

Your Ref.
Our Ref
Please Reply To **Kathryn McGowan**
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Date 30 October 2014

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

Dear Member,

YPO EXECUTIVE SUB-COMMITTEE – FRIDAY, 7 NOVEMBER 2014

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 **10:00 am on Friday, 7 November 2014** in the **YPO Headquarters, 41 Industrial Park, Wakefield** to consider the items set out in the agenda attached.

Would Members please note that a training session will be held before the meeting at 9.30 am on the subject of Change Management which will be delivered by Pooja Furniss.

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, cassette, 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, 7 November 2014**

AGENDA

1. Chair's Introduction and Welcome.
2. Acceptance of Apologies for Absence.
3. Members' Declarations of Interest.
4. To approve, as a correct record, the Minutes of the meeting held on 5 September 2014. (Pages 1 - 2)
5. To note any items which the Chairman has agreed to add to the Agenda on the grounds of urgency.
6. Lead Authority Issues.
7. Associate Member Criteria. (Pages 3 - 5)
8. Associate Member Proposal. (Pages 7 - 11)
9. Compliance with the Localism Act 2011 & the Local Government Transparency Code 2014. (Pages 13 - 31)
10. 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 11 to 15 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."
11. Business Update September to October. (Pages 33 - 36)
12. Performance Report. (Pages 37 - 43)
13. Stock Losses. (Pages 45 - 48)
14. Draft Business Plan and Budget for 2015. (Pages 49 - 58)
15. Energy Procurement and Governance. (Pages 59 - 61)
16. Date and Time of Next Meeting.
The next meeting of the YPO Executive Sub-Committee will be held on Friday 13 February 2015 at 10.00am.

YORKSHIRE PURCHASING ORGANISATION EXECUTIVE SUB-COMMITTEE**Friday, 5 September 2014**

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

48. CHAIR'S INTRODUCTION AND WELCOME

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

The Chair thanked Malcolm Hepworth for his valuable contribution as an Independent Board Member for YPO over the years as this was his last Executive meeting and went on to wish him well for the future.

49. APOLOGIES FOR ABSENCE

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

50. MINUTES - 11 APRIL 2014

Resolved – That the Minutes of the meeting of the YPO Executive Sub-Committee held on 11 April 2014 be approved as a correct record.

51. MEMBERS' DECLARATIONS OF INTEREST

No declarations of interest were made.

52. LEAD AUTHORITY ISSUES

The Lead Authority Solicitor informed Members that Transpennine Properties had now been wound up with no residual assets.

53. EXCLUSION OF THE PUBLIC AND PRESS

Resolved – That the public and press be excluded from the meeting during consideration of Agenda Items 8 to 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**54. BUSINESS UPDATE APRIL - AUGUST (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 and workforce issues and gave a commercial update.

Resolved – That the report be noted.

55. HALF YEAR FORECAST (EXEMPT - PARAGRAPH 3)

A joint report was submitted by the Managing Director and the Head of Performance, Business Planning and Management Accounting, advising Members on the outcome of the 2014 Half Year Review for the Organisation. Background to the position was detailed for Members which included both internal and external influences which had affected the performance of YPO.

**YORKSHIRE PURCHASING ORGANISATION EXECUTIVE SUB-COMMITTEE - FRIDAY, 5
SEPTEMBER 2014**

Resolved – That the Executive Sub-Committee note the forecast position for YPO for 2014.

56. PERFORMANCE REPORT (EXEMPT - PARAGRAPH 3)

The Managing Director presented a report which highlighted the performance results for the Organisation.

Resolved – That the performance report on the Key Performance Indicators be noted.

57. THREE YEAR STRATEGY HEADLINES (EXEMPT - PARAGRAPH 3)

Consideration was given to a report of the Managing Director which provided Members with an early view of the themes contained in YPO Strategy 2015 – 17.

The final report would be presented to the Management Committee meeting in November.

Resolved - That the report be noted and any contributions from Members would be welcome.

58. DATE AND TIME OF NEXT MEETING - 7 NOVEMBER 2014

Resolved – That the next meeting of the YPO Executive Sub-Committee be held on 7 November 2014 at 10.00am.



