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# Chairman's Statement

Councillor Les Shaw



On behalf of the YPO Management Committee, I'm delighted to introduce the YPO Annual Report and Performance Summary 2017.

Public sector austerity showed no signs of slowing down in 2017. Brexit created a wave of uncertainty for many in the sector, while we continued to face further pressures and budget cuts in education and local government.

At YPO, we set our plans firmly in place to ride out the storm. We identified ways to diversify and focused on our strengths to continue to outperform the market. By adding value to our core customer base in the education market and within local government, we could strengthen our offering to help retain business for many more years to come.

The Board and senior managers committed to preserving our existing business by looking for new

ways to add innovation to the sector and set us apart from our competitors. Innovation meant we tried new things, which of course doesn't come without risk. The Board confidently took some considered risks to make room for innovation and diversification that would help futureproof the organisation.

Just as importantly as protecting existing business is creating growth in new business areas. From over 40 years of helping schools and local authorities save money, YPO is currently in prime position to use this experience and create closer working relationships with the wider public sector. YPO's rising associate membership includes emergency service authorities resulting in increased dividend been delivered directly back into the heart of the public sector.

Diversification was also needed within our own workforce. There has always been high staff retention at YPO and it's not uncommon to come across long-serving staff that have been employed at YPO for over 30 years. This is something we're immensely proud of at YPO and we'll continue to provide opportunities to upskill the workforce, for promotion and for personal development. We'll continue to create these opportunities and work hard to keep raising morale during these times of uncertainty.

As always, I'd like to thank all staff at YPO for their hard work, support and effort, and particularly for their resilience and adaptability to the changes

and challenges that they've faced. Myself and the other founding members are confident that staff will rise to further challenges that the public sector will undoubtedly present and will embrace new opportunities.

**“YPO's rising associate membership includes emergency service authorities resulting in increased dividend been delivered directly back into the heart of the public sector.”**

# Managing Director's Statement

Simon Hill



2017 saw a further period of continuous change in YPO's diverse operating environment, providing further challenges for the organisation. I'm pleased to say, that we have met these challenges with a consistently high level of enthusiasm, enabling us to build a solid platform for future success.

In the field of education, there has been on-going restructuring of how schools are funded, organised and managed. This is true of both the academy and local authority-controlled sectors. Traditional buying patterns are changing, particularly in service contracts, which have previously been centrally managed by local authorities. YPO is therefore faced with an urgent need to update its offering to schools to ensure that both products and services can be bought easily and efficiently, while achieving maximum value for money.

“The local government sector continues to face financial challenges, making the need for YPO to deliver cost effective procurement ever more relevant.”

The local government sector continues to face financial challenges, making the need for YPO to deliver cost effective procurement ever more relevant. Developing our offering beyond reliance on framework contracts to a more comprehensive suite of procurement solutions is therefore a high priority for the organisation. The need to achieve commercial value for money is increasingly coupled with a desire to achieve policy outcomes from public sector expenditure. There is therefore an increased focus on the creation and reporting of social value and specific support for local economies in all of our procurement activities.

In response to these challenges, YPO implemented several important changes during 2017, designed to protect future revenues and future proof the organisation, making it relevant to evolving customer needs.

The Procurement Services department went through a major restructure to make it more customer-facing and focused on the specific categories needed for the future:

- Our framework offering has been enhanced to include education-specific solutions for the first time
- Our marketing activities are increasingly integrating both product and service offerings to our customers
- We have diversified into the early years and care sectors
- We have continued geographic expansion into all parts of the UK
- We have restructured our cost base to ensure that future dividend payments to our founder members and associate members can be maintained at their current levels

All of the above activities have been achieved through flexibility and openness to change by our workforce and it is to their credit that the necessary changes have been implemented so effectively.

2017 marked the final year of the current three-year strategy, and I'm pleased to report that all of the major strategic targets have been delivered, providing a firm foundation for the challenges and planned growth to come in the next three years.



# Showing our worth with more choice and added value

As we come to the end of our current three-year strategy, we look back on our adaptability in the tenacious public sector landscape. The strategy ‘Forward thinking, outward looking’ highlighted our drive to be even more customer centric, as well as progressive in our approach.

Putting the customer first, we continued to grow our range of products and framework services that not only meet customer expectations on quality and customer service but delivered even more choice and great value. Setting ourselves apart from our competitors, we continued to develop our ‘own brand’ range of products that provided a low-cost alternative to leading brands. Starting with stationery and arts, increased customer demand soon saw the introduction of own brand curriculum products as the range quickly developed into an exclusive offering that we could be proud of.

Our early years offering has followed in similar suit. We introduced ourselves to the sector in 2016 and by the end of 2017 we had a dedicated new catalogue, showcasing a wide range of products and resources specifically picked for staff working in nurseries and early years settings.

Our forward thinking approach truly filtered through all departments at YPO in 2017. In Procurement Services, we focused more on the gaps in our target markets and the challenges our customers face. We looked for opportunities where we could better help our public sector customers achieve their procurement objectives and increase efficiencies.

