

DATED

12th August

2024/5

BETWEEN

BARNSELY METROPOLITAN BOROUGH COUNCIL

&

THE BOROUGH COUNCIL OF BOLTON

&

THE CITY OF BRADFORD METROPOLITAN DISTRICT COUNCIL

&

THE BOROUGH COUNCIL OF CALDERDALE

&

CITY OF DONCASTER COUNCIL

&

THE COUNCIL OF THE BOROUGH OF KIRKLEES

&

KNOWSLEY METROPOLITAN BOROUGH COUNCIL

&

② THE NORTH YORKSHIRE COUNCIL

&

ROTHERHAM BOROUGH COUNCIL

&

ST HELENS BOROUGH COUNCIL

&

THE COUNCIL OF THE CITY OF WAKEFIELD

&

WIGAN BOROUGH COUNCIL

&

THE COUNCIL OF THE CITY OF YORK

MANAGEMENT AGREEMENT –
YORKSHIRE PURCHASING ORGANISATION

THIS AGREEMENT is made on

12th August

2024/5

BETWEEN:

BARNSELY METROPOLITAN BOROUGH COUNCIL of the first part; **THE BOROUGH COUNCIL OF BOLTON** of the second part; **THE CITY OF BRADFORD METROPOLITAN DISTRICT COUNCIL** of the third part; **THE BOROUGH COUNCIL OF CALDERDALE** of the fourth part; **CITY OF DONCASTER COUNCIL** of the fifth part; **THE COUNCIL OF THE BOROUGH OF KIRKLEES** of the sixth part; **KNOWSLEY METROPOLITAN BOROUGH COUNCIL** of the seventh part; **NORTH YORKSHIRE COUNCIL** of the eighth part; **ROTHERHAM BOROUGH COUNCIL** of the ninth part; **ST HELENS BOROUGH COUNCIL** of the tenth part; **THE COUNCIL OF THE CITY OF WAKEFIELD** of the eleventh part; **WIGAN BOROUGH COUNCIL** of the twelfth part; and **THE COUNCIL OF THE CITY OF YORK** of the thirteenth part.

WHEREAS:

- (1) The above parties are referred to in this Agreement as 'the Founder Member Authorities' collectively and as 'Founder Member Authority' individually, irrespective of whether they were founding members on formation of the Yorkshire Purchasing Organisation in 1974 or became members thereafter.
- (2) The Yorkshire Purchasing Organisation (referred to in this Agreement as YPO) was established in 1974 to maintain effective, efficient, and economical arrangements for the supply of goods, materials, and services.
- (3) This Agreement replaces an earlier agreement agreed in 2011, relating to the governance of YPO, and will govern the operation of YPO from 2024.

IT IS HEREBY AGREED AS FOLLOWS:

1. OBJECTIVES AND PURPOSE OF YPO

- (1) YPO shall be a procurement organisation, maintaining effective, efficient, and economical arrangements for the supply of goods, materials, works and services, by providing excellent quality, service, and competitive prices, whilst optimising the profits available for distribution to its members and customers.

- (2) YPO shall (unless agreed otherwise by at least two-thirds of the Founder Member Authorities) be a public sector organisation committed to professional, open, sustainable, caring relationships with its members, customers, staff and suppliers, and in doing so shall help the UK public sector by delivering a high quality service which saves them time and money.
- (3) In conducting its business, YPO shall:
- (i) provide all the general supplies and services required by local government and other public/third sector bodies, as permitted under legislation;
 - (ii) optimise profitability by delivering cost effective services that contribute to customers' efficiency;
 - (iii) ensure through periodic reviews that the effectiveness, efficiency, and profitability of YPO is at least comparable with that of other similar organisations;
 - (iv) utilise profits to support business investment, to reward membership and to incentivise usage;
 - (v) be informed by, and be consistent with, the innovation and efficiency plans of the Founder Member Authorities and those of regional bodies; and
 - (vi) play a constructive role in helping to shape, and benefit from, developments in the national procurement agenda.