YPO
EXECUTIVE SUB-COMMITTEE
TO BE HELD ON
7TH NOVEMBER 2014

TITLE: ASSOCIATE MEMBERSHIP APPROVAL CRITERIA

REPORT OF: PROCUREMENT AND SUPPLY CHAIN DIRECTOR

1. PURPOSE OF REPORT

1.1 The purpose of this report is to recommend a more structured set of approval criteria for associate membership of YPO.

2. BACKGROUND INFORMATION

2.1 The Associate Membership scheme for YPO has been very successful since its inception and has been a major driver for business growth over the current three year cycle.

2.2 YPO now has 31 associate members including major cities (Birmingham, Manchester, Sheffield, Leeds) and 2 London Boroughs.

2.3 However, the criteria for accepting associate members have not been well-defined and on a number of occasions the criteria have been varied to suit particular circumstances.

2.4 Strategic Officers have requested that a more comprehensive set of approval criteria are drawn up to enable YPO to assess more easily whether an application is in line with the strategic objectives of the organisation.

2.5 YPO will recommend associate membership if authorities meet any of these qualifying criteria:

1. They are in a strategic target geographic area.
(For example, in recent years these have included London and West Midlands).
2. They are in a strategic target market.
(For example Emergency Services)
3. They are adding (or currently account for) significant volume to strategic spend categories.

Significant volume is > £500k for frameworks and >£250k for supplies per annum.

On top of this, we will ask for the following from each application:

1. A senior level written commitment to work closely with YPO to develop collaboration opportunities
 2. A plan to work with YPO to promote YPO supplies to their local schools
 3. A forecast of future growth as a result of the above activities
- 2.6 All associate membership applications will be reviewed by the YPO Strategic Officer Group before being submitted to Executive Sub-Committee and Management Committee for approval.
- 2.7 Changes to the approval criteria laid out in this report would have to be agreed by Executive Sub-Committee.
- 2.8 The current method of calculating dividend is unaffected by this recommendation.
- 2.9 YPO will not currently accept associate membership applications from any type of organisation other than Local Authorities, Police Authorities and Fire Authorities.
- 2.10 Commercial relationships with other partners (such as Academy Trusts, Colleges, National Buying Groups, NHS Trusts) will be developed through different channels.

3. STRATEGIC IMPLICATIONS

- 3.1 Associate Membership remains a key strategic tool to help drive YPO's growth and the management team will continue to seek associate membership applications from authorities that meet the criteria in this report as we believe that this is in the best interests of the founder members.

4. FINANCIAL IMPLICATIONS

- 4.1 The current method of calculating dividend is unaffected by this recommendation. Associate members will continue to earn dividend only on spend above an agreed baseline.
- 4.2 This method of calculating dividend protects the proportion of rebate allocated to founder members.

5. RISK IMPLICATIONS

- 5.1 There is a risk that YPO's growth is restricted if the associate membership scheme does not continue to be a success.

6. RECOMMENDATION (S)

- 6.1 It is recommended that the approval criteria laid out in this report are adopted for all future associate membership applications.

SERVICE DIRECTOR & CONTACT OFFICER: (PAUL SMITH, PROCUREMENT AND SUPPLY CHAIN DIRECTOR)

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YPO
EXECUTIVE SUB-COMMITTEE
TO BE HELD ON
7TH NOVEMBER 2014

SUBJECT: ASSOCIATE MEMBERSHIP PROPOSAL – WALSALL COUNCIL

REPORT OF: DAVID BEMROSE, HEAD OF BUSINESS DEVELOPMENT

1 PURPOSE OF REPORT

- 1.1 Provide summary of formal application for Associate Membership received from Walsall Council and the base spend figures based on the authorities previous usage of YPO energy contracts.

2 SUMMARY

- 2.1 Walsall Council have submitted a formal application for Associate Membership, see Appendix 1 dated 30th May 2014 on the understanding that this application will not be considered by YPO Management Committee until November 2014. Walsall Council have been contracted users and members of the YPO Energy frameworks for a considerable time and have been over the years active members of the EISG group.
- 2.2 Over their years of usage of YPO Walsall have directed contractual spend in excess of £30 million through these YPO frameworks for Electricity and Gas Supply and thus contributed significantly to the financial performance of the organisation during this period.

