

Please Reply to: Rachel Robertshaw
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Email: rachel.robertshaw@ypo.co.uk
Date: 28th May 2015

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

Dear Member

YPO EXECUTIVE SUB-COMMITTEE – FRIDAY 5th JUNE 2015

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 at **10.30am on Friday 5th June 2015 in the YPO HQ, 41 Industrial Park, Wakefield**, to consider the items set out in the agenda attached.

Please note the later start time of 10.30am.

Yours sincerely



Joanne Roney OBE
Secretary to the Joint Committee

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

This agenda can be provided in large type, audio, Braille or in another format or language if required. Please contact the person named above to discuss your requirement.

YORKSHIRE PURCHASING ORGANISATION

EXECUTIVE SUB-COMMITTEE

FRIDAY, 5TH JUNE 2015

10.30AM

AGENDA

- 1 Chairman's Introduction and Welcome.
- 2 Acceptance of Apologies for Absence.
- 3 Members' Declaration of Interest.
- 4 To approve as a correct record the notes of the Exec Sub Committee meeting held on 13th February 2015.
- 5 To note any items which the Chairman has agreed to add to the agenda on the grounds of urgency.
- 6 Executive Sub-Committee Work Programme & Terms of Reference 2015/16.
- 7 Lead Authority Issues.
- 8 Reserves Spend

9 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 10 and 11 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

- 10 Performance Report.
- 11 MD's Report/Business Update
- 12 Date of next meeting: 13th November 2015

YORKSHIRE PURCHASING ORGANISATION EXECUTIVE SUB-COMMITTEE

Friday, 13 February 2015

Present: The Chair – Councillor Sharman (Rotherham MBC)
The Vice Chair – Councillor Sykes (City of Bradford)
Councillors Richards (Kirklees MBC – substitute for Councillor O'Donovan), Keats (Knowsley MBC), Mackenzie (North Yorkshire CC), Fletcher (St Helens MBC), Stokes (Wakefield MDC), Walker (Wigan MBC – substitute for Councillor Kenny) and Horton (City of York)

74. CHAIR'S INTRODUCTION AND WELCOME

The Chair, Councillor Sharman, welcomed Members to the meeting.

75. APOLOGIES FOR ABSENCE

Apologies for absence submitted prior to the meeting were accepted on behalf of Councillor Kenny (Wigan MBC).

76. MINUTES - 7 NOVEMBER 2015

Resolved – That the Minutes of the meeting of the YPO Executive Sub-Committee held on 7 November 2014 be approved as a correct record.

77. MEMBERS' DECLARATIONS OF INTEREST

No declarations of interest were made.

78. LEAD AUTHORITY ISSUES

The Lead Authority's Monitoring Officer informed Members that from the start of the Municipal Year 2015/16, staff at YPO would be taking over the role of committee administration for the Management Committee and Sub-Committees.

She urged Founder Member Authorities to notify YPO of their Member representation on YPO as soon as practicable after their Annual Meeting of Council.

79. ASSOCIATE MEMBERSHIP PROPOSAL

A report of the Strategic Relationship Manager provided Members with a summary of an application for Associate Membership status from Tameside Council.

Resolved – (1) That Tameside Council be accepted as an Associate Member on the basis of meeting the strategic geographic element of the entry criteria, promotion of YPO catalogue to Tameside schools as well as the potential for meeting business growth in excess of £500,000.

(2) That Associate Membership approval come with the following baseline figures for the period year ending 2014 which included contractual spend for electricity:-

- Stock and Food £675,839
- Directs £183,451
- Contractual £3.4 million (estimate 2014)

80. STANDING ORDERS FOR CONTRACTS & FINANCIAL PROCEDURE RULES

A report of the Contracting Manager and Head of Finance provided Members with the revised Standing Orders for Contracts and Financial Procedure Rules, attached as

**YORKSHIRE PURCHASING ORGANISATION EXECUTIVE SUB-COMMITTEE - FRIDAY, 13
FEBRUARY 2015**

Appendix 1 to the report, which reflected changes recommended by the Board.

Resolved – (1) That the revised Standing Orders for Contracts and Financial Procedure Rules be accepted and be submitted to a future meeting of Management Committee for approval.

(2) That mandatory training be imparted to the Organisation through a suitable delivery vehicle such as OLAS.