Our education customers have bought products from us for over 40 years and continue to come back year-on-year. For the first time in 2017, we started to market our framework offering to schools through dedicated



campaigns that spoke their language and showed that we could offer more than just great value products and resources. More and more schools are converting to academies, joining trusts and centralising services, opening up opportunities for us to be there at the right time when it’s needed most.

“We looked for opportunities where we could better help our public sector customer achieve their procurement objectives and increase efficiencies.”



# Achievements in 2017



## APRIL

For the first time in April 2017, most businesses and public sector organisations were able to choose which company supplies their water and associated services like automated meter reading, leak detection and customer service. YPO, together with The Energy Consortium, ESPO, NEPO, West Mercia Energy, the MoD, and Crown Commercial Service (CCS), have launched the largest public sector water framework agreement to the UK market, saving the sector around £20m on its water bill over four years.



**APRIL:** Launch of the largest public sector water framework agreement to the UK market,



**JULY:** YPO wins the prestigious 'Outstanding Supplier of the Year' award.



**OCTOBER:** We replaced our existing early years big book and minilogue with our new early years catalogue.

## OCTOBER

An innovative new partnership between the London Borough of Waltham Forest and YPO was launched in October to provide a new national HR procurement framework. The collaboration is believed to be the first of its kind and brings local authorities across the UK access to a wide range of HR services. The Local Government Resourcing Partnership (LGRP) framework includes a supplier base of nearly 30 providers and includes services such as executive, interim, permanent recruitment, HR consultancy, as well as HR marketing and advertising.

## NOVEMBER

Award celebrations continued in November as we were recognised by the Chartered Institute of Marketing (CIM) for our work with The Roald Dahl Literary Estate. We were awarded Best B2B Campaign in the CIM Northern Awards held in Manchester, beating off tough competition from both private and public sector organisations. The awards celebrate the insight, creativity and success of the northern marketing industry and the outstanding talent from across the region. Our Roald Dahl campaign was first launched in 2016 to add value and support to our customers

## JANUARY

We started the year by launching a new partnership with The Chartered Institute of Procurement and Supply (CIPS) – the world's largest professional body of procurement specialists. As a CIPS Knowledge Partner we provide information to CIPS members on social value - a concept that looks at the collective benefits to the wider community, including the non-financial impact of organisations such as wellbeing of individuals and community, social capital and the environment.

## FEBRUARY

For the third year in a row, YPO was ranked in The Sunday Times Best 100 Companies to Work for. Coming in at 69th place, just falling short of last year's 61st placing, we were delighted to hold the steady place in the Not-For-Profit category. First launched in 2001, the list was created to measure true employee engagement and has since been developed to help improve it.

## JULY

In July, our food team headed to Birmingham to the Lead Association for Catering in Education (LACA) Awards, and took home the hugely prestigious award for 'Outstanding Supplier of the Year 2017'. The award recognises suppliers who have consistently maintained the highest level of support and service excellence to the education catering sector. Also in July, the food team helped local authorities including Solihull Council and Wigan award a £3.6m contract to deliver fresh and cooked meats through our UK Food Deal.

In October we replaced our existing early years big book and minilogue with our new early years catalogue. The new catalogue was developed in response to customer feedback on the size and relevance of the existing catalogues. It includes a bespoke selection of product ranges, carefully selected to meet the needs of the sector. The size and layout of the catalogue has been designed to improve the customers experience and showcases the wide range of resources YPO has available. The process saved us around £71,000.

in the education sector, as well as a bit of fun, spark and 'glorumptious' brand association.

We also won 'Team of the Year' at the Supply Chain Excellence Awards with our logistic consultants Hatmill, acknowledging our drive to be more efficient in our distribution and operations. Working closely with Hatmill, we've implemented Royal Mail delivery for small parcels and we've changed some of our YPO fleet to large panel vans, so that our drivers could service two runs a day. This way, we're more flexible for our customers and have reduced operational costs.



# Not just your average education supplier

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**A**s school budgets continue to feel the pinch, we're working harder than ever to make sure our customers get the best value in everything we do. And that's not just with our competitive pricing and good quality products – it's with those little added extras that can go a long way, to help inspire teaching and open up new opportunities for learning and innovation.

# Combining history, culture and learning

**T**he Piece Hall is a monumental Grade 1 listed building and the only surviving cloth hall in the UK. It's an iconic symbol of the important role played by Georgian Halifax at the booming centre of the world's woollen trade and re-opened in August 2017.


As well as the various retail, hospitality and cultural components making up the hall, the venue is home to a range of learning and educational features which includes a Learning Studio.

The Learning Studio is a flexible space for classroom-based learning and has been fully kitted out with YPO furniture and resources, thanks to our newly established partnership. Local school children attend workshops and guided tours to learn about the hall's fascinating heritage and history. We've also supported The Piece Hall by promoting their schools programme to our customers in the Yorkshire region, further highlighting our drive to be more than just a catalogue company.





# Bringing the magical world of Roald Dahl to the classroom



Building on the success of its launch in 2016, our partnership with The Roald Dahl Literary Estate continued to flourish in 2017 as we once again supported the world-wide 'Roald Dahl Day' and worked closer with the team to develop resources for teachers.