3 RECOMMENDATIONS

- 3.1 In order to support business retention specifically on Electricity & Gas spend through YPO and developing future growth from Walsall I would recommend the acceptance of this application with the following baseline figures from 2013 used in the submission to Management Committee:

Stock & Food	£244,661
Direct	£125,474
Contractual	£8 million

- 3.2 This equates to 2013 spend profile with YPO and anticipated continuing engagement through YPO contracts.
- 3.3 On the basis of the above criteria being approved I would then recommend the standard growth threshold of £500,000 be applied across a mix of catalogue spend and contractual engagements.
- 3.4 The introduction of Walsall Council to the YPO Associate Members group further supports the strategic development within the Midlands region following the recent introduction of Birmingham City Council and Staffordshire County Council and will help drive further potential expansion from the likes of Coventry ,Dudley Solihull and Wolverhampton.

4 BACKGROUND

- 4.1 In 2013 Walsall Council's reported spend through YPO framework's is estimated to be around £8 million with the breakdown as follows:

Electricity Contract £6.million
Gas Contract £2.million

- 4.2 In terms of Walsall schools and other catalogue spending establishments the 2013 total spend was £370,136 detailed statistics are as follows:

Stock £244,661
Furniture £83,852
Direct £41,622

- 4.3 Walsall Metropolitan Borough Council was established in 1974 with 60 local councillors representing 20 wards covering some 40 square miles and a population of over 300,000.
- 4.4 The continuing pressures on local authority spending have been leading to some considerable changes to the operational structure of the authority and this is documented in the published savings targets for 2014-2015 of £18.5 million. In terms of procurement capacity the authority is reducing the FTE count by 5 posts with only 2 positions retained to provide a centralised support function with directorates being the focus going forward for procurement activity and expertise.
- 4.5 Walsall Council current YPO engagement is limited to Energy category with spend on Electricity and Gas however we have an opportunity to expand YPO coverage across a number of key category areas including School spend , Fleet , Buildings & Highways and ICT. We are currently discussing the potential use of YPO Contract 324 for the procurement of 20 + Refuse Collection Vehicles valued at over £3 million and the approval of Associate Membership will obviously aid these discussions.

5. BACKGROUND PAPERS

5.1 Appendix 1 – Letter of Application from Walsall Council.

SERVICE DIRECTOR: (JO MARSHALL, COMMERCIAL DIRECTOR)

CONTACT OFFICER: (DAVID BEMROSE, HEAD OF BUSINESS DEVELOPMENT)

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Walsall Council

John Stevens
Interim Head of Property Services

Ref
Date
Telephone

JS/CLE
30 May 2014
01922 652572

Mr David Bemrose
Head of Business Development – Services
Yorkshire Purchasing Organisation
41 Industrial Park
Wakefield
WF2 0XE

Dear David

YPO Associate Membership Scheme

Further to your telephone conversation with Carol Edmondson yesterday, I write to confirm Walsall Council's expression of interest in becoming an Associate Member of the YPO Associate Membership Scheme.

We understand that as YPO's Management Committee only meets twice a year, the earliest opportunity to give consideration to our application will be in November 2014.

Yours sincerely



John Stevens

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YPO
EXECUTIVE SUB-COMMITTEE
TO BE HELD ON
7TH NOVEMBER 2014

SUBJECT: COMPLIANCE WITH THE LOCALISM ACT 2011 AND THE LOCAL GOVERNMENT TRANSPARENCY CODE 2014

REPORT OF: HEAD OF HR AND PEOPLE SUPPORT SERVICES

1 PURPOSE OF REPORT

- 1.1 To agree a Pay Policy for YPO in line with our statutory requirements to comply with the 2011 Localism Act that can be recommended to Management Committee.
- 1.2 To agree the additional information to be published to comply with the Local Government transparency Code 2014.
- 1.3 To discuss the process for reviewing the living wage on an annual basis.

2 RECOMMENDATIONS

- 2.1 To agree the Pay Policy for 2015
- 2.2 To agree the information to be published in line with the revised transparency requirements
- 2.3 To delegate responsibility for reviewing the living wage to the Board in line with the agreement for Board to review Apprentice pay on an annual basis.