81. EXCLUSION OF THE PUBLIC AND PRESS

Resolved - That the public and press be excluded from the meeting during consideration of Agenda Items 10 to 12 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

**82. PROJECT SEED (SUPPLIER ENGAGEMENT & ECONOMIC DEVELOPMENT)
(EXEMPT - PARAGRAPH 3)**

Consideration was given to a report of the Procurement and Supply Chain Director which provided background and an update on an initiative within YPO to improve how the Organisation engaged with suppliers to derive benefit particularly in the area of Social Value.

During a discussion on the report, a request was made for a geographical analysis on a yearly basis to be provided to Members. A suggestion was also made for any future report to include a Social Value Statement.

Resolved – That the report be noted.

83. PERFORMANCE REPORT (EXEMPT - PARAGRAPH 3)

A report of the Managing Director detailed the latest performance results for the Organisation. It was highlighted to Members that an overpayment of tax had occurred and that all efforts were being made to be reimbursed. Assurances were given to Members that systems had been reviewed to ensure this situation would not happen again in the future.

Members raised a number of issues and responses from Officers were accepted.

Resolved – That the Performance Report be noted.

84. BUSINESS UPDATE (EXEMPT - PARAGRAPH 3)

Directors of YPO presented a report giving an update of the activities of the organisation since the last meeting of the Sub-Committee and gave an overview on forthcoming activities and challenges. The report included an update on the organisation's operational, financial, procurement, commercial and workforce issues.

The Managing Director thanked the Lead Authority for their support in obtaining a fully effective result which had been awarded by Internal Audit on YPO's main financial systems.

Resolved – That the Business Update for December 2014 to January 2015, be noted.

**YORKSHIRE PURCHASING ORGANISATION EXECUTIVE SUB-COMMITTEE - FRIDAY, 13
FEBRUARY 2015**

85. DATE AND TIME OF NEXT MEETING

Resolved – That the next meeting of the YPO Executive Sub-Committee be held on 5 June 2015 at 10.00am.



YPO
EXECUTIVE SUB-COMMITTEE
TO BE HELD ON 5TH JUNE 2015

TITLE: WORK PROGRAMME

REPORT OF: MANAGING DIRECTOR

1. PURPOSE OF REPORT

1.1 To provide members with an overview of the work scheduled for the 2015/16 committee cycle.

2. BACKGROUND INFORMATION

2.1 The Executive Sub Committee has a membership of nine members drawn from the Management Committee (including the Chair and Vice Chair of the Management Committee). Its primary purpose is to review the performance of the organisation, ensure delivery of the agreed strategy and review the performance of the Managing Director.

2.2 Since the last AGM the Executive Sub Committee has met 4 times and on each occasion a full set of minutes with actions and matters arising has been presented to the management committee.

3. TERMS OF REFERENCE

3.1 The terms of reference have been reviewed and are attached for members' consideration. The proposed changes are:

- The frequency of the meetings to be reduced from 4 meetings per year to 3
- To amend point 6 which replaces the requirement to provide an annual report of activities to management committee with an assertion that the Executive sub-committee will provide an update to management committee on the activities of the Executive Sub-Committee by way of meeting minutes and responses to any matters arising.

This amendment will reflect the actual process followed by each sub-committee.

- We have removed Delegated Authority Point 6 which stated;
"To take urgent decisions where it is not practicable to call a full Management Committee meeting, subject to reporting any decisions made and the reasons for the urgency, to the next meeting of the Management Committee".

4. PRINCIPAL AGENDA ITEMS

4.1 The focus of principal agenda items for the Executive Sub Committee are similar to previous years and they are aimed at providing the members with sufficient information to undertake their role, as set out in the terms of reference. The proposed principal agenda items along with a meeting schedule and training plan are attached as appendices.

4.2 It is assumed that the Executive Sub Committee will receive delegation from the Management Committee in line with the terms of reference.

5. RECOMMENDATION

5.1 Members are asked to agree this report for submission to the AGM in the name of the Chair of the Executive Sub Committee.

REPORT AUTHOR:

Simon Hill
Managing Director

Yorkshire Purchasing Organisation
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Wakefield
WF2 0XE

Telephone No: 01924 834811
E-mail address: simon.hill@ypo.co.uk

APPENDIX (CES):

Appendix 1 - Terms of Reference 2015/16
Appendix 2 - Principal Agenda Items
Appendix 3 - Meeting Schedule
Appendix 4 - Training Schedule

Yorkshire Purchasing Organisation

Executive Sub-Committee Terms of Reference 2015/16

Number of Members

Nine Councillors, including Chair and Vice Chair of the Management Committee.
Not more than one Councillor from any member authority.