A series of lesson plans were developed and YPO products were included plan as tools to help teachers deliver the plan to their class. We included things like glue, colouring pens, stickers, maths products as well as 'phizz-whizzing' items like glitter and foam.

Our presence within the lesson plans continues to add a great amount of credibility to our brand, as a trustworthy, good value and quality supplier of resources to schools. In terms of reaching teachers, the results speak for themselves:

- 272,303 downloads - lesson plans and party packs combined

- 465,942 unique page views on the 'teach' website area of the Roald Dahl website which features the YPO logo at the top
- A total of 772,983 visits on the 'teach' area - a sign of a lot of returning teachers!
- Top three downloaded lesson plans were: The Twits (44,880 downloads), Matilda (35,775 downloads) and Charlie and the Chocolate Factory (25,096 downloads)



# Shaping procurement landscapes in London

In last year's annual report we introduced some of the new sales team representing YPO in London and the south east, demonstrating our commitment to growth in the region. In 2017, we've continued to strengthen our efforts in London with some instrumental partnerships, aiming to bolster our influence within the 32 London Boroughs and other public authorities.

## **The London Energy Project (LEP)**

In March, ahead of the water market deregulation that now allows businesses to choose which company supplies their water and associated services, we launched a new water services framework in collaboration with CCS, ESPO, NEPO, TEC, and West Mercia Energy.

The framework was identified by the London Energy Project (LEP) as an efficient way to make savings on

the water supply of its member authorities. The LEP is a group of 36 authorities, primarily in London and includes Transport for London and the Metropolitan Police. Its purpose is to combine the spending power of its members to achieve better energy efficiencies around savings, innovation and collaboration.

Before the water market deregulation, LEP members were served by a number of different water companies, and following the new framework launch, recognised that a single water and wastewater provider would better meet the needs and requirements of its members.

The partnership with YPO, provides access to a range of benefits that LEP members can now receive through the water services framework, ultimately leading to savings and improved efficiencies.

## **The Local Government Resourcing Partnership (LGRP)**

In October, we launched an innovative new partnership with the London Borough of Waltham Forest to launch a new national HR procurement framework. The collaboration is believed to be the first of its kind and gives local authorities across the UK access to a wide range of HR services.

Local authorities and public organisations including police, fire and rescue, the NHS, charities and housing associations can use the Local Government Resourcing Partnership (LGRP) framework to access HR services including executive, interim, permanent recruitment, HR consultancy, as well as HR marketing and advertising.

Working collaboratively with the London Borough of Waltham Forest, we carried out customer and supplier engagement to understand what was needed

to develop the framework and insight. This led to the launch of the LGRP that delivers a new, cost effective route to managing essential and specialist HR requirements, for public sector organisations.

## **The UK Food Deal**

At the beginning of 2017 a group of seven London Boroughs used the YPO UK Food Deal Framework to award a £50m contract to a supplier providing food for school meals. The seven authorities are part of Procurement Across London (PAL) and all benefited from the new agreement by receiving a 5% saving on a contract worth £50m over four years. Later in the year, the London Borough of Newham joined the seven other Boroughs in using our framework and awarded an additional £8m contract. The success of these sizable contracts has led to the extension of the framework for a full four-year term, which is credit to our suppliers who continue to provide great quality food combined with excellent value for money.



# The online customer journey

43 years on and our 'big book' catalogue can still be found in a prevalent position in school offices and staff rooms right across the country. It's showing no signs of fading in popularity, but at the same time, we're encouraged to see a continuing increase in online orders.

Teachers and school business managers tell us they still use the catalogue to browse and mark up items, but not surprisingly more and more orders are then being placed on the website, rather than by phone or fax. In the last year from 2016, we saw an increase of £2m orders being placed online, totalling £28.6m for the year.

With more than 30,000 products on the website, the search function is an integral cog in the website wheel and is critical to improving the customer experience.

In the past, archaic product data has caused problems for customers searching for items, but in 2017, after some investment into improving the search functionality, we've been able to increase the number of transactions by 55% and have seen reduced session duration, meaning customers are finding items quicker.

Refining the customer experience even further, we can now personalise the customer's online journey by tailoring content to their needs and interests. They will be shown relevant products or content that is based on their previous online behaviour, adding more value to the customer's journey.

Improving the customer's experience while on our website is one thing but driving them to the website in the first place is another important stage in the journey. A year on from the introduction of our social media strategy has resulted in impressive levels of activity with an engaged audience.

In 2017, we received 10,855 referrals from our social media channels to our website. The platforms have become more established and the content is tailored and relevant to the audience, increasing YPO's brand awareness and raising our profile as a credible source of information.

“Refining the customer experience even further, we can now personalise the customer's online journey by tailoring content to their needs and interests.”



# Improving customer service in the public sector

Over the last few years our customer service offering has gone from strength to strength, with impressive scores in the Institute of Customer Service Benchmarking Survey as well as consistently high ratings on Feefo, our customer review and feedback platform.