3 BACKGROUND

- 3.1 Sections 38 – 43 of the Localism Act 2011 require that local government employers produce a policy statement that covers a number of matters concerning the pay of their staff and principally senior officers. This policy statement meets the requirements of the Localism Act in this regard.

- 3.2 The Local Government Transparency Code 2014 outlines information that each Local Authority must publish and additional information that is recommended for publication, following the principle that all data held and managed by local authorities should be made available unless there are specific sensitivities (e.g. protecting vulnerable people, commercial or operational considerations).

The information concerning staff that must be published is outlined in Appendix B and the information to be published by YPO is attached.

- 3.3 YPO currently has an Apprenticeship pay rate of £140 per week in year one and £160 per week (or age related payments if applicable) in year two. This equates to £3.78 per hour in year one and £4.34 per hour in year two. Both amounts are in excess of the Governments minimum pay for apprentices of £2.73 per hour. Apprenticeship rates are not subject to the pay Board have delegated responsibility to review the rates on an annual basis in line with any public sector pay increases.

- 3.4 In 2013 as part of the pay policy review for 2014 YPO Management Committee agree to implement the living wage at YPO. This was not via an accreditation process and therefore we are not bound to accept any increases proposed by the living wage foundation. There are currently 9 people in receipt of a living wage supplement at a cost to YPO of around £15,000 per year.

- 3.5 The timing of the living wage foundation recommendations in November each year means that any recommendation for YPO cannot be included in the pay policy review and would therefore have to be brought to committee as a separate report in March the following year. As the impact is minimal as part of the overall pay bill would it be an option for the review of the supplement pay to be delegated to YPO Board in line with the agreement on Apprenticeship pay.

4 OPTIONS APPRAISAL (WHERE APPLICABLE)

- 4.1 To accept the pay policy and additional transparency information as currently written.
- 4.2 To reject the policy in whole or in part and make recommendation for changes.
- 4.3 To delegate any review of the living wage supplement to the Board at YPO.
- 4.4 To request any review of the living wage supplementary payment to be brought back to management committee prior to implementation.

5. FINANCIAL IMPLICATIONS

- 5.1 Any changes to pay will have a financial impact, however the detail as outlined in the pay policy is fully accounted for and includes provision for agreed incremental progression and nationally agreed pay awards.

6. LEGAL IMPLICATIONS

- 6.1 Publication of a pay policy is a statutory requirement of the Localism Act 2011. The publication of additional information is a requirement of the Local Government Transparency code 2014.

7. EQUALITY IMPLICATIONS / EQUALITY OF OPPORTUNITY IMPLICATIONS

- 7.1 The Pay Policy is fully compliant with the Equality Act 2010.

8. ECONOMIC IMPLICATIONS

- 8.1 As one of the largest employers in Wakefield, YPO's continuing success in maintaining satisfactory pay and conditions support the local economy.

9. HUMAN RESOURCE IMPLICATIONS

- 9.1 The pay policy is fully aligned with YPO's job evaluation policy and terms and conditions and does not propose any variations.

10. RISK ASSESSMENT

- 10.1 None as a statutory requirement to publish information.

11. CONSULTATIONS AND ENGAGEMENT

- 11.1 None in relation to this report, however all changes to roles, pay and terms and conditions are subject to consultation with staff and recognised trade unions.

SERVICE DIRECTOR: (SIMON HILL, MANAGING DIRECTOR)

CONTACT OFFICER: (JULIE WRAY, HEAD OF HR & PEOPLE SUPPORT SERVICES)

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Local Government Transparency Code 2014

The following information is information concerning employment that must be published in line with the revised code

Organisation Chart (top three levels of the organisation)

YPO Board of Directors

Managing Director - the most senior officer at YPO is the Managing Director who working closely with the management committee and lead authority provides provide leadership, strategic direction and operational management to ensure the delivery of all services. The MD also has responsibility for the finance function.

