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Our Ref
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Date 04 March 2021

Chief Executive

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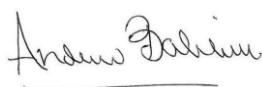
To: Members of the YPO Joint Committee Executive Sub-Committee

Dear Member,

YPO EXECUTIVE SUB-COMMITTEE – FRIDAY, 12 MARCH 2021

It is with pleasure that I write to invite you to attend a meeting of the YPO Joint Committee Executive Sub-Committee which is to be held virtually via **Microsoft Teams** at **10:30 am** on **Friday, 12 March 2021** to consider the items set out in the agenda attached.

Yours sincerely



Andrew Balchin
Secretary to the Joint Committee

Please note a training session entitled 'Public Sector Strategy' is taking place prior to the meeting at 10am, on Microsoft Teams.

As a courtesy to colleagues will you please turn off your mobile phones and pagers prior to the start of the meeting.

**YORKSHIRE PURCHASING ORGANISATION EXECUTIVE SUB-COMMITTEE -
Friday, 12 March 2021**

AGENDA

1. Chair's Introduction and Welcome.
2. Acceptance of Apologies for Absence.
3. Members' Declarations of Interest.
4. To note any items which the Chairman has agreed to add to the Agenda on the grounds of urgency.
5. To approve, as a correct record, the Minutes of the Executive Sub-committee meeting held on 13th November 2020. (Pages 1 - 4)
6. Review of Financial Procedure Rules. (Matthew Hirst). (Pages 5 - 6)
7. Lead Authority Issues.
8. Exclusion of the Public and Press.

In relation to reports containing exempt information to consider and, if approved, pass the following resolution: -

“That the public and press be excluded from the meeting during consideration of agenda items 9 - 13 on the grounds that they are likely to involve the disclosure of exempt information as described in Part 1 of Schedule 12A to the Local Government Act 1972, as amended.”

IN PRIVATE

9. Financial Performance Review 2020. (Matthew Hirst/ Simon Hill). (Pages 7 - 9)
10. Financial Performance Review 2021. (Matthew Hirst/ Simon Hill). (Pages 11 - 12)
11. Business Update. (Simon Hill). (Pages 13 - 17)
12. Link Update Report. (Simon Hill). (Pages 19 - 25)
13. Independent Director Update. (Rob McWilliam/ Jon Towler). (Page 27)
14. Date and Time of Next Meeting.
9th July 2021.

YORKSHIRE PURCHASING ORGANISATION EXECUTIVE SUB-COMMITTEE

13TH NOVEMBER 2020

Present: The Chair: Councillor Shaw (Wakefield)
 Councillors: Walker (Wigan), Walsh (Knowsley), Whiteley (Bradford),
 Mackenzie (North Yorkshire), Atkin (Rotherham), Bond (St Helens),
 Daubeney (York).

1:	CHAIR'S INTRODUCTION & WELCOME
	The Chair, Councillor Shaw, welcomed Members to the meeting.
2:	APOLOGIES FOR ABSENCE
	Apologies for absence submitted prior to the meeting were accepted on behalf of Gillian Marshall (Wakefield).
3:	MEMBERS DECLARATION OF INTEREST
	There were no declarations of interest made.
4:	URGENT ITEMS
	No urgent items were raised.
5:	MINUTES – 10TH JULY 2020
	Resolved – (1) That the Minutes of the meeting of the YPO Executive Sub-Committee held on 10 th July 2020 be approved as a true and accurate record.
6:	YPO PAY POLICY
	Consideration was given to a report of the Executive Director, Julie Wray, which asked Members to agree a pay policy for YPO in line with statutory requirements to comply with the 2011 Localism Act. Resolved – (1) That the Pay Policy for 2020 be agreed. (2) That the information be published in line with the revised transparency requirements. (3) To agree the response to the query raised re section 8.1 at the full management committee and to incorporate any change agreed before publication.
7:	LEAD AUTHORITY ISSUES

	No Lead Authority issues were discussed.
8:	EXCLUSION OF THE PUBLIC AND PRESS
	Resolved – That the public and press be excluded from the meeting during consideration of Agenda Items 9 to 14 on the grounds that they are likely to involve the disclosure of exempt information as described in Part 1 of Schedule 12A to the Local Government Act 1972 as amended.
	IN PRIVATE:
9:	FINANCIAL PERFORMANCE REPORT (EXEMPT)
	<p>The Managing Director (Simon Hill) presented the report which provides an update of the organisation’s performance in 2020.</p> <p>Simon shared the impact of Covid-19 and noted we are expecting to make a small profit this year. Simon shared the predicted rebate income.</p> <p>Simon shared an update on the purchasing of PPE stock and the impact this has had.</p> <p>Councillors asked a number of questions and were satisfied with the responses provided.</p> <p>Resolved – (1) That the Financial Performance Report be acknowledged and noted.</p>
10:	BUSINESS UPDATE (EXEMPT)
	<p>The Managing Director (Simon Hill) presented the Business Update which provided Members with an update on activities of the organisation since the last sub-committee and provided an overview on forthcoming activities and challenges.</p> <p>Simon shared an update on the Findel costs. We are currently pursuing Studio group for a contribution to our costs.</p> <p>Julie Wray (Executive Director) provided an update on YPO’s response to Covid-19 and how we are currently operating.</p> <p>Simon noted that the Public Sector procurement team have been working from home full time since March, and the volume output of work has gone up during this period. Simon noted that we have seen some good opportunities to bring new frameworks to market.</p> <p>Simon shared an update on our operations and supply chain.</p> <p>Jo Marshall (Executive Director) shared updates on our catalogue production and digital offering.</p>

