, Glenfield, Leicestershire on Thursday, 26 June 2014.

PRESENT

Cambridgeshire County Council

Cllr. J. Reynolds

Leicestershire County Council

Dr. R. K. A. Feltham CC and Mr. G. A. Hart CC

Lincolnshire County Council

Cllr. S. Rawlins and Cllr. S. Ransome

Peterborough City Council

Cllr. J. Holdich OBE

Warwickshire County Council

Cllr. J. Clarke and Cllr. D. Parsons

Norfolk County Council

Cllr. I. Monson

Apologies for absence

Cllr. D. Seaton – Peterborough City Council, Cllr. T. Jermy – Norfolk County Council, Cllr. B. Chapman – Cambridgeshire County Council

66. Chairman's Announcement.

The outgoing Chairman, Cllr Sue Rawlins addressed the Management Committee, thanking members and officers for their contributions during 2013/14.

Cllr Rawlins outlined some of ESPO's successes over the period including another successful year of growth including sales, surplus and maintaining the dividend distribution, completing the Directorate level recruitment of Assistant Directors, launch of the new Business Strategy and implementation of a new warehouse stock control system to enable future stores growth.

RESOLVED:

That Cllr S Rawlins be thanked for her period of Chairmanship for 2013/14.

67. Election of Chairman for the municipal year 2014/15.

It was proposed, seconded and resolved that Cllr J Reynolds of Cambridgeshire County Council be elected as Chairman for 2014/15.

Cllr J Reynolds - in the Chair.

68. Election of Vice Chairman for the municipal year 2014/15.

It was proposed, seconded and resolved that Cllr J. Clarke of Warwickshire County Council be elected Vice Chairman for 2014/15.

69. Minutes of the meeting held on 6 March 2014.

The minutes of the meeting held on 6 March 2014, having previously been circulated, were taken as read, confirmed and signed as a correct record.

70. Urgent Items.

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

71. Declarations of interest.

The Chairman invited those who wished to do so to declare an interest in respect of items on the agenda.

No declarations were made.

72. Partnership Agreement and the Withdrawal of Leicester City Council from the Consortium.

The Management Committee considered a report of the Consortium Secretary outlining progress in respect of the approval of the new Consortium Agreement by each of the Consortium Authorities. A copy of the report, marked 'Agenda Item 3', is filed with these minutes.

The Committee was advised that the final version of the exit agreement with Leicester City Council had been circulated to Consortium Authorities on a counterpart basis following the City's signing of the document dated 31 May 2014.

It was also noted that although the date of the exit agreement had been slightly delayed until 31 May 2014, Leicester City's share of the dividend would not extend beyond 31 March 2014 in accordance with the agreement. The new Partnership was also being re-circulated for signing, in the same form as approved by Management Committee in March 2013, with the only change being Leicester City Council having been removed as a signatory.

RESOLVED:

That the report be noted.

73. Draft Outturn 2013/14.

The Management Committee received a joint report of the Director and Consortium Treasurer setting out the Draft Outturn for 2013/14 with explanations for the more significant variances to prior year, budget and forecast. A copy of the report marked 'Agenda Item 7' is filed with these minutes. [Further details informing the Draft Outturn for 2013/14, of a

commercially sensitive nature, were considered under exempt business in Minute 76 below.]

RESOLVED:

That approval be given to:

- (a) the draft Outturn for 2013-14;
- (b) the allocations from the operating surplus for 2013/14 as outlined in paragraphs 23 and 24 of the report; and
- (c) payment of the dividend, subject to approval of the accounts in September 2014, as outlined in paragraphs 25 and 26 of the report.

74. Change to the Order of Business.

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

75. 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 item of business entitled 'Supplementary Information Informing the Draft Outturn 2013/14.' (Paper '16') 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.

76. Supplementary Information Informing the Draft Outturn 2013/14.

The Management Committee received an exempt joint report of the Consortium Treasurer and Director which presented supplementary information informing the Draft Outturn for 2013/14. A copy of the exempt report, marked 'Item 16', is filed with these minutes.

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

RESOLVED:

That the contents of the report, and its appendices, be noted.

[The meeting then reconvened into public session.]

77. Annual Report 2013/14.

The Management Committee considered the Director's Annual Report for 2013/14. A copy of the report, marked 'Item 8', is filed with these minutes.

The Director reported that ESPO had performed strongly in 2013/14, with stores' sales increasing by 5% and overall turnover being 1.7% higher.

It was noted that the land and buildings at Grove Park were in the process of being revalued but that the indicative valuation of £10m was expected to remain the same as the previous year.

Members were also pleased to note that as part of improved programme of staff engagement, all permanent staff were eligible for a new Employee of the Year award, chosen by their peers. This year's winner was Pravin Patel, one of ESPO's drivers.

RESOLVED:

That the revised Annual Report for 2013/14 be noted.