2. POWERS OF YPO

In conducting its business as defined in paragraph 1 above, YPO shall at all times:

- (i) act within the powers conferred to it by law including but not limited to the Local Authorities (Goods and Services) Act 1970, Sections 101 and 102 of the Local Government Act 1972 and The Local Authorities (Arrangements for the Discharge of Functions)(England) Regulations 2000 (in relation to to the joint discharge of functions) together with Section 111 of the Local Government Act 1972 and to the extent it confers specific power to enter into Contracts Section 1 of the Local Government (Contracts) Act 1997, and Regulation 22

of the Public Contract Regulations 2006 (all as amended from time to time); and

(ii) comply with all other relevant law.

3. MEMBERSHIP OF YPO

- (1) There shall be two types of YPO membership – a Founder Member Authority and an Associate Member Authority.
- (2) Founder Member Authorities shall participate in YPO under a joint committee arrangement established in exercise of the Founder Member Authorities powers under Sections 101 and 102 of the Local Government Act 1972 and The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000.
- (3) No further 'Founder Member Authorities' shall be permitted under this Agreement or otherwise.
- (4) Each Founder Member Authority shall appoint annually one of its elected members as a member of the YPO Joint Committee and each Founder Member Authority shall also be entitled to appoint one additional substitute member. A substitute Member may attend meetings (including sub-committee meetings) of YPO in place of an appointed member who is unable to attend. It shall be the responsibility of each Founder Member Authority to arrange such a substitution on their own behalf.
- (5) Each Founder Member Authority shall have one vote at Management Committee meetings of YPO, and these votes shall be of equal standing.
- (6) The Founder Member Authorities shall select by majority vote in the Management Committee one of their number to act as Lead Authority, with the role and functions specified in clause 4 of this Agreement.
- (7) A vote to replace the Lead Authority shall take place at the written request of the Lead Authority or at the written request of at least one third of the Founder Member Authorities, setting out their reasons for requesting a vote to take place.
- (8) With the agreement of two-thirds of the Founder Member Authorities, via a resolution of the Management Committee, YPO may grant Associate Membership, in accordance with clause 8 of this Agreement.

- (9) All individual customer account holders shall be Ordinary Members of YPO, in accordance with clause 9 of this Agreement.

4. ROLE OF THE LEAD AUTHORITY

The Lead Authority for the time being is The Council of the City of Wakefield, which shall perform the following functions on behalf of the Founder Member Authorities:

- (1) provide the Management Committee with appropriately qualified staff to carry out the roles of Section 151 Officer and Monitoring Officer in relation to YPO;
- (2) act as employer for all staff of the Management Committee, including the Board of Directors, and to provide such Human Resources input as the Lead Authority considers necessary for the effective discharge of this responsibility;
- (3) provide an effective internal audit service at a level agreed between the Section 151 Officer and the Audit and Governance Sub-Committee of the Management Committee, including such attendance by Auditors at the Audit and Governance Sub-Committee as is necessary to properly discharge this responsibility;
- (4) provide effective banking and resource management services on behalf of YPO;
- (5) shall operate the goods vehicles required for the business of YPO under the Lead Authority's own Operator's Licence and shall control and authorise decision making about the use of such goods vehicles¹.
- (6) consult Founder Member Authorities on changes to Financial Procedure Rules, Standing Orders, Delegation Schemes, and this Agreement, and make recommendations to the Management Committee;
- (7) chair the Strategic Officers Advisory Group (SOAG);
- (8) ensure appropriate arrangements are made to brief relevant officers in each Founder member authority;
- (9) assist the Chair to monitor the performance of the Managing Director;

¹ Inserted by Management Committee on 29th November 2013

(10) have the authority to defer any proposal to incur expenditure or let any contract by the Board of Directors, pending the outcome of a report to the Management Committee of YPO as appropriate, and shall charge the cost of such services to the Management Committee. The performance of the Lead Authority will be considered by the SOAG annually and formally reviewed at least every five years.