Procurement and Supply Chain Director – this role has responsibility for procurement (supplies and services), contracts, stock control, warehousing, logistics, IT and Programme Management

Commercial Director - this role has responsibility for, Sales, Marketing, Catalogue production, CPD, Customer Engagement and the Trading Team

Head of HR & People Support Services – this role has responsibility for HR, Business Support, CSR, Employee Engagement, Health and Safety, Facilities Management and Quality & Assurance

The Board share responsibility for managing all YPO employees and meet formally on a monthly basis. The Board is chaired by the Managing Director. Reports requiring further scrutiny or decisions outside of the delegated responsibilities are referred as appropriate to the management committee or a relevant sub-committee.

YPO Senior Leadership Team These are all permanent posts. Further details in relation to services and functions, budgets and detailed salary information has not been included as this is deemed to be commercially sensitive information.

Head of Logistics

Head of Procurement Services

Head of Trading

Head of Supply Chain Operations

Head of Customer Experience

Head of Sales and Marketing

Head of Finance

Head of Business Change and IT

Contact details

Role	Current role holder	Contact number	e-mail address
Managing Director	Simon Hill	01924 834811	simon.hill@ypo.co.uk
Procurement & Supply Chain Director	Paul Smith	01924 834969	paul.smith@ypo.co.uk
Commercial Director	Jo Marshall	01924 834976	jo.marshall@ypo.co.uk
Head of HR & People Support Services	Julie Wray	01924 834897	julie.wray@ypo.co.uk
Head of Logistics	Paul Conway	01924 834917	paul.conway@ypo.co.uk
Head of Procurement Services	Chris Graves	01924 834807	chris.graves@ypo.co.uk
Head of Trading	Richard Tinker	01924 834806	richard.tinker@ypo.co.uk
Head of Supply Chain Operation	Faye Barker	01924 834957	faye.barker@ypo.co.uk
Head of Customer Experience	Martin Armytage	01924 885959	martin.armytage@ypo.co.uk
Head of Sales and Marketing	Vacant		
Head of Finance	Vacant		
Head of Business Change and IT	Gavin Rimmington	01924 836993	gavin.rimmington@ypo.co.uk

Senior Salaries – please see the attached link to senior management pay data

Additional Benefits

Pension

The Local Government Pension Scheme (LGPS) covers Council employees and some councillors. The LGPS is a contributory scheme, this means that the employee contributes to the scheme from his or her own salary. Employees contribute between 5.5% - 12.5% of their salaries.

Employers' contributions to the LGPS vary depending upon how much is needed to ensure benefits under the Scheme are properly funded, and are set independently. The rules governing the pension scheme are contained in regulations made by Parliament.

Further information about the scheme can be found on: www.lgps.org.uk

Expenses – What are Senior Officers entitled to?

The Board are expected to work such hours as are necessary to ensure the job gets done. This routinely involves evening and sometimes weekend work as well as a standard Monday to Friday business week.

No extra payments are made for such extended hours.

Senior officers in line with all employees are able to claim for a restricted amount of legitimate business expenses, including business travel in line with YPO's travel and subsistence policy.

Pay Multiple – this is included in the Statement of Pay Policy 2015 which was approved at Management Committee on the 28th November 2014.

Trade Union Facility Time

The only Union recognised by YPO for collective consultation is UNISON. There are 9 elected Union representatives with the following hours allocated for Union duties.

Branch Chair, 7 hours per week.

Branch secretary, 18 hours per week.

Health and Safety rep 4 days per year plus 2 hours a month for meetings.

4 workplace and safety reps 2 hours per month for meetings.

Additional hours may be required for ad hoc meetings, support in conduct issues etc.

1450 hours are currently allocated for a 12 month period which is the equivalent of 0.75 FTE.

In the 12 months to the 30th September 2014 1816 hours were spent on Union duties, the equivalent of 0.94 FTE.

Currently the branch secretary is also the Health and Safety rep which equates to 50% of his available working time.

A basic estimate of spending on Unions as a percentage of the total pay bill (calculated as the number of full time equivalent days spent on union activities multiplied by the average salary divided by the total pay bill) is £21,980 or 0.0018% of the total pay bill.