Last year, we undertook some independent research into the current state of play with public sector customer service, compared to expectations and service levels within the private sector. Budget, reduced staff numbers and barriers to innovation were cited to be the biggest challenges to improving customer service in the public sector.

The national research among public sector workers and UK consumers explored realities of customer service in the public sector which included findings around how social media has changed the way people

communicate. The social shaming power of Twitter and Facebook has seen public organisations formalise their digital approach.

One area highlighted from the survey is the potential for sharing experiences and key learnings between the public and private sector to create improvements and innovation. The research found that 72% of public sector workers were not able to compare levels of innovation across the sectors suggesting that increased collaboration would be beneficial.

Other ways to innovate include moving services online, however, the suggestion received a mixed response. The majority of public sector workers say they are in favour (69%) while consumers and service users are less enthusiastic. Nearly half (44%) believe there would be no improvement in customer service as a result.

“As public sector organisations face the challenge of decreased funding coupled with increasing demand, they’re looking to find new, innovative ways of working to improve customer service. The research explores what good customer service looks like in the public and private sector, challenges and barriers to good customer service and what it feels like for those who deliver and receive services.”

**Jo Marshall, Executive Director**



The customer service research raised some interesting issues and topics. It reveals key themes for public organisations facing difficult choices when planning to meet customer expectations today and in the future. All the findings from the research have been

documented in a “YPO Customer Service White Paper: Improving Customer Service in the Public Sector”, which can be found on the YPO website.



# Innovative framework development

We're constantly adding to and diversifying our framework offering in line with our procurement strategy and objectives. We're also paying even closer attention to our customer base and how we can add value outside of local authorities, to the wider public sector. Innovation remains at the heart of framework development as we strive to differentiate ourselves from the competition.



## Opening up the insurance market for housing associations

For many years, registered providers of social housing have had very limited choice when it comes to insurance provision. Traditionally, it was hard for landlords to get more than three quotes for their insurance due to risk factors. Now, through extensive engagement with the insurance industry, we've been able to open this up to more insurers than ever that are more willing to bid for social landlord risks.

Our new insurance for housing framework gives social landlords greater choice when looking for insurance as well as savings. It aims to empower social landlords to run an effective and successful insurance procurement exercise, challenging the norm with insurance agreements that have been lacking innovation for many years.

## A flexible way to procure enforcement agencies

Following the expiration of an existing Dynamic Purchasing System (DPS) for the provision of enforcement agency services, we jumped on the opportunity to create a new and improved version, further meeting the needs of customers.

To strengthen the impact of the new DPS, we collaborated with The Civil Enforcement Agency

(CIVEA) to allow public sector customers to assess procurement services for all debt types such as council tax, parking fines, road traffic fines as well as social care debts.

A DPS is more flexible than a traditional public sector framework as suppliers can come on board at any time during the term, but it's still a sustainable tendering portal for the benefit of both customers and suppliers. CIVEA's endorsement demonstrates the strong credibility of the DPS, in what can be a challenging industry. It allows us to pass on great value to local authorities, as the preferred choice for CIVEA when advising authorities on procuring services for enforcement agencies.

“Our new insurance for housing framework gives social landlords greater choice when looking for insurance as well as savings.”



# Savings made through our operations

With stretched budgets, customer buying habits have significantly changed. They're now placing smaller orders more frequently, compared to the traditional large school orders placed ready for the start of term.

Our traditional distribution model of 15-tonne HGVs and third-party carriers, delivering locally and nationally, aren't compatible anymore so we needed to adapt and continue being a valued partner to our public sector customers.

In the last year, we started to look at our distribution strategy and how we could deliver more efficiency savings. We studied three main points; our public sector customers that have no minimum order value (whether a pack of pens or a pallet of exercise books - we'd deliver it); YPO deliveries across our heartland and the M62 corridor; and the size of our vehicles

(delivering an average weight of 1.6 tonnes in a 15 tonne HGV isn't viable). Our objective was simple, to offer flexibility to our customers while reducing operating costs.

## Delivering small parcels with Royal Mail

After undertaking a large data processing exercise analysing our customers deliveries, we looked at the location of orders and how many small items were being sent out on our vehicles.

Through this exercise, we predicted that we could achieve a possible saving of £200,000 a year by using Royal Mail to deliver the small parcels. Changes were made to our operational and IT systems and were mobilised within a few weeks. This initiative so far has saved over £100,000 with no effect to the customer.

“Changes were made to our operational and IT systems and so far has saved over £100,000 with no effect to the customer.”

## Our heartland - Yorkshire and M62 corridor

Transport costs were out numbering the delivery of consignments and the costs of using our large 15-tonne vehicles or third-party carriers to make deliveries inside the heartland was not cost effective.

A solution was to change our vehicles and make all deliveries in our heartland area through a new fleet of YPO vehicles, significantly reducing costs and improving our drivers' experience. We decided to run a pilot on a couple of large panel vans. The vans also allowed for more than one run per day, significantly reducing our costs and ensuring more customers are happily met with their deliveries.

Our distribution and improvement programme has come on an incredible journey; we've met our core values while improving the service to our customers, bettered our environmental impact and dramatically reduced the cost of operations.