5. PROCEDURE RULES AND SCHEMES OF DELEGATION

- (1) The Management Committee and Board of Directors shall operate at all times in accordance with approved:
- (i) Financial Procedure Rules;
 - (ii) Standing Orders;
 - (iii) Contract Standing Orders; and
 - (iv) Officer Delegation Scheme.
- (2) Any proposed amendments to the documents in clause 5(1) shall be subject to:
- (i) a period of at least 8 weeks prior consultation with Founder Member Authorities by the Monitoring Officer;
 - (ii) a report to the Management Committee by the Monitoring Officer setting out the results of the consultation, and making recommendations; and
 - (iii) the agreement of at least two-thirds of the total membership of the Management Committee.

6. JOINT COMMITTEE ARRANGEMENTS

- (1) The democratic management of YPO shall be vested in the Joint Committee, which shall be known as the Management Committee of YPO.
- (2) The Management Committee shall meet at least twice per year and at such other times as agreed from time to time by the Chair of the Committee.
- (3) Quorum and substitution arrangements for the Management Committee shall be as set out in this document and the approved Standing Orders of YPO.

- (4) The remit of the Management Committee shall be that agreed by the Management Committee held on 25th September 2009 (minute 23(4) (attached at Schedule 1 to this Agreement) and be subject to a review at each Annual General Meeting of the Management Committee.
- (5) The Management Committee shall appoint annually from its membership those sub-committees that it considers necessary to discharge its duties and responsibilities under this Agreement and shall include at least an Audit and Governance Sub-Committee.
- (6) Prior to each Management Committee meeting, the Lead Authority shall convene a meeting of officers, drawn from the Founder Member Authorities, with a remit to examine draft reports to the Management Committee, raise issues of concern relating to YPO business and to facilitate the pre-briefing of members. It shall be the responsibility of each Founder Member Authority to make available, wherever possible, an officer of appropriate status to attend such meetings.

7. CODE OF CORPORATE GOVERNANCE

- (1) The Management Committee shall keep under review its code of corporate governance and associated documents, including the register of corporate risk, following recommendations by the Audit and Governance Sub-Committee.
- (2) YPO managers and such other officers as may be required shall agree to attend on request the scrutiny committees of the Founder Member Authorities to assist in their assessment of the effectiveness of YPO operations and assurance procedures.

8. ASSOCIATE MEMBERSHIP

- (1) Associate Members will be entitled to a share of dividend payments under clause 10(3)(ii) of this Agreement for annual levels of usage in excess of the usage level in the full calendar year immediately prior to Associate Membership being granted, in accordance with a scheme to be drawn up annually by the Management Committee.
- (2) Associate Members shall not receive a vote or be entitled to attend 'in confidence' parts of meetings of the Management Committee.

9. PAYMENT OF DIVIDENDS

- (1) Each year, upon receipt of the pre-audit accounts for the previous year the Management Committee shall determine the level of dividend to be paid (if any) but any dividend so determined will not be paid until the accounts have been completed and approved by the s151 Officer.
- (2) The overall dividend sum to be distributed (if any) shall be drawn from accumulated reserves, after deducting a sum which takes account of known risks, to ensure that YPO has adequate cashflow provision and remains a going concern during the forthcoming year, and after deducting the cost of any business development proposals required in consideration of the agreed strategic objectives of the business agreed by the Management Committee.
- (3) The distribution formula shall contain the following elements:
 - (i) a cash sum to be divided equally between the Founder Member Authorities to reflect their risk of ownership; and
 - (ii) a cash sum to reward usage of YPO products and services in all modes of supply (including framework contracts) by the Founder Member Authorities and Associate Members with the weightings between types of membership and modes of supply being determined by the Management Committee.

The weightings attached to clauses 9(3)(i) and 9(3)(ii) above shall be agreed annually by the Management Committee.

10. APPOINTMENT OF STAFF

- (1) The Management Committee shall determine the size, scope, and conditions of service of the Board of Directors of YPO, after receiving appropriate professional advice from the Lead Authority.
- (2) The Management Committee shall appoint annually an 'Appointments Committee' with responsibility for the appointment and disciplinary procedures of the Board of Directors.
- (3) The Board of Directors shall make arrangements to establish and appoint all other staff in accordance with the approved budget and officer delegation scheme, and to ensure that its HR policies and procedures are in accordance with best practice.