78. Draft Annual Governance Statement 2013/14.

The Management Committee considered a joint report of the Consortium Secretary and Treasurer, presenting the draft Annual Governance Statement for 2013/14 prior to final consideration by the Management Committee in September 2014. A copy of the report, marked 'Item 9', is filed with these minutes.

Arising from discussion the following points were noted:

- (i) The Committee was pleased to note the work undertaken in the strengthening ESPO's governance during the last financial year, with the new Partnership Agreement shortly to be signed;
- (ii) This work was supported by the detailed review of governance undertaken identifying only minor governance which were not of concern to members. The Director reinforced the valuable role that both the internal and external auditors played in maintaining and improving governance at ESPO.

RESOLVED:

That the 2013/14 Annual Governance Statement be approved.

79. Internal Audit Service Annual Report 2013-14.

The Management Committee received a report of the Consortium Treasurer presenting the Internal Audit Service Annual Report for 2013/14. A copy of the report marked 'Item 10' is filed with these minutes.

Arising from discussion the following points were noted:

- (i) That the Finance and Audit Subcommittee, in considering the draft Annual report had noted continuing improvement in ESPO's governance, risk management and internal controls;
- (ii) Overall performance against the 2013/14 Internal Audit Annual Plan continued to be positive, although there were some uncompleted audits to be carried over to 2014/15 which would continue to be monitored by the Subcommittee in the normal fashion.

RESOLVED:

That the Internal Audit Service Annual Report for 2013/14 be noted.

80. Annual Review of Organisational Approach to Risk Management 2013/14.

The Management Committee considered a report of the Director which provided an annual review of the Organisation's approach to risk management and key elements of its processes and procedures. A copy of the report, marked 'Item 11', is filed with these minutes.

RESOLVED:

- a) That the contents of the report be noted;
- b) That the revised Risk Management Statement be approved.

81. 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 item of business entitled 'Supplementary Information Informing the Annual Review of Organisational Approach to Risk Management 2013/14.' (Paper '17') 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.

82. Supplementary Information informing the Annual Review of Organisational Approach to Risk Management 2013/14.

The Management Committee received an exempt joint report of the Director which set out supplementary information informing the annual review of organisational approach to risk management for 2013/14. A copy of the exempt report, marked 'Item 17', is filed with these minutes.

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

RESOLVED:

That the contents of the report be noted.

[The meeting then reconvened into public session.]

83. Director's Progress Report.

The Management Committee considered a report of the Director, the purpose of which was to provide an update to members on developments since the Committee last met on 6 March 2014. A copy of the report, marked 'Item 12', is filed with these minutes. [Further details informing the Progress Report of the Director, of a commercially sensitive nature, were considered under exempt business in Minute 85 below.]

Arising from discussion the following points were noted:

- (i) The draft outturn surplus for the year was at £2.4m compared to the March forecast of £2.1m and the budget of £1.8m;
- (ii) ESPO had enjoyed its 13th successive year of record Stores sales, 0.2% ahead of budget and 55 of 2012/13 levels;
- (iii) The key themes of ESPO's 'People Plan' were now being implemented, with new communication and motivational tools such as the Monthly Director's Update, All Staff Briefings, Reward and Recognition Scheme - including Employee 'Star of the Month', delivery of Performance and Development Reviews throughout the Organisation, and a review and update of the ESPO brand to improve visual identity;
- (iv) Members noted that whilst brand identity and loyalty amongst ESPO's customers was high, increasing the profile of its delivery vans by making use of the new logo could improve greater recognition and uptake of ESPO's services by non-customers and the wider public.

RESOLVED:

That the progress report of the Director be noted.

84. 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 item of business entitled 'Supplementary Information Informing the Director's Progress Report.' (Paper '18') 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.

85. Supplementary Information Informing the Director's Progress Report.

The Management Committee received an exempt report of the Director, which set out further supplementary information to Item 12 on the agenda, Progress Report of the Director. A copy of the exempt report, marked 'Item 18' is filed with these minutes.

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

RESOLVED:

That the contents of the report be noted.

[The meeting then reconvened into public session]

86. Date of Next Meeting.

NOTED:

That the next meeting of the Management Committee will be held on Thursday 25 September 2014 at 11.00 am at ESPO HQ, Grove Park, Leicester (to be preceded by a tour of the premises at 10.30 am).

87. 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 item of business entitled 'Logistics Review.' (Paper '15') 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.

88. Logistics Review.

The Management Committee received an exempt report of the Director, which updated members on ESPO's logistics review and sought approval for a new logistics strategy. A copy of the exempt report, marked 'Agenda Item 15' is filed with these minutes.

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

RESOLVED:

- a) That approval be given to the new logistics strategy for ESPO through the implementation of option c), as outlined in paragraphs 33 – 35 of the report;

- b) That the Management Committee be provided with updates on implementation progress in six and 12 months.

10.30 am - 12.15 pm
26 June 2014

CHAIRMAN