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YPO Senior Management Pay Data (based on data as at 30th September 2014)

<u>Name</u>	<u>Job Title</u>	<u>FTE</u>	<u>Salary</u>
Simon Hill	Managing Director	1.0	£121,200
Paul Smith	Procurement & Supply Chain Director	1.0	£85,850
Jo Marshall	Commercial Director	1.0	£85,850

Data on salaries above £50,000 (some Senior Managers earn less than £50k)

<u>Salary Bracket</u>	<u>Number of employees</u>
£50,000 - £55,000	1
£55,001 - £60,000	1
£60,001 - £65,000	3
£65,001 - £70,000	1
£70,001 - £75,000	2
£75,001 - £80,000	

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YPO - Statement of Pay Policy 1st Jan 2015 to 31st December 2015

1. Introduction

- 1.1 Sections 38 – 43 of the Localism Act 2011 require that local government employers produce a policy statement that covers a number of matters concerning the pay of their staff and principally senior officers.

This policy statement meets the requirements of the Localism Act in this regard and also meets the requirements of the Local Government Transparency Code 2014.

- 1.2 YPO is a formally constituted joint committee of 13 Local Authorities with Wakefield Council as lead authority. All YPO employees are local government officers and employed by Wakefield Council on behalf of YPO. A management agreement is in place signed by all 13 Authorities this states that:

- (i) 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
- (ii) The Management Committee shall appoint annually an appointments committee with responsibility for the appointment and disciplinary procedures of the Board of Directors and appraising the performance of the Managing Director
- (iii) 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 all HR policies and procedures are in accordance with best practice.

- 1.3 This policy is to be considered by Management Committee on the 28th November 2014 and if agreed will be made public on the first working day of January 2015

- 1.4 This pay policy is in addition to the data on pay and rewards for senior staff which is published separately in line with the Local Government Transparency Code 2014). It should be noted that some of the requirements to publish data under the Local Government Transparency code may differ from the data requirements of the Code of Practice and the Accounts and Audit Regulations and both are complied with as stated. The transparency information relevant to people is attached at Appendix B

2. Definition of officers covered by the Policy Statement

- 2.1 This policy statement covers the following posts, which are referred to as “Chief Officers” throughout the statement in line with the Localism Act. As YPO do not have a Statutory Chief Officer this definition is expanded to include YPO Directors:

- Managing Director

- Commercial Director
- Procurement & Supply Chain Director

Deputy Chief Officers (as defined in the Local Government and Housing Act 1989 as posts reporting to a Chief Officer (statutory or non-statutory) which in YPO are posts which are part of the Senior Leadership Team:

- Head of HR & People Support Services *
- Head of Logistics
- Head of Procurement Services
- Head of Trading
- Head of Supply Chain Operations
- Head of Sales and Marketing
- Head of Customer Experience
- Head of Finance
- Head of Business Change and IT

* This post is a Board level position and reports directly to the Managing Director but is not appointed at Chief Officer level

3. Policy on remunerating Chief Officers

- 3.1 The policy on remunerating Chief Officers is set out at schedule A at the end of this policy statement. It is to YPO's policy to establish a remuneration package for each officer post that is sufficient to attract and retain staff with the appropriate skills, knowledge, experience, abilities and qualities that are consistent with the requirements of the post in question at the relevant time.

4. Policy on remunerating the lowest paid in the workforce

- 4.1 YPO applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of internal decisions, these are then incorporated into contracts of employment.
- 4.2 The lowest pay point in YPO (not including apprentices) is spinal column point 5 within Grade 1, this relates to an annual salary of £12,435 and can be expressed as an hourly rate of pay of £6.4453 This pay point and salary was determined by the pay scale for employees employed on Local Government Services Terms and Conditions from 1st April 2014. The pay rate is increased in accordance with any pay settlements which are reached through the National Joint Council for Local Government Services.
- 4.3 From the 1st April 2014 YPO implemented the living wage to pay a contractual supplement to YPO employees to a minimum of £7.65 per hour on base pay only but not on enhancements such as overtime. YPO did not seek accreditation to the living wage foundation and therefore the supplement will be reviewed annually when figures are released in November each year and a

decision taken at that point as to if the increases proposed should be adopted. There are currently 9 people at YPO in receipt of the living wage supplement.

