

Your Ref.
Our Ref

Joanne Roney OBE

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Date 03 November 2016

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Typetalk calls welcome

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

Dear Member,

YPO EXECUTIVE SUB-COMMITTEE – FRIDAY, 11 NOVEMBER 2016

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 **10:30 am on Friday, 11 November 2016** 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, entitled Logistics Strategy, will take place prior to the meeting at 10.00am.

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.

**YORKSHIRE PURCHASING ORGANISATION EXECUTIVE SUB-COMMITTEE -
Friday, 11 November 2016**

AGENDA

1. Chair's Introduction and Welcome.
2. Acceptance of Apologies for Absence.
3. To approve, as a correct record, the Minutes of the meeting held on 10 June 2016. (Pages 1 - 4)
4. To note any items which the Chairman has agreed to add to the Agenda on the grounds of urgency.
5. Members' Declarations of Interest.
6. Lead Authority Issues.
7. YPO Pay Policy. (Pages 5 - 20)
8. Associate Member Proposals. (Pages 21 - 26)
9. Member Authority Impact Assessment Process. (Pages 27 - 32)

IN PRIVATE

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 17 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. YPO Market Overview. (Pages 33 - 36)
12. Performance Report. (Pages 37 - 46)
13. Business Update. (Pages 47 - 50)
14. Budget and Business Plans for 2017. (Pages 51 - 82)
15. Stock Losses Report. (Pages 83 - 88)
16. IT Investment - Link Programme Update. (Pages 89 - 96)
17. Dividend Distribution. (Pages 97 - 100)
18. Date and Time of Next Meeting.

The next meeting of the YPO Executive Sub-Committee will be held at 10.30am on Friday 10 March 2017.

YORKSHIRE PURCHASING ORGANISATION EXECUTIVE SUB-COMMITTEE

10TH JUNE 2016

Present: The Chair: Councillor Shaw (Wakefield MDC)
 Councillors: Johnson (St Helens MBC), Mackenzie (North Yorkshire CC), Walker (Wigan MBC)

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|-------------|--|
| 119: | CHAIR'S INTRODUCTION & WELCOME |
| | The Chair, Councillor Shaw, welcomed Members to the meeting. |
| 120: | APOLOGIES FOR ABSENCE |
| | Apologies for absence submitted prior to the meeting were accepted on behalf of Councillor Byron (Knowsley MBC), Morris (Bolton MBC), Whiteley (City of Bradford), Mercer (City of York). |
| 121: | MINUTES – 4th March 2016 |
| | Resolved – (1) That the Minutes of the meeting of the YPO Executive Sub-Committee held on 4 th March 2016 be approved as a true and accurate record. |
| 122: | MEMBERS DECLARATION OF INTEREST |
| | No declarations were made. |
| 123: | URGENT ITEMS |
| | No items were discussed. |
| 124: | EXECUTIVE SUB COMMITTEE WORK PROGRAMME AND TERMS OF REFERENCE 2016/2017 |
| | A report of the Managing Director provided an overview of the work scheduled for Executive Sub-Committee for the 2016/17 cycle. This report also proposed the Terms of Reference, Principal Agenda Items, 2016/17 Meeting Schedule and Training Plan. Resolved - (1) That the report be noted and submitted to the Annual General Meeting in June. (2) It was agreed that additional due diligence training would be arranged and provided to the Management Committee in addition to the proposed Training Plan. |
| 125: | LEAD AUTHORITY ISSUES |
| | No Lead Authority issues were discussed. |
| 126: | ASSOCIATE MEMBER PROPOSALS |
| | A report was submitted detailing applications for six new Associate memberships from: Oldham Council, Cheshire Fire & Rescue, Merseytravel, Solihull Council, London Borough of Waltham Forest and London Borough of |