Co-opted Members

Not more than two non-voting co-opted members selected by the Management Committee for their relevant commercial expertise, without prejudicing the competitive environment in which YPO operates.

Quorum

Three voting members.

Substitutes

Allowed.

Frequency of Meetings

Three times per annum.

Remit

1. To ensure that the performance of YPO is in accord with established business plans.
2. To receive trading reports from senior managers and that trading operations are in line with approved business plans.
3. To review the performance of the organisation in achieving its objectives through an examination of performance data and relevant performance indicators.
4. To receive reports on spending against approved budgets.
5. To review annually its terms of reference and report any additions and amendments to the Management Committee.
6. To provide an update to Management Committee on the activities of the Committee by way of meeting minutes and responses to any matters arising.

To act with delegated authority of the Management committee in respect of:

1. To approve annually, medium term business plans, annual budgets and decisions to ensure year-end targets are achieved.
2. To approve individual capital investment proposals, in line with the overall investment plan agreed by the Management Committee.

3. To agree conditions within which goods, materials and services can be supplied to Member Authorities, Associate Members and other Local and Public Authorities covered by the Local Authorities (Goods and Services) 1970 act and any subsequent modifications.
4. To appraise the personal performance of the Managing Director of the organisation.
5. To act in association with the Head of HR as a recruitment and selection panel for the appointment of Directors and to appoint to the post of Director to any agreed Director vacancy and report such appointments to the Management Committee.

Principal Agenda Items 2015 - 2016

Executive Sub-Committee

November 2015	Author	Agenda
Performance Report	PS/S Hall	Private
Draft Budget and Business Plans for 2016	PS/S Hall	Private
Lead Authority Issues	BL	Public
Business Update	SH	Private
YPO Pay Policy	JW	Public
Stock Losses Report	SH	Private

March 2016	Author	Agenda
Performance Report	PS/S Hall	Private
Revised Budget and Business Plan	PS/S Hall	Private
Lead Authority Issues	BL	Public
Business Update	SH	Private
Standing Orders & Financial Procedure Rules	Jane Paddy/SHa	Public
Project SEED	PS	Private

June 2016	Author	Agenda
Performance Report	PS/S Hall	Private
Exec Sub Work Programme & TOR	SH	Public
Business Update	SH	Private
Lead Authority Issues	BL	Public
Reserves Spend	PS	Public

2015



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TRAINING SCHEDULE FOR 2015 - 2016

	EXEC SUB COM	AUDIT SUB COM	SCRUTINY SUB COM
Date and Training Topic	<p>13th November 2015</p> <p>Workforce Strategy Warehouse & Logistics Strategy</p> <p>Julie Wray & Paul Conway</p>	<p>6th November 2015</p> <p>Financial Management</p> <p>Steven Hall</p>	<p>16th October 2015</p> <p>Financial Management</p> <p>Steven Hall</p>
Date and Training Topic	<p>4th March 2016</p> <p>Commercial & Customer Strategy Procurement Services Strategy</p> <p>Jo Marshall & Paul Smith</p>	<p>26th February 2016</p> <p>External & Internal Audit Relationship</p> <p>Carl Tweed</p>	<p>5th February 2016</p> <p>Project Management</p> <p>Gavin Rimmington</p>
Date and Training Topic	<p>10th June 2016</p> <p>ICT Strategy & Business Change Programme</p> <p>Gavin Rimmington</p>	<p>27th May 2016</p> <p>Risk Management</p> <p>Diana Wright</p>	<p>20th May 2016</p> <p>Business Planning</p> <p>Kate Kear</p>



**REPORT TO YPO
EXECUTIVE SUB-COMMITTEE
5TH JUNE 2015.**

SUBJECT: RESERVES EXPENDITURE 2015.

REPORT OF: FINANCIAL CONTROLLER AND FINANCE BUSINESS PARTNER.

1 PURPOSE OF REPORT

1.1 To present a summary of reserves spend in 2015 as at 30th April 2015.

2 SUMMARY

2.1 Additional Internal Investment Reserves of £1.161m for 2015 were approved by Management Committee in October 2014.

2.2 As at 30th April 2015 no expenditure had been incurred in regards to the £1.161m approved.

2.3 Existing reserves brought forward from 2014 had a total opening balance of £1.829m. Spend against these reserves in 2015 totals £0.169m and is detailed in appendix 1 to this paper.