The living wage supplement does not apply to apprentices, however we will continue to review apprentice pay rates on an annual basis.

5. Policy on the relationship between Chief Officer Remuneration and that of other staff

- 5.1 The highest paid salary in YPO is £121,210 which is the substantive salary of the Managing Director. The average salary in YPO (not including apprentices) is £23,383. The ratio between the two salaries, the 'pay multiple' is 1:5.2. The median salary is £18,634. The ratio between the highest and median salary points is 1:6.5

YPO does not have a policy on maintaining or reaching a specific 'pay multiple', however we are conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the organisation as expressed in this policy statement.

- 5.2 YPO's approach to the payment of other staff is to pay that which needs to be paid to recruit and retain staff with the skills, knowledge, experience, abilities and qualities needed for the post in question at the relevant time (in accordance with an agreed job evaluation scheme), and to ensure that YPO meets any contractual requirements for staff including the application of any local or national collective agreements, regarding pay.

6. Policy on other aspects of Chief Officer Remuneration

- 6.1 Other aspects of Chief Officer remuneration that covered by this policy statement are defined as recruitment, pay increases, additions to pay, lease car, performance related pay, earn back, bonuses, termination payments, transparency and re-employment when in receipt of an LGPS pension or a redundancy/severance payment. These matters are addressed in Appendix A of this policy statement.

7. Approval of Salary Packages for Chief Officers (Directors)

- 7.1 YPO will ensure that any salary package for appointment at Director level will be considered by the appointments committee. The salary package will be defined as base salary, any bonuses, fees, routinely payable allowances and benefits in kind that are due under the contract. Salary packages for all other senior posts will be determined via the job evaluation process.

8. Flexibility to address recruitment issues for vacant posts

- 8.1 In the vast majority of circumstances the provisions of this policy will enable YPO to ensure that it can recruit effectively to any vacant post. There may be exceptional circumstances when there are recruitment difficulties for a particular post and where there is evidence that an element or elements of the remuneration package are not sufficient to secure an effective appointment. The appointments committee will have delegated powers to make decisions to increase the stated salary without referral to the full management committee.

9. Amendments to the policy

- 9.1 It is anticipated that this policy will not need to be amended during the period it covers (January 2015 – end December 2015), however if circumstances dictate that a change of policy is considered to be appropriate during the year then a revised draft policy will be presented to the Management Committee for consideration.

10. Policy for future years

- 10.1 This policy statement will be reviewed each year and will be presented to Management Committee in November each year for consideration in order to ensure that a policy is in place for YPO prior to the start of each financial year.

Pay Policy Statement – Appendix A

Recruitment

All posts will be advertised and appointed to at the appropriate approved salary for the post in question level unless there is good evidence that a successful appointment of a person with the required skills, knowledge, experience, abilities and qualities cannot be made without varying the remuneration package. In such circumstances a variation to the remuneration package is appropriate under YPO's policy and any variation will be approved through the appropriate decision making process. If the salary is to be over £100,000 then the appointments committee / JCC will have to approve the terms of the appointment

Lease Cars

YPO operate a lease car scheme that is governed by a lease car policy which defines the eligibility. On inception of this policy eligibility will be agreed on a case by case basis and not be automatic even though existing employees undertaking the same role have a car.

For a position to be deemed eligible it must comply with the following criteria:

1. The role requires regular use of a car and regular business travelling (with mileage in excess of 5000 miles per year).
2. Market conditions dictate high levels of competition and the inclusion of a car as part of the overall remuneration package is required to secure candidates in a competitive market. This is a criterion that must be agreed at Board level and will be determined via a business case supported by market factor evidence and considered on a case by case basis.

Pay Increases

YPO will apply any pay increases that are agreed by relevant national negotiating bodies and/or any pay increases that are agreed through local negotiations. YPO will also apply any pay increases that are as a result of decisions to significantly increase the duties and responsibilities of the post in question beyond the normal flexing of duties and responsibilities that are expected in senior posts.

Additions to pay

YPO would not make additional payments beyond those specified in the contract of employment, other than the Living wage supplement for those earning less than £7.65 (as at 1st April 2014)

Performance Related Pay

YPO does not operate a performance related pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously.