With the changes to vehicles and deliveries in our heartland as well as the use of Royal Mail to deliver small parcels, we're on target to save the public sector £2.4m over the next three years. Better value, delivered.





# Sharing the profits

Despite the drop in education spend of around 6-8%, our loyal customers still spent well with YPO in 2017. We also opened over 2,000 new public sector accounts, meaning even more schools and public organisations are receiving a share of our profits.



Over the last six years we've given back around £14m to schools as part of our Share of Profits Loyalty Scheme. Every year, schools that have bought products and resources from us receive a YPO voucher, based on the amount they spent. We're proud of this scheme as it helps us give something back to schools that are suffering from budget cuts on supplies.

More and more public authorities are seeing the value of working with YPO as we continue to increase our membership. By using YPO's frameworks to deliver essential services such as energy solutions, HR, highway and food services, members and associates members all receive a share of profits which are paid back to them to invest in local services. In 2017, members and associate received £7.9m in dividends to help drive economic growth at local level.



“We were delighted to receive our vouchers through YPO’s Share of Profits Loyalty Scheme. The vouchers have been invaluable to our school, helping us to reinvest in the school’s resources and our pupils’ futures.”

**Clare Marriott, Head of Josephine Butler Primary Campus**  
(part of Northumberland C of E Academy)





“Alongside our national growth ambitions, 2017 has brought a continued focus on our member heartland areas of Yorkshire and Humber and the North West.”

# Building strong partnerships

We welcomed a further nine new associate members in 2017 which included Allerdale Council, Coventry City Council, Craven District Council, Devon County Council, Greater Manchester Police Service, London Boroughs of Camden, Haringey and Westminster and Pendle Borough Council bringing the total number now to 59.

Including our 13 member authorities, YPO is the largest formally constituted public sector buying organisation in the UK with 72 member organisations.

This number has continued to rise year-on-year, as we work hard to strengthen our partnerships, developing YPO’s sector penetration across a nationwide public sector landscape.

Alongside our national growth ambitions, 2017 has brought a continued focus on our member heartland areas of Yorkshire and Humber and the North West. These regions are our heritage and have received particular focus to ensure we’re much more engaged with the regional strategic procurement group in

Yorkshire and Humber, as well as the Connected Procurement group in the North West. We remain committed to understanding the key activity streams across the regions to determine how we can support procurement and collaborative projects with our member authorities.

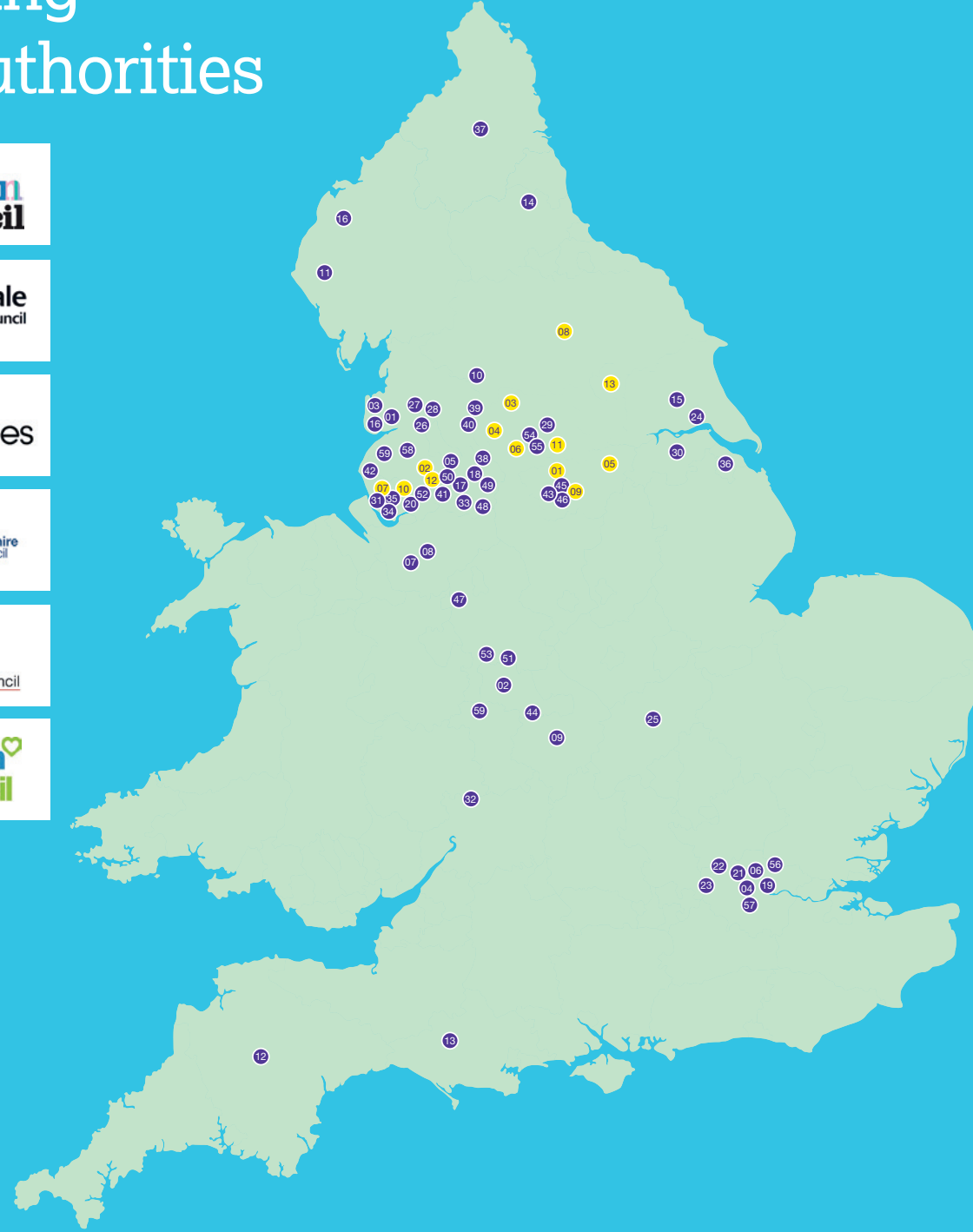
We’ve continued to host the Public Sector Buying Forum where we bring together the largest collaborative buying organisations in the public sector, as well as continuing to develop our association with