2.4 As at 30th April 2015 the remaining balance for all Internal Investment Reserves was £2.821m.

3 RECOMMENDATIONS

3.1 No recommendations are required at this time.

4 BACKGROUND

4.1 The Financial Procedure Rules sets out that all reserve creation statements are prepared and submitted by the Managing Director and Finance Director of the

Lead Authority to the Management Committee. The statements are approved by the Management Committee after considering the purpose of the reserve.

4.2 The above approval gives the Managing Director the authority to incur future expenditure without future reference to the Management Committee.

4.3 Any changes to the use of Reserves are subject to consultation between the Managing Director, Lead Authority Finance Director and Management Committee Chairman.

4.4 The above authorisations are then cascaded down to budget holders who must incur spend in line with YPO's internal reserves policy.

4.5 Each month a reserve movement report is sent to Board for review. This report outlines the opening and closing balances along with the total spend to date.

5 OPTIONS APPRAISAL (WHERE APPLICABLE)

5.1 No options are required at this time.

6 WHAT DOES THIS MEAN FOR YPO STAKEHOLDERS?

6.1 If the approved spend is exceeded during the year this could mean, depending on the funding decision, a reduction in yearly profits or more funds required from the General fund. Both options could potentially effect 2015's dividend distribution.

7. OUTCOME AND SUSTAINABILITY

7.1 The finance team are in the process of setting up regular reviews of forecasted reserves expenditure with the budget holders. This process will allow us to track spend as it happens and be proactive should reserve limits look like they are going to be exceeded.

8. FINANCIAL IMPLICATIONS

8.1 If forecasted expenditure is expected to exceed the approved amount the company will need to determine how this additional spending is to be funded.

9. LEGAL IMPLICATIONS

9.1 There are no legal implications arising from this report.

10. EQUALITY IMPLICATIONS / EQUALITY OF OPPORTUNITY IMPLICATIONS

10.1 This report does not have any impact on Equality and Diversity.

11. ICT IMPLICATIONS

11.1 There are no ICT implications.

12. ENVIRONMENTAL AND SUSTAINABILITY IMPLICATIONS

12.1 This report does not have any impact on the sustainability agenda.

13. ECONOMIC IMPLICATIONS

13.1 There are no direct impacts on the economy.

14. HUMAN RESOURCE IMPLICATIONS

14.1 There are no HR implications.

15. PROPERTY IMPLICATIONS

15.1 This report does not impact on the property portfolio.

16. OTHER IMPLICATIONS

16.1 There are no other implications

17. RISK ASSESSMENT

17.1 There is no risk associated with this report.

18. CONSULTATIONS AND ENGAGEMENT

18.1 No consultations have taken place in regards to the content of this report.

19. CATEGORY OF REPORT

19.1 Public.

20. BACKGROUND PAPERS

20.1 There are no background papers.

SERVICE DIRECTOR:

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Job Title: Executive Director

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Telephone No: 01924 834969

E-mail address: paul.smith@ypo.co.uk.

CONTACT OFFICERS:

Name: Matt Hirst / Haley Keenan

Job Title: Financial Controller / Finance Business Partner

Address: Yorkshire Purchasing Organisation, 41 Industrial Park, Wakefield WF2 0XE

Telephone No: 01924 834964 / 885951

E-mail addresses: Matthew.hirst@ypo.co.uk Haley.Keenan@ypo.co.uk

APPENDIX:

Appendix 1 – Reserves Expenditure Summary as at 30th April 2015.

APPENDIX 1

Reserves Expenditure Summary as at 30th April 2015.

Reserves Purpose	Opening Balance 01/01/2015	Spend To Date	Closing Balance 30/04/2015
Invest for Growth	£586,667	-£15,000	£571,667
Asset & Facilities Investment	£1,000,202	-£32,324	£967,878
Infrastructure & IT	£1,000,575	-£121,850	£878,726
Commercial Investment	£178,772	-£324	£178,448
Operational Investment	£204,087	£0	£204,087
Procurement Investment	£20,000	£0	£20,000
Total	£2,990,303	-£169,497	£2,820,806

AGENDA ITEM NO 10

Exempt Information by virtue of paragraph(s) 3
Of Part 1 of Schedule 12A of the Local Government Act 1972

DOCUMENT IS RESTRICTED

AGENDA ITEM NO 11

Exempt Information by virtue of paragraph(s) 3
Of Part 1 of Schedule 12A of the Local Government Act 1972

DOCUMENT IS RESTRICTED