- (4) All staff shall be employed by the Lead Authority on behalf of YPO on terms and conditions agreed by the Lead Authority, subject to clause 11(1) of this Agreement.
- (5) The Board of Directors shall make such arrangements with Trades Unions to facilitate effective employee relations, through the periodic Joint Consultative Committee, and the Lead Authority shall be entitled to attend meetings of the Committee as it sees fit.

11. ASSETS

All existing and future assets shall vest in the Lead Authority in trust for the Founder Member Authorities on terms to be agreed by the Management Committee.

12. WITHDRAWAL OF MEMBERS

- (1) A Founder Member Authority wishing to withdraw from membership of YPO shall give to the Lead Authority at least 12 months' written notice expiring on the 31 December. A Founder Member Authority withdrawing shall be responsible for an equal share of any deficit that is held in the accounts in the financial year of withdrawal, but shall not be entitled to any dividend payment under clause 9(3)(i) of this Agreement, or a share of any assets held in trust by the Lead Authority under clause 11 of this Agreement.
- (2) Associate Members under clause 8 of this Agreement can do so in writing without a notice period but will not be entitled to any dividend payment under clause 9(3)(ii) of this Agreement for the financial year in which the withdrawal takes place.

13. TERMINATION

- (1) Notwithstanding the provisions of clause 12(1) of this Agreement, if two-thirds of the Founder Member Authorities agree, following a resolution by the Management Committee, this Agreement may be terminated on the 31st of December in any year.
- (2) The terms of termination shall require:

- (i) the payment of any outstanding dividend to Associate Members under clause 9(3)(ii) of this Agreement which would have been paid out had the termination not taken place;
- (ii) any accumulated deficit to be borne by the Founder Member Authorities equally; and
- (iii) any accumulated surplus in the YPO accounts, and the realised value of any assets held in trust by the Lead Authority under clause 11 of this Agreement, to be shared equally between the Founder Member Authorities.

14. AMENDMENT

If two-thirds of the Founder Member Authorities agree, following a resolution by the Management Committee, this Agreement may be amended at any time upon terms agreed by the Founder Member Authorities.

15. LITIGATION

- (1) The institution and defence of necessary litigation by YPO arising out of the exercise of its responsibilities shall be undertaken in a representative capacity by the Lead Authority, or such other Founder Member Authority as appointed by the Lead Authority.
- (2) The Lead Authority, or such other Founder Member Authority undertaking the litigation, shall be indemnified by the Founder Member Authorities.

16. INTERPRETATION AND ARBITRATION

- (1) In applying the terms of this Agreement, all parties shall act reasonably.
- (2) Where a fraction of Membership is referred to in this Agreement, this should be rounded up to the nearest whole number.
- (3) If at any time any dispute or difference shall arise between the Founder Member Authorities or any of them respecting any matters arising out of this Agreement or the meaning or effect of this Agreement or anything herein contained or the rights or liabilities of any of the Founder Member Authorities the dispute or difference shall be referred to and settled by a single arbiter to be appointed by the

Founder Member Authorities but if they cannot agree to be nominated by the Local Government Association.

(4) This Agreement may be executed in any number of counterparts, each of which shall constitute a duplicate original of this Agreement, but all the counterparts shall together constitute the one Agreement.

The Common Seal of **BARNSLEY**)
METROPOLITAN BOROUGH)
COUNCIL was hereunto affixed in the)
presence of:)

[Handwritten Signature]

AUTHORISED
SIGNATORY

No. 1097
IN REGISTER



The Common Seal of **THE BOROUGH**)
COUNCIL OF BOLTON was hereunto)
affixed in the presence of:)

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The Common Seal of **THE CITY OF**)
BRADFORD METROPOLITAN)
DISTRICT COUNCIL was hereunto)
affixed in the presence of:)

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The Common Seal of **THE BOROUGH**)
COUNCIL OF CALDERDALE was)
hereunto affixed in the presence of:)

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The Common Seal of **BARNSELY**)
METROPOLITAN BOROUGH)
COUNCIL was hereunto affixed in the)
presence of:)