the iNetwork group in the North West. Customer spend under management, on YPO collaborative framework solutions in 2017 has remained strong at £676m - despite continued downward pressure on public sector spending - which reaffirms our position as a leader in public sector procurement.



# Our founding member authorities

- |                                                                                                                                              |                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| 1  <b>BARNSLEY</b><br>Metropolitan Borough Council          | 2  <b>Bolton</b><br>Council                 |
| 3  <b>CITY OF BRADFORD</b><br>METROPOLITAN DISTRICT COUNCIL | 4  <b>Calderdale</b><br>Council             |
| 5  <b>Doncaster</b><br>Metropolitan Borough Council         | 6  <b>Kirklees</b><br>COUNCIL               |
| 7  <b>Knowsley Council</b>                                  | 8  <b>North Yorkshire</b><br>County Council |
| 9  <b>Rotherham</b><br>Metropolitan Borough Council         | 10  <b>St. Helens Council</b>               |
| 11  <b>wakefieldcouncil</b><br>working for you             | 12  <b>Wigan Council</b>                   |
| 13  <b>CITY OF YORK</b><br>COUNCIL                        |                                                                                                                              |



# Our associate members

- |                                                                                                                                         |                                                                                                                                          |                                                                                                                                     |                                                                                                                                    |                                                                                                                                         |                                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| 01  <b>Allerdale</b><br>Borough Council              | 02  <b>Birmingham City Council</b>                    | 03  <b>Blackpool Council</b>                     | 04  <b>Brent</b>                                | 05  <b>Bury</b><br>COUNCIL                           | 06  <b>Camden</b>                                      |
| 07  <b>Cheshire East</b><br>Council                  | 08  <b>CHESHIRE</b><br>FIRE & RESCUE SERVICE          | 09  <b>Coventry City Council</b>                 | 10  <b>CRAVEN</b><br>DISTRICT COUNCIL           | 11  <b>Cumbria</b><br>County Council                 | 12  <b>Devon</b><br>County Council                     |
| 13  <b>DORSET &amp; WILTSHIRE</b><br>FIRE AND RESCUE | 14  <b>Durham</b><br>County Council                   | 15  <b>EAST RIDING</b><br>OF YORKSHIRE COUNCIL   | 16  <b>FYLDE</b><br>COUNCIL                     | 17  <b>HILLINGDON</b><br>LONDON                      | 18  <b>Hull</b><br>City Council                        |
| 19  <b>Hackney</b>                                   | 20  <b>HALTON</b><br>BOROUGH COUNCIL                  | 21  <b>Haringey</b><br>LONDON                    | 22  <b>Harrow Council</b>                       | 23  <b>HILLINGDON</b><br>LONDON                      | 24  <b>Hull</b><br>City Council                        |
| 25  <b>Kettering</b><br>Borough Council              | 26  <b>Lancashire</b><br>Constabulary                 | 27  <b>Lancashire Fire</b><br>and Rescue Service | 28  <b>LANCASTER</b><br>CITY COUNCIL            | 29  <b>Leeds</b><br>CITY COUNCIL                     | 30  <b>NORTH LINCOLNSHIRE</b><br>COUNCIL               |
| 31  <b>Liverpool</b><br>City Council                | 32  <b>Malvern Hills</b><br>District Council         | 33  <b>MANCHESTER</b><br>CITY COUNCIL           | 34  <b>Merseyside</b><br>FIRE & RESCUE SERVICE | 35  <b>Merseytravel</b>                             | 36  <b>NORTH EAST LINCOLNSHIRE</b><br>COUNCIL         |
| 37  <b>Northumberland</b><br>County Council        | 38  <b>Oldham</b><br>Council                        | 39  <b>Borough of Pendle</b>                   | 40  <b>ROCHDALE</b><br>BOROUGH COUNCIL        | 41  <b>Salford City Council</b>                    | 42  <b>Sefton Council</b>                            |
| 43  <b>Sheffield</b><br>City Council               | 44  <b>Solihull</b><br>METROPOLITAN BOROUGH COUNCIL | 45  <b>South Yorkshire</b><br>FIRE & RESCUE    | 46  <b>South Yorkshire</b><br>POLICE          | 47  <b>Staffordshire</b><br>County Council         | 48  <b>STOCKPORT</b><br>METROPOLITAN BOROUGH COUNCIL |
| 49  <b>Tameside</b><br>Metropolitan Borough        | 50  <b>TRAFFORD</b><br>COUNCIL                      | 51  <b>Walsall Council</b>                     | 52  <b>WARRINGTON</b><br>Borough Council      | 53  <b>West Yorkshire</b><br>Fire & Rescue Service | 54  <b>West Yorkshire</b><br>Fire & Rescue Service   |
| 55  <b>WEST YORKSHIRE</b><br>POLICE                | 56  <b>Waltham Forest</b>                           | 57  <b>City of Westminster</b>                 | 58  <b>wyre</b><br>council                    | 59  <b>Wyre Forest</b><br>District Council         |                                                                                                                                           |





