



Minutes of a meeting of the ESPO Finance and Audit Subcommittee held at County Hall, Glenfield, Leicestershire on Wednesday, 6 February 2019.

PRESENT

Cllr R. Butroid – Lincolnshire County Council (in the Chair)

Norfolk County Council

Cllr. J. Fisher

Cambridgeshire County Council

Cllr. M. Howell

Leicestershire County Council

Dr. K. Feltham CC

Warwickshire County Council

Cllr. P. Butlin

Peterborough City Council

Cllr. D. Seaton

Lincolnshire County Council

Cllr. S. Rawlins

57. Notes.

The notes of the inquorate meeting held on 9<sup>th</sup> May 2019 were taken as read, confirmed and signed.

58. 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.

59. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.

There were no urgent items for consideration.

60. Internal Audit Service - Progress against the 2018-19 Internal Audit Plan

The Subcommittee received a report of the Consortium Treasurer outlining the progress made against the Internal audit Plan for 2018-19. A copy of the report, marked 'Agenda Item 4', is filed with these minutes.

With regard to the MSTAR2 framework the Director updated members on the work undertaken to improve performance which had been successful in moving towards full compliance. In addition, the Director updated members on the financial monitoring in place for MSP's on the MSTAR framework. Given the information now provided and on the basis that the financial monitoring regime would continue with the MSTAR3 framework, members agreed that the high recommendation could now be deemed to have been dealt with and closed.

RESOLVED:

That the report and information now provided be noted.

61. 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 on the grounds that it will involve the likely disclosure of exempt information during consideration of the following items of business 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:-

- i) Forecast Outturn 2018/19 and Draft MTFS 2019/20 – 2022/23

62. Forecast Outturn 2018/19 and Draft MTFS 2019/20 - 2022/23.

The Subcommittee received a exempt report of the Director and Consortium Treasurer outlining the forecast outturn 2018/19 and the draft MTFS 2019/20 – 2022. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

The 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).

Arising from discussion the following points were noted:

- i) ESPO was on target to achieve a £4.7million surplus despite the increased pressures in the market which presented significant challenges for the foreseeable future. Initiatives such as ESPO Trading Limited would ensure the future growth of the business.
- ii) The Local Government Pay Review meant ESPO's warehouse rates were comparable with the market rate of nearby big distributors, and thus should assist in recruitment and retention of staff.
- iii) The risks of Brexit were not unique to ESPO; the position was being closely monitored so ESPO was adopting a sensible managed position given the uncertainty.
- iv) Following an investigation by ESPO's Senior Health and Safety Advisor following a 'push through' incident in the warehouse, a recommendation had been made to extend the use of metal mesh-decks throughout the pallet racking to improve safety within the warehouse. This was reflected in the capital programme.
- v) To date there was little innovation in the electric HGV market. ESPO's fleet of vehicles were all compliant with Ultra Low Emission Zone standards and had no restrictions for travel.

RESOLVED:

- a) The projected surplus of £4.7million for 2018/19 be noted and it be agreed that should the projected surplus increase at outturn, that additional sum be earmarked to support the development of the ESPO E-Commerce Platform and IT Team;
- b) That the draft MTFS for the period 2019 to 2023 be agreed;

- c) That proposed Capital programme for 2019-2020 as set out in paragraph 43 to 45 of the report.
- d) That the Management Committee be advised of the decision of the Subcommittee.

63. Date of next meeting.

RESOLVED:

It was noted that the next meeting of the Committee would be held on 8<sup>th</sup> May 2019 10.30am and would be held as a virtual meeting.

CHAIRMAN

06 February 2019

This page is intentionally left blank