| | |
|-------------|---|
| | <p>Hackney.</p> <p>Resolved - (1) That the report was noted and recommended to the Management Committee for approval.</p> |
| 127: | EXCLUSION OF THE PUBLIC AND PRESS |
| | <p>Resolved – That the public and press be excluded from the meeting during consideration of Agenda Items 10 to 14 on the grounds that they are likely to involve the disclosure of exempt information as described in Part 1 of Schedule 12A to the Local Government Act 1972 as amended.</p> |
| 128: | PERFORMANCE REPORT (EXEMPT) |
| | <p>The Executive Director (Procurement, Finance & IT) presented the report detailing the latest performance results for the Organisation.</p> <p>Councillors asked for more detail and clarification around a number of points and were satisfied with the responses provided by Officers.</p> <p>Resolved – (1) That the Performance Report be acknowledged and welcomed.</p> |
| 129: | BUSINESS UPDATE (EXEMPT) |
| | <p>The Managing Director presented the Business Update which provided Members with an update on activities of the organisation since the last sub-committee and provided an overview on forthcoming activities and challenges.</p> <p>Resolved – (1) That the report be noted.</p> |
| 130: | REVIEW OF DIVIDEND DISTRIBUTION POLICY (EXEMPT) |
| | <p>The Executive Director (Procurement, Finance & IT) presented a proposal to review the current system for distributing dividend to Member Authorities.</p> <p>The review will include:-</p> <ul style="list-style-type: none"> a) Analysis of the effectiveness of the current model and examine alternatives. b) Assurance that the structure incentivises desired member and customer behaviour. c) Maintenance of the Board’s commitment to inflation-proof growth on a like for like basis for founder members. <p>Any proposed changes to the formula will follow the principle that Founder Member Authorities should be protected from any potential for dilution of dividend by an increase in Associate Membership.</p> <p>Resolved – (1) The proposal was acknowledged and recommended to the Management Committee.</p> |

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| 131: | EARMARKED INTERNAL INVESTMENT RESERVES (EXEMPT) |
| | <p>The Executive Director (Procurement, Finance & IT) provided an update on the use of the investment reserves.</p> <p>Resolved – (1) That the report be noted.</p> |
| | |
| 132: | SENIOR REMUNERATION ISSUE (EXEMPT) (ALL YPO OFFICERS LEFT THE ROOM DURING THIS AGENDA ITEM) |
| | <p>Members gave consideration to a report of the Assistant Chief Executive – Organisational Development, Wakefield MBC, and Steve Walmsley the Yorkshire and Humber Employers Director in relation to Senior Remuneration.</p> |
| | |
| 133: | DATE AND TIME OF NEXT MEETING |
| | <p>Resolved – That the next meeting of the YPO Executive Sub Committee is proposed for 11th November 2016 at 10.30am.</p> |
| | |



YPO
EXECUTIVE SUB COMMITTEE
TO BE HELD ON
11TH NOVEMBER 2016

SUBJECT: YPO PAY POLICY

REPORT OF: ASSISTANT DIRECTOR HR AND LOGISTICS

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.
- 1.2 To agree the additional information to be published to comply with the Local Government Transparency Code 2014.

2 RECOMMENDATIONS

- 2.1 To agree the Pay Policy for 2017.
- 2.2 To agree the information to be published in line with the revised transparency requirements.

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 £143.18 per week in year one and £175 per week (or age related payments if applicable) in year two. This

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equates to £3.87 per hour in year one and £4.72 per hour in year two. Both amounts are in excess of the Governments minimum pay for apprentices of £3.40 per hour. 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 12 people in receipt of a living wage supplement.

4. OPTIONS APPRAISAL

- 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.

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: JULIE WRAY, ASSISTANT DIRECTOR HR AND LOGISTICS

YPO
41 Industrial Park
Wakefield
WF2 0XE

Telephone No: 01924 834897
E-mail address: julie.wray@ypo.co.uk

APPENDICES:

Appendix 1 - YPO Pay Policy 2017
Appendix 2 - YPO Senior Management Pay as at 19/09/16
Appendix 3 - YPO Transparency policy information 2017

YPO - Statement of Pay Policy 1st Jan 2017 to 31st December 2017

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 25th November 2016 and if agreed will be made public on the first working day of January 2017

- 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
- Executive Director
- Executive 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:

- Assistant Director HR and Logistics *
- Head of Logistics
- Head of Procurement Services
- Head of Trading
- 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 was 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 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 6 within Grade 1, this relates to an annual salary of £14,514 and can be expressed as an hourly rate of pay of £7.52 This pay point and salary was determined by the pay scale for employees employed on Local Government Services Terms and Conditions from 1st April 2016. 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. This is reviewed annually and is currently paid to a minimum of £8.25 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 12 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 £122,412 which is the substantive salary of the Managing Director. The average salary in YPO (not including apprentices) is £25,188. The ratio between the two salaries, the 'pay multiple' is 4.9:1. The median salary is £20,456. The ratio between the highest and median salary points is 6:1.

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 2017 – end December 2017), 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 (regular is determined as 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 £8.25 per hour (as at November 2016)

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).