	<p>Jo shared an update on the Amazon contract.</p> <p>Resolved – (1) That the report be noted.</p>
11:	STOCK ADJUSTMENTS 2020 (EXEMPT)
	<p>Consideration was given to a report that provides Members with an up to date stock adjustments position for 2020.</p> <p>A discussion was held around Food stock and the wider offering of this.</p> <p>Resolved – (1) That the report be noted.</p>
12:	ATTENDANCE MANAGEMENT REPORT (EXEMPT)
	<p>The Executive Director (Julie Wray) presented the Attendance report. This report is provided in response to a request from Members to update the Committee on levels of sickness absence in the organisation.</p> <p>Resolved – (1) That the report be noted.</p>
13:	LINK UPDATE REPORT (EXEMPT)
	<p>Consideration was given to the report of the Managing Director (Simon Hill), which provided Members with an update on the current project status. Simon also shared the lessons learnt review report completed by Independent consultants Hatmill.</p> <p>Members raised a number of questions, and Officers provided detailed responses.</p> <p>Resolved – (1) That the update be noted.</p>
14:	INDEPENDENT DIRECTOR MEMBERS DISCUSSION (EXEMPT)
	<p>The Chair requested that YPO officers leave the meeting for this item.</p> <p>Rob McWilliam (Independent Director) noted that we are at a pivotal time for YPO.</p> <p>Rob raised some recent challenges, including around PPE stock and cash flow.</p> <p>Rob raised the topic of talent in the organisation, this is a challenge with our current governance arrangements when specialists are needed for certain areas of the business.</p> <p>Jon Towler (Independent Director) shared his initial findings and comments.</p>

	<p>Councillors thanked the Independent Directors for their update and noted it was useful.</p> <p>Resolved – (1) That the verbal update be acknowledged and noted.</p>
15:	<p>DATE AND TIME OF NEXT MEETING</p> <p>Resolved – (1) That the next meeting of the YPO Executive Sub Committee is proposed to be held 12th March 2021, at 10:30am.</p>



YPO
EXECUTIVE SUB-COMMITTEE
TO BE HELD ON
12TH MARCH 2021

TITLE: REVIEW OF FINANCIAL PROCEDURE RULES

REPORT OF: HEAD OF FINANCE

1. BACKGROUND INFORMATION

- 1.1 The Financial Procedure Rules (FPRs) are key elements of YPO's governance arrangements and make a clear, transparent statement that aims to promote the highest standards in financial management and activity. They should be reviewed and updated on a regular basis to ensure compliance with current regulations and best practice and to consult founder members, as set out in the Management Agreement.
- 1.2 A full review and rewrite of the FPRs was approved by the Board in January 2018 and Audit & Scrutiny Sub-Committee in February 2018. They have been reviewed annually since then, most recently in January 2021, and no changes are proposed. The Head of Finance has also reviewed compliance with FPRs throughout 2020 during the post-implementation of LINK and changes in working arrangements in response to the Covid-19 pandemic.

2. STRATEGIC IMPLICATIONS

- 2.1 Strong financial management procedures and controls are essential to the delivery of YPO's three year strategy and objectives, and to the good relationship between YPO and its Management Committee.

3. FINANCIAL/RESOURCE IMPLICATIONS

- 3.1 There are no additional financial or resource implications arising from this report.

4. LEGAL IMPLICATIONS

- 4.1 There are no additional legal implications arising from this report.

5. RISK IMPLICATIONS

- 5.1 There is a risk that officers will not comply with the Financial Procedure Rules: this risk will be mitigated by ensuring mandatory training takes place for all relevant staff.

6. CONSULTATION

6.1 The Head of Finance has been consulted on this report.

7. OPTIONS APPRAISAL

7.1 None: Financial Procedure Rules are a key element of YPO's governance arrangements and regular reviews ensure they reflect the most up to date regulation.

8. RECOMMENDATIONS

8.1 The Board and Members note that there are no changes to the Financial Procedure Rules in 2021.

9. REASONS FOR RECOMMENDATIONS

9.1 Financial Procedure Rules are key elements of YPO's governance arrangements.

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