# Our plans for the future

2018 is the start of a new three-year strategy period for YPO. The theme of our strategy is **‘relevance’** – relevance to our various customer groups, relevance to our owning member authorities, relevance to our stakeholders and relevance to the changing market place.

“Our local authority and wider public sector procurement service currently covers more than £650m of public spend and there’s still a significant opportunity to grow”

For us to enjoy a further 40 years of success, we must be as relevant to our members as we were in 1974, when they decided to group together to buy education supplies cost-effectively.

Over the years, we’ve developed a wide range of different commercial activities. These increasingly have divergent customer needs and business models which all need focused attention including bespoke customer journeys and market expertise.

Our local authority and wider public sector procurement service currently covers more than £650m of public spend and there’s still a significant opportunity to grow. In 2018, we’re developing new sector plans for social housing and social care (including health and blue light services) as well as continuing to invest in our key markets of local government and education.

YPO has an outstanding reputation for customer service - a reputation which requires constant attention and development to maintain. In 2018, we’ll be working even more closely with our customer groups to gather insights which will help to shape our future service. For instance, we’ll be holding workshops with our multi-academy trust customers

to share valuable knowledge and best practice and create long-term partnerships.

Internally, progress will continue to improve our IT infrastructure and develop our digital platforms. New systems will be rolled out to better capture important information on our customers and their buying habits to further enhance their experience.

We’ll invest more into our logistics function to keep modernising our operations and delivery service, offering more choice and meeting our customers’ changing expectations.

With an well-established apprenticeship scheme that has welcomed 58 apprentices since 2011, we’ll be extending our reach to help inspire more young people with career opportunities in the form of graduate work placements. We’re also working with university students on research projects, helping us to stay relevant and current to our public sector customers.

We’ll continue our sustainability journey as we embed the UN Sustainable Development Goals in our procurements. The goals will help us drive Social Value in everything we do and deliver real benefits to local communities.



# Our Board of Directors



**Simon Hill**  
Managing Director

Simon joined YPO in July 2011 from former regional development agency Yorkshire Forward, where he was an Executive Director. Previously, Simon was Managing Director for electronic automotive manufacturer Kostal UK Limited. With experience across procurement, sales and general management, Simon also has 10 years public sector and 20 years commercial experience.



**Paul Smith**  
Executive Director

Paul joined YPO as a Director in November 2010 having previously held senior roles with Aviva, Capita, RM and Ford. He leads the organisation's Business Change and IT, Finance and Procurement functions. Paul currently represents YPO with our key partners including Society of Procurement Officers, Crown Commercial Service, Local Government Association, other public purchasing organisations and the EU. In 2016 Paul was named Finance Director of the Year (Public Sector) at the Yorkshire FD Awards.



**Jo Marshall**  
Executive Director

Jo joined YPO as a Business Development Manager in September 2010 from her position as Head of Public Sector at Samsung Electronics, and was promoted to Commercial Director the following August. With a strong sales background, Jo has been working with the public sector for over 20 years. She leads the organisation's Commercial and Trading functions including Sales and Marketing and customer experience. Jo is the board strategic lead for customer service and is also a vice president with the Institute of Customer Service.



**Julie Wray**  
Executive Director

Julie joined YPO in September 2010 as Head of HR and she currently looks after HR, Business Support, Facilities Management, Health and Safety, and the Warehouse and Logistics teams.

Julie has a mix of public and private sector experience. She joined YPO from Wakefield Council where she spent nine years working in HR and organisational development roles, and prior to that she spent 13 years working for Barclays Bank in various regional and national roles.



**Rob McWilliam**  
Independent Director

Rob was appointed in November 2017 to provide independent guidance to the organisation as a member of the Board of Directors. He has over 25 years management experience working with leading global businesses including Amazon and ASDA/Wal-Mart. Most recently, he was Vice President at Amazon UK, where he was responsible for the consumer goods businesses, including grocery and healthcare.