YPO Senior Management Pay Data (based on data as at 19th September 2016)

| <u>Name</u> | <u>Job Title</u> | <u>FTE</u> | <u>Salary</u> |
|-------------|--------------------|------------|---------------|
| Simon Hill | Managing Director | 1.0 | £122,412 |
| Paul Smith | Executive Director | 1.0 | £88,413 |
| Jo Marshall | Executive Director | 1.0 | £88,413 |

Data on salaries above £50,000

| Salary Bracket | Number of employees |
|-------------------|---------------------|
| £50,000 - £55,000 | 1 |
| £55,001 - £60,000 | 2 |
| £60,001 - £65,000 | 2 |
| £65,001 - £70,000 | 0 |
| £70,001 - £75,000 | 2 |
| £75,001 - £80,000 | 1 |

Local Government Transparency Code 2014

The following information is information concerning employment that must be published in line with the revised code. All information is accurate to 30th November 2016

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.

Executive Director – this role has responsibility for procurement (supplies and services), contracts, Finance, IT and Programme Management

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

Assistant Director HR and Logistics – this role has responsibility for HR, Business Support, Health and Safety, Facilities Management, Logistics, and Transport

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 Customer Experience

Head of Sales and Marketing

Head of Finance

Head of Business Change and IT

Contact details

| Role | Current role holder | e-mail address |
|-------------------------------------|----------------------------|--|
| Managing Director | Simon Hill | simon.hill@ypo.co.uk |
| Executive Director | Paul Smith | paul.smith@ypo.co.uk |
| Executive Director | Jo Marshall | jo.marshall@ypo.co.uk |
| Assistant Director HR and Logistics | Julie Wray | julie.wray@ypo.co.uk |
| Head of Logistics | David Sergent | david.sergent@ypo.co.uk |
| Head of Procurement Services | Gillian Askew | gillian.askew@ypo.co.uk |
| Head of Trading | Richard Tinker | richard.tinker@ypo.co.uk |
| Head of Customer Experience | Martin Armytage | martin.armytage@ypo.co.uk |
| Head of Sales and Marketing | vacant | |
| Head of Finance | Steve Hall | steven.hall@ypo.co.uk |
| Head of Business Change and IT | Gavin Rimmington | 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 2016 which was approved at Management Committee on the 25th November 2016.

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 16th September 2016 1058 hours were spent on Union duties, the equivalent of 0.55 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 £23,286 or 0.00105% of the total pay bill



TITLE: ASSOCIATE MEMBERSHIP APPLICATION 2016

REPORT OF: STRATEGIC RELATIONSHIP MANAGER

1 PURPOSE OF REPORT

1.1 Provide detail of new formal application for YPO Associate Membership received from key strategic target customer based in Yorkshire & Humber region.

2 BACKGROUND INFORMATION

2.1 Craven District Council is a local government district of North Yorkshire centred on the market town of Skipton with a population of over 56,000 covering 454 square miles of Airedale, Ribblesdale and Wharfedale.

3 SUMMARY

3.1 Application from Yorkshire includes:
Craven District Council

3.2 Craven District Council currently utilises YPO energy contracts for Electricity Gas and Liquid Fuels and is exploring the extended procurement of Cash Collection services in 2016 via YPO arrangements. Further growth potential exists within catalogue supplies albeit no schools would be applicable to the district council as they come under the control of North Yorkshire County Council. Within the next financial year Craven District Council will be looking at the procurement of £500k of Grounds Maintenance equipment and £300k on the renewal of Waste Management vehicles in addition to other category areas noted on the application letter.

3.3 This application could be a first step in promoting YPO across the other districts in North Yorkshire such as Hambleton, Harrogate, Richmondshire, Ryedale , Selby and Scarborough.