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The Common Seal of **THE BOROUGH**)
COUNCIL OF BOLTON was hereunto)
affixed in the presence of:)

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ROBERT MCGUINNESS



SEALING NO.
23274

The Common Seal of **THE CITY OF**)
BRADFORD METROPOLITAN)
DISTRICT COUNCIL was hereunto)
affixed in the presence of:)

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presence of:)

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COUNCIL OF BOLTON was hereunto)
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BRADFORD METROPOLITAN)
DISTRICT COUNCIL was hereunto)
affixed in the presence of:)



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FJ Chamberley

*Authorised by the Interim
Director of Legal + Governance*

The Common Seal of **THE BOROUGH**)
COUNCIL OF CALDERDALE was)
hereunto affixed in the presence of:)

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BRADFORD METROPOLITAN)
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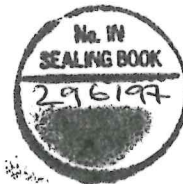
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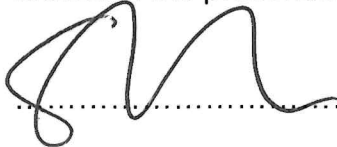
Zara Turner

Authorised Signatory 11



The Common Seal of **CITY OF**)
DONCASTER COUNCIL was hereunto)
affixed in the presence of:)




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No: 73265

The Common Seal of **THE COUNCIL**)
OF THE BOROUGH OF KIRKLEES)
was hereunto affixed in the presence of:)

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The Common Seal of **KNOWSLEY**)
METROPOLITAN BOROUGH)
COUNCIL was hereunto affixed in the)
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YORKSHIRE COUNCIL was hereunto)
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OF THE BOROUGH OF KIRKLEES)
was hereunto affixed in the presence of:)

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JOHN CHADMAN



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METROPOLITAN BOROUGH)
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OF THE BOROUGH OF KIRKLEES)
was hereunto affixed in the presence of:)

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The Common Seal of **KNOWSLEY**)
METROPOLITAN BOROUGH)
COUNCIL was hereunto affixed in the)
presence of:)

Nigel Fagan

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*N FAGAN
Authorised Signatory*

Seal no: 31495

Authority no: CS-126-2024



The Common Seal of **NORTH**)
YORKSHIRE COUNCIL was hereunto)
affixed in the presence of:)

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DONCASTER COUNCIL was hereunto)
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Doncaster



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Rotham



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OF THE CITY OF WAKEFIELD was)
hereunto affixed in the presence of:)

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OF THE CITY OF YORK was hereunto)
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BOROUGH COUNCIL was hereunto)
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BOROUGH COUNCIL was hereunto)
affixed in the presence of:)

S. Rowlands

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OF THE CITY OF WAKEFIELD was)
hereunto affixed in the presence of:)

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OF THE CITY OF WAKEFIELD was)
hereunto affixed in the presence of:)

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The Common Seal of **WIGAN**)
BOROUGH COUNCIL was hereunto)
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OF THE CITY OF YORK was hereunto)
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OF THE CITY OF WAKEFIELD was)
hereunto affixed in the presence of:)

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The Common Seal of **WIGAN**)
BOROUGH COUNCIL was hereunto)
affixed in the presence of:)



..... ASSISTANT DIRECTOR
LEGAL, GOVERNANCE AND ELECTIONS



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OF THE CITY OF YORK was hereunto)
affixed in the presence of:)

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BOROUGH COUNCIL was hereunto)
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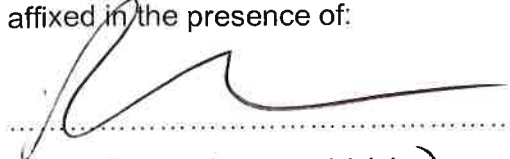
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OF THE CITY OF WAKEFIELD was)
hereunto affixed in the presence of:)

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BOROUGH COUNCIL was hereunto)
affixed in the presence of:)

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The Common Seal of **THE COUNCIL**)
OF THE CITY OF YORK was hereunto)
affixed in the presence of:)


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DANIEL MOYNIHAN
SENIOR LAWYER