# Performance summary

## Dividend paid back to the public sector

Dividend paid back to the public sector	2015	2016	2017
	£9,230,000	£7,928,000	£7,492,000

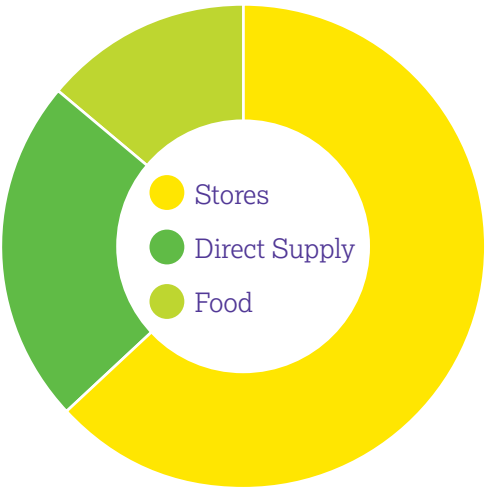
## Turnover by category (£000s)

Turnover by category	2016	2017
Stores	£71,924	£71,111
Direct Supply	£26,355	£24,684
Food	£15,625	£15,171

## New associate members

Allerdale Council
Coventry City Council
Craven District Council
Devon County Council
Greater Manchester Police Service
London Borough of Camden
London Borough of Haringey
London Borough of Westminster
Pendle Borough Council

## Turnover by category 2017



This table is an extract from the YPO Audited Statement of Accounts. to view the full document visit [www.ypo.co.uk](http://www.ypo.co.uk)

## Income and expenditure account (£000s)

Income and expenditure account	2017
Invoiced turnover	110,965
Cost of sales	(80,316)
Gross margin	30,649
Discounts	128
Rebates	5,299
Other income	2,216
Gross surplus	38,292
Operating expenses	
Employees	(18,001)
Premises	(1,224)
Supplies and services	(6,850)
Transport	(4,608)
S.L.A Costs	(127)
Financial and miscellaneous	(267)
Depreciation and revaluation increase/(decrease)	(270)
Pension service gain (cost) net of charges made to the general fund	(1,909)
	(32,256)
Surplus/(deficit) on trading operations	5,036



# Performance summary (continued)

Total spend under management	£676m
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## Accounts activated in 2017

Joint Committee accounts	2106
Limited Company accounts	7775

## Institute of Customer Service Benchmarking (Customer Satisfaction Index)

YPO CSI	89.1%
Our category average CSI	82%
Overall CSI	78%

## YPO Customer Survey

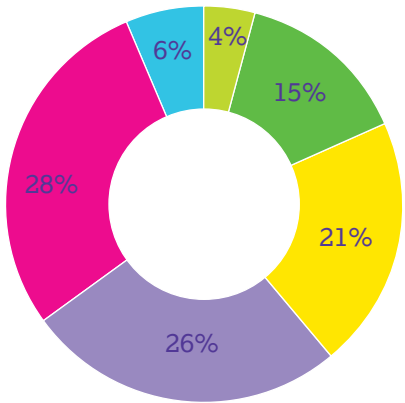
Customers satisfied or highly satisfied with the level of service recieved from YPO	97%
Customers were satisfied or highly satisfied with the price	97%
Customers that would recommend YPO	95%

## Environmental savings in 2017

Environmental KPIs	2017	2016	Difference
CO2 emissions (tonnes)	1973.5	2339	-15.63%
Electricity usage (kWh)	1743720.6	1782754	-2.2%
Water usage (m <sup>3</sup> )	2767	3093	-10.5%
Diesel usage (litres)	291223	315303	-15.6%

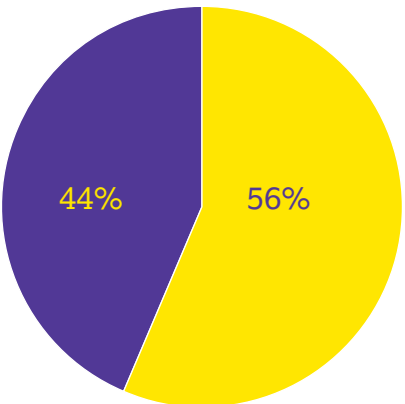
## Employees by age

<21		22
21-30		74
31-40		108
41-50		136
51-60		148
>60		33
Total		521



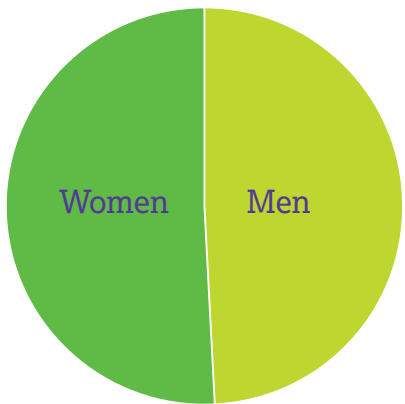
## Employees by Gender

Male		294
Female		227



## Gender Pay Gap

Mean hourly rate for men		£11.21
Mean hourly rate for women		£11.53
Women paid 2.8% higher than men		





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