Estimated Baseline Figures 2015

| Customer | Stock & Direct | Contractual | Total |
|-----------------|---------------------------|--------------------|--------------|
| Craven DC | £0k | £450k | £450k |

4 FINANCIAL IMPLICATIONS

4.1 Additional associate membership may lead to additional dividends being available for founder members in the following scenario:-

- The distributable fund is £9,139,000 (as per the 2014 dividend distribution).
- The risk proportion of the fund is 25%.
- The usage proportion of the fund is 50%.
- The Loyalty proportion of the fund is 25%

The opening position would be as follows, as per the 2014 dividend distribution:-

| | £ 000's |
|----------------------------|---------|
| Members total | 6,495 |
| Associates and non-members | 2,644 |
| Total | 9,139 |

If the additional income from the new membership was £500,000 as mentioned in section 8.2, then this might translate into an additional profit of around £25,000, taking into account the current margins on stock, directs and food, together with the expected income from framework contract rebates. The revised distribution would therefore be as follows:-

| | New £ 000's | Original £ 000's | Additional £ 000's |
|-----------------------------|----------------|---------------------|-----------------------|
| Members total | 6,513 | 6,495 | 18 |
| Associates and non-members. | 2,651 | 2,644 | 7 |
| Total | 9,164 | 9,139 | 25 |

5 LEGAL IMPLICATIONS

5.1 There are no legal implications arising from this report.

6 EQUALITY IMPLICATIONS

6.1 This report does not have a direct impact on the Equality and Diversity agenda.

7 RISK IMPLICATIONS

7.1 There are no risk implications arising from this report.

8 RECOMMENDATIONS

8.1 This application is submitted and recommended for approval as it falls within the criteria established in 2014 for Associate Membership and supports continued growth for YPO across Yorkshire & Humber region.

8.2 Growth criteria for each of the customers requesting consideration for membership should be set at £500,000 in line with the agreed criteria established in 2014.

- 8.3 The attached customer application meets the strategic criteria as laid down in the paper previously approved in August 2014 and are therefore recommended for approval.

SERVICE DIRECTOR: PAUL SMITH, EXECUTIVE DIRECTOR

YPO
41 Industrial Park
Wakefield
WF2 0XE

Telephone No: 01924 834969
E-mail address: paul.smith@ypo.co.uk

CONTACT OFFICER: DAVID BEMROSE, STRATEGIC RELATIONSHIP MANAGER

YPO
41 Industrial Park
Wakefield
WF2 0XE

Telephone No: 01924 834812
E-mail address: david.bemrose@ypo.co.uk

APPENDICES:

Appendix 1 - Letter of application from Craven District Council
Appendix 2 - Application form from Craven District Council

1 Belle Vue Square
Broughton Road
SKIPTON
North Yorkshire
BD23 1FJ



David Bemrose
Strategic Relationship Manager
YPO
41 Industrial Park
Wakefield
WF2 OXE

Telephone: 01756 706493

e-mail: chudson@cravenc.gov.uk
Claire Hudson
VFM and Improvement Manager

Date: 19 August 2016

Dear David

Following discussion held between Wendy Clarke, NW Procurement Business Partner and Claire Hudson, VFM and Improvement Manager at Craven District Council.

Please find enclosed Craven District Council's application for Associate Membership of YPO.

Should you require any further information please contact Claire Hudson directly using the above details

Yours sincerely



**Nicola Chick, Strategic Manager Financial Services (Section 151, Officer)
Craven District Council**

Better value, delivered.



Application for Associate Membership

Name of Authority:
CRAVEN DISTRICT COUNCIL

Address:
1 BELLE VUE SQUARE
BROUGHTON ROAD
SKIPTON

Postcode:

Contact Name:
CLAIRE HUDSON

Position:
VFM AND IMPROVEMENT MANAGER

Contact Telephone Number:
01756 706493

Contact Email:
CHUDSON@CRAEVNDC.GOV.UK

Please provide details of your current usage of YPO Catalogue Supplies and YPO contracts:

WE DO NOT CURRENTLY MAKE USE OF YPO CATALOGUE SUPPLIES BUT HAVE DONE SO IN THE PAST

ACTIVE CONTRACTS FOR LIQUID FUEL, GAS AN ELECTRICITY THROUGH YPO FRAMEWORKS MANAGED BY THE YPO ENERGY TEAM OUR KEY CONTRACTS ARE FERGUS PARISH AND ADAM TROUP. WE HAVE RECENTLY SIGNED UP TO THE GAS CONTRACT FOR 2017 ONWARDS.

WE ALSO PROCURED CASH COLLECTION THROUGH YPO FRAMEWORK 338 - THIS CONTRACT IS UNDER EXTENSION CURRENTLY AND WE ARE IN PROCESSING OF LOOKING AT FUTURE TENDER OPTIONS

Please outline how you will promote YPO Catalogue Supplies and YPO contracts to schools and other Budget Holding Departments/Service Areas within your Authority:

THERE ARE OPPORTUNITIES TO PROMOTE USE OF YPO CATALOGUE SUPPLIES ACROSS THE COUNCIL SERVICE AREAS FOR A RANGE OF SUPPLIES INCLUDING CLEANING MATERIALS, STATIONERY AND IT EQUIPMENT. WE WILL LOOK TO DO SO IN THE FUTURE.