Earn-Back (Withholding an element of base pay related to performance)

YPO does not operate an earn-back pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously.

Bonuses

YPO does not pay bonus payments to officers

Termination payments

YPO applies its normal redundancy payments arrangements to senior officers and does not have separate provisions for senior officers (although on occasion there may be circumstances, as with any member of staff, where a negotiated agreement is made with an individual). YPO also applies the appropriate Pensions regulations when they apply. YPO has agreed policies in place on how it will apply any discretionary powers it has under Pensions regulations. Any costs that are incurred by YPO regarding senior officers and their termination payments are published in the authority accounts as required under the Accounts and Audit (England) Regulations 2011

Transparency

YPO meets its requirements under the Localism Act and the Local Government Transparency Code 2014 in order to ensure that it is open and transparent regarding senior officer remuneration.

Re-employment of staff in receipt of an LGPS Pension or a redundancy/severance payment

YPO is under a statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation. YPO will always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed for the post. YPO will therefore consider all applications for candidates to try to ensure the best available candidate is appointed. If a candidate is a former employee in receipt of an LGPS pension or a redundancy payment this will not rule them out from being re-employed by YPO.

Clearly where a former employee left YPO on redundancy terms then the old post has been deleted and the individual cannot return to the post as it will not exist. YPO

will apply the provisions of the Redundancy Payments Modification Order regarding the recovery of redundancy payments if this is relevant. Pensions Regulations also have provisions to reduce pension payments in certain circumstances to those who return to work within the local government service.

Election Fees

Section 68 Electoral Administration Act 2006 amended S29 RPA 1983 details the expenses that can be paid to the returning officer, and the Charges Order specifies what constitutes a Returning Officer's services.

This role is undertaken by officers at Wakefield and therefore does not apply to any senior officer at YPO

Expenses

Travel and other expenses are reimbursed through normal procedures and are the same for all officers regardless of grade or seniority.

Honoraria and Ex Gratia Payments arrangements would be in accordance with relevant terms and conditions and relevant legislation

Pay Policy Statement – Appendix B

Summary of staff data requirements of the Local Government Transparency Code

The revised code outlines information that each Local Authority must publish and additional information that is recommended for publication, following the principle that all data held and managed by local authorities should be made available unless there are specific sensitivities (e.g. protecting vulnerable people, commercial or operational considerations)

The information concerning staff that must be published is outlined below::

Organisation Chart

- Publish an organisation chart covering staff in the top three levels of the organisation. The following information must be included for each member of staff included in the chart:
 - grade
 - job title
 - local authority department and team
 - whether permanent or temporary staff
 - contact details
 - salary in £5,000 brackets, consistent with the details published for Senior Salaries
 - salary ceiling (the maximum salary for the grade)

Senior Salaries

- Local authorities must place a link on their website to the following data or must place the data itself on its website:
- the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000
- details of remuneration and job title of certain senior employees whose salary is at least £50,000
- employees whose salaries are £150,000 or more must also be identified by name.
- a list of responsibilities (for example, the services and functions they are responsible for, budget held and number of staff) and details of bonuses and 'benefits in kind',

Pay Multiple

- Publish the pay multiple on their website defined as the ratio between the highest paid salary and the median salary of the whole of the authority's workforce. The measure must:
- cover all elements of remuneration that can be valued (eg. All taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind) use the median

earnings figure as the denominator, which should be that of all employees of the local authority on a fixed date each year, coinciding with reporting at the end of the financial year

- exclude changes in pension benefits, which due to their variety and complexity cannot be accurately included in a pay multiple disclosure.

Trade Union Facility Time

Publish the following information:

- total number (absolute number and full time equivalent) of staff who are union representatives (including general, learning and health and safety representatives)
- total number (absolute number and full time equivalent) of union representatives who devote at least 50 per cent of their time to union duties
- names of all trade unions represented in the local authority
- a basic estimate of spending on unions as a percentage of the total pay bill (calculated as the number of full time equivalent days spent on union activities multiplied by the average salary divided by the total pay bill).

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of Part 1 of Schedule 12A of the Local Government Act 1972.

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