



Minutes of a meeting of the ESPO Management Committee held at County Hall, Glenfield, Leicestershire on Wednesday, 13 June 2018.

PRESENT

Cambridgeshire County Council
Cllr. M. Howell

Norfolk County Council
Cllr. J. Fisher

Leicestershire County Council
Dr. R. K. A. Feltham CC
Mr. R. Shepherd CC

Peterborough City Council
Cllr. D. Seaton

Lincolnshire County Council
Cllr. R. Butroid
Mrs. S. Rawlins CC

Warwickshire County Council
Cllr. H. Timms

116. Election of Chairman.

Cllr D. Seaton was appointed Chairman for the municipal year ending April 2019.

Cllr D. Seaton in the Chair

117. Chairman's Announcements.

The Chairman thanked Dr Feltham CC for his work as Chairman of the Management Committee for the Period May 2017 to May 2018. He reminded Members that during his period of office Dr Feltham had overseen the following;

- A safe working environment with a refreshed focus on health and safety awareness.
- Increasing reserves and a growing financial return paid to its owners through dividends.
- High customer service standards with 6,000 regular education customers and a 'feefo' rating in the mid 90 percent.
- The award of 'Supplier of the Year' in the large category of the Education Resource Awards.
- The recruitment process for a new ESPO director following the resignation of the previous ESPO Director.

Members of the committee echoed the Chairman's comments.

Dr Feltham thanked the Chairman and the Committee for their kind words.

118. Election of Vice Chairman.

Cllr R. Butroid was appointed Vice-Chairman for the municipal year ending April 2019.

119. Apologies.

Apologies were received from Cllr Jones (Norfolk County Council), Cllr Butlin (Warwickshire County Council) and Cllr Holdich MBE (Peterborough City Council).

120. Minutes.

The minutes of the meeting held on 28 February 2018 were taken as read, confirmed, and signed.

121. Urgent Items.

The Chairman advised that there was one urgent item for consideration; a report of PricewaterhouseCoopers (PwC): "External Audit Plan – 2017/18". He advised that, with the consent of Members, he intended to vary the order of business from that set out on the agenda and to take this as agenda item 13 (minute 132 below).

122. 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.

No declarations were made.

123. Items referred by the Finance and Audit Subcommittee.

There were two items referred by the Finance and Audit Subcommittee covered in items 8 (minute 128) and 16 (minute 135).

124. 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 28 February. A copy of the report, marked 'Agenda Item 7', is filed with these minutes.

Members noted that ESPO was facing another record year surplus of between £4.2m to £4.5m as had previously been reported in the year.

RESOLVED:

- a) That the contents of the report be noted.
- b) That a letter of condolence be sent to the widow of Mr Tim Benson.

125. Change to the order of business.

The Chairman, with the consent of the Committee, confirmed a change to the order of business to that set out on the agenda.

126. Exclusion of the Public.

That under Section 100(A)(iv) of the Local Government Act 1972 the public be excluded from the meeting for the items shown below, on the grounds that it will involve the likely disclosure of exempt information, and in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information during consideration of the following items of business.

127. Directors Progress Update - Private.

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 15', is filed with these minutes.

The report was not for publication as it contained exempt information relating to the financial or business affairs of a particular person (including the authority holding that information).

In response to questions regarding the acquisition, members were advised as follows:

- i) The due diligence included a review of accounts up to May 2018, and no issues had been identified.
- ii) The transactional costs outlined included the potential costs of redundancy
- iii) The risks associated with documentation and data protection were within acceptable parameters.

RESOLVED:

That the supplementary report of the Director be noted.

(THE MEETING THEN RECONVENED INTO PUBLIC SESSION)

128. Draft Outturn 2017/18.

The Committee considered an report of the Director and Consortium Treasurer outlining the draft Outturn for 2017/18. A copy of the report, marked 'Agenda Item 8', is filed with these minutes.

Members were advised that despite a tough marketplace which would continue to present significant challenges for the foreseeable future the ambition remained to achieve a £6million surplus by 2021.

It was noted ESPO retained a high reserve level, but that this had allowed ESPO to take action quickly on opportunities that could arise rather than wait for investment funds to be agreed from the owners. The position on reserves would be closely monitored and reported on to the Management Committee.

RESOLVED:

That the draft outturn 2017/18 be approved.

129. A Report into the use of Plastics in ESPO's Supply Chain.

The Management received a report from the Director which provided information on the use of Plastics in ESPO's supply chain. A copy of the report, marked 'Agenda Item 9', is filed with these minutes.

A supplementary paper outlining the current position regarding the update of Leicestershire County Council Environment Strategy was tabled at the meeting and a copy is filed with the minutes.

There were a range of options ESPO could pursue to respond to the environmental concerns surrounding the use of plastics. The aim was to embed as many of the actions listed in paragraph 48 as was feasible, which Members agreed was both morally necessary and good business sense.

RESOLVED:

That the Committee note the report and that an update on progress be made to the Committee in twelve months time.

130. Proposed Changes to the Contract Procedure Rules.

The Committee considered a report of the Director outlining the operation of the Contract Procedure Rules between 1 July 2016 and 30 June 2017 and seeking approval of the proposed amendments to the Contract Procedure Rules from 1 July 2018.

RESOLVED:

- a) That the contents of the report on the operation of the contract procedure rules between 1 July 2016 and 31 June 2017 be noted;
- b) That the proposed amendments to the Contract Procedure Rule detailed in Appendix B be approved.

131. Outcome of Internal Audit Service Peer Review

The Committee considered a report of the Consortium Treasurer on the outcome of the Internal Audit Service Peer Review. A copy of the report, marked 'Agenda Item 11', is filed with these minutes.

RESOLVED:

That the outcome of the internal peer review be noted.

132. External Audit Plan 2017/18.

The Committee considered this matter, the Chairman having decided that it was of an urgent nature, in view of the need to agree the audit plan going forward.

The Committee considered the External Audit Plan – 2017/18 presented by Alison Breadon from PricewaterhouseCoopers (PwC). The report outlined potential areas of audit risks, the audit timetable, and the fees charged for auditing.

RESOLVED:

- a) That the External Audit Plan 2017/18 be noted;
- b) That the level of materiality for reporting to the Management Committee be set at £75,000.

133. Date of Next Meeting.

It was noted that the next meeting of the Committee would be held on Wednesday 12 September 10.30am at ESPO.

134. Exclusion of the public.

That under Section 100(A)(iv) of the Local Government Act 1972 the public be excluded from the meeting for the items shown below, on the grounds that it will involve the likely disclosure of exempt information, and in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information during consideration of the following items of business:

‘Item 11 - Supplementary Information Informing the Progress Report of the Director's Progress Update’

135. Internal Audit Service - Annual Report 2017-18.

The Committee received an exempt report from the Consortium Treasurer on the Internal Audit Service Annual Report 2017-18. A copy of the exempt report, marked ‘Agenda Item 16’, is filed with these minutes.

The report was not for publication as it contained exempt information relating to the financial or business affairs of a particular person (including the authority holding that information).

RESOLVED:

That the Internal Audit Service Annual Report for 2017/18 be noted together with the actions taken in respect of the high importance recommendations.

CHAIRMAN

13 June 2018