WE ACTIVELY PROMOTE THE USE OF FRAMEWORKS FOR PROCUREMENT AND WILL CONTINUE TO PROMOTE YPO FRAMEWORKS FOR FORTHCOMING PROCUREMENTS



Please indicate any potential growth opportunities (please include the category area and indicative spend value):

POTENTIAL GROWTH FOR THE FOLLOWING WITHIN THIS/NEXT FINANCIAL YEAR

- CATERING EQUIPMENT - £50K
- CREMATOR REPLACEMENT /RELINING £40K
- WASTE MANAGEMENT AGENCY STAFF £180K
- GROUNDS MAINTENANCE £500K
- INSURANCE SERVICES £100K
- BANKING SERVICES POST 2017 £ 30K
- WASTE MANAGEMENT VEHICLE REPLACEMENT 300K

Please provide details of any potential collaborative opportunities:

NONE IDENTIFIED AT THIS STAGE HOWEVER GIVEN THE SIZE OF THE COUNCIL AND OUR PROCUREMENT CAPACITY WE ARE OPEN TO PARTICIPATION IN OPPORTUNITIES AS THEY ARISE

Signed:

Position:

VFM AND IMPROVEMENT MANAGER

Date:

19/8/2016

Please send this completed Application Form, together with a letter, signed by a Senior Officer of the Authority to:

David Bemrose
Strategic Relationship Manager

YPO,
41 Industrial Park,
Wakefield,
WF2 0XE

Please tick areas of interest:

- | | |
|--|---|
| <input type="checkbox"/> Catalogue products | <input type="checkbox"/> Insurance Services |
| <input type="checkbox"/> Highways | <input type="checkbox"/> Financial Services |
| <input type="checkbox"/> Fleet | <input type="checkbox"/> HR Services |
| <input type="checkbox"/> Building Maintenance | <input type="checkbox"/> Social Care |
| <input type="checkbox"/> Business, Administrative & Travel | <input type="checkbox"/> Energy |
| <input type="checkbox"/> Enforcement Agency | <input type="checkbox"/> ICT |



YPO
EXECUTIVE SUB COMMITTEE
TO BE HELD ON
11TH NOVEMBER 2016

TITLE: MEMBER AUTHORITY IMPACT ASSESSMENT PROCESS

REPORT OF: EXECUTIVE DIRECTOR

1. PURPOSE OF REPORT

1.1 To outline changes to governance processes to avoid conflicts between YPO frameworks and member traded services.

2. BACKGROUND INFORMATION

2.1 As YPO has increased the categories that are covered by its framework solutions there is increasing possibility that the categories being procured may crossover with traded services that are provided by member authorities.

2.2 There is a possibility that, if not managed effectively, there may be unintended damage to the commercial interests of founder members as a result of YPO activity.

2.3 This has been raised recently as a result of procurement activity in the areas of HR Services and Legal Services where services that are being bought and offered through these frameworks compete with traded services.

2.4 These frameworks have potential to bring in extra revenue for founder members and compete with alternative frameworks that don't generate income for members from other PSBOs. For example, there is already £210m of spend committed to the HR Services framework in 2017.

2.5 However, we have agreed to put in place a number of control measures to ensure that traded services are not negatively impacted by any future frameworks.

2.6 These control measures are:

2.6.1 A procurement pipeline will be presented at each future SOAG meeting so that officers can identify any future frameworks that may be of concern.

2.6.2 All tender plans will include an assessment of any impact on traded services and each one will be signed off by a YPO board member

2.6.3 Where a potential issue is identified, the first step will be to engage the affected authorities in more detail to help scope the procurement

2.6.4 Where a conflict is identified and the procurement progresses, we will agree further control measures with the affected authorities. This could include controls around how and where it is marketed.

2.7 It is proposed that these control processes are approved by the Management Committee as part of the ongoing review of governance.

2.8 We have already implemented controls over how HR Services and Legal Services are marketed which we will continue to monitor to ensure that they are achieving the desired outcomes.

3. ACADEMY AND SCHOOLS LEGAL SERVICES FRAMEWORK

3.1 We are waiting to award the contract for Academy and Schools Legal Services. Attached in Appendix 1 is an outline of the contract.

3.2 Some member authorities have expressed concerns about how this framework impacts on current traded services with schools. The award of this contract was originally scheduled for September but has been delayed whilst we addressed these concerns.

3.3 In particular, North Yorkshire County Council have raised objections. In Appendix 2 we have outlined the planned measures that we propose to take to mitigate any impact.

3.4 The Committee are asked to review this contract and determine if it is appropriate for YPO to proceed or not.

4. STRATEGIC IMPLICATIONS

4.1 It is important that YPO grows and develops in ways that are in the interests of the founder members. This process is designed to ensure that this continues to happen.

5. FINANCIAL IMPLICATIONS

5.1 Framework rebate is an important contributor to the YPO dividend and the strategy of growing rebate through diversification is central to the development of the YPO business model.

6. LEGAL IMPLICATIONS

6.1 There are no legal implications arising from this report.

7. RISK IMPLICATIONS

7.1 The risks have been outlined above in terms of impact on YPO's future development and the impact on member traded services.

8. RECOMMENDATION

8.1 It is recommended that the control processes are agreed and formally approved by the YPO Management Committee.

8.2 The Executive Sub-Committee are asked to determine if it is appropriate for YPO to proceed with the award of the contract for Academy and Schools Legal Services.

SERVICE DIRECTOR: PAUL SMITH, EXECUTIVE DIRECTOR

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APPENDICES:

Appendix 1 – Schools and Academies Legal Services

Appendix 2 – Communications Plan

Appendix 1

Schools and Academies Legal Services

YPO have tendered to procure a single provider framework which can provide educational and academy customers with all legal advice relevant to the sector. This will include the conversion of a school into an academy (single academy, MAT or joining an existing MAT), everyday legal advice and more complex or project work that may be required.

Ease of use is essential to the success of this framework therefore the strategy is to appoint a single provider. The rationale behind only having one provider is to assist customers with ease of access, help to build relationships (and therefore trust which is of high importance in this service area) and to facilitate the movement of work between the general advice and project work. The call off procedure will therefore be direct award only.

In order to appoint only one provider there are no lots – however there are 3 definite areas included on the framework;

Academy Conversions

The provider will deliver legal advice, guidance, support and prepare all relevant documentation in relation to the conversion of a school or multiple schools into an Academy, Multiple Academy Trust (MAT) or to join an existing MAT.

Academy Legal Advice – General Services

The provider will deliver all general legal advice, guidance and support to customers related to any issues relevant to the educational and academy sector. The majority of this service will be accessed by telephone provided at a yearly fixed retainer cost which the school or academy can contact as often as required throughout the year.

Academy Legal Advice - Project Work

The provider will deliver general legal advice, guidance and support to customers relating to any matters relevant to the educational and academy sector. This may include any specific project or complex work that a customer has to undertake (such as the buying or selling of land) or work that cannot be completed under the General Service (such as checking over contractual documentation).

It is important to note that customers are under no obligation to use the framework for all 3 areas of work. For example, a customer may use the framework for the conversion process but may procure everyday legal advice from an alternative source.

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| | | |
|-------------------------|--|------------------|
| | Web Site Social Media Hard Copy collateral YPO MAT RM and ASM's teams briefed | |
| January / February 2017 | Go Live Day | YPO and Supplier |

Plan Controls

| | |
|---|--|
| 1. Data Exchange; | NYCC and CoYC will provide to YPO list of current customers, those in pipeline and targets YPO will remove these prospects from our marketing campaigns |
| 2. Direct Marketing and Communications; | The data which YPO intend to use to advertise this framework to schools and academies includes the details of which local authority they sit within. Our Commercial Analyst has confirmed that this can be manipulated so all schools within the opted out member area can be removed. |
| 2. Opted out customers | YPO will ensure that if a customer contacts us via telephone or e mail from the opted out data in point 1 above we will make the school aware of the service they can receive from the opted out member and provide them with the relevant contact details. |
| 3. Supplier Marketing; | YPO will work with and manage the supplier so they understand the impact and agree not to actively market the framework in opted out member areas. YPO will sign off all communications that the supplier sends out to ensure key messaging falls within our agreed protocols |
| 4. MI and Review Meetings | YPO will provide to opted out members a summary of use of the framework by geographical region on a 6 monthly basis. If any YPO founder member wishes to have a review meeting, YPO will support this as required. |

The above can replicated with any member who has the same concerns regarding Traded Services.

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