

YORKSHIRE PURCHASING ORGANISATION MANAGEMENT COMMITTEE

Friday 18th March 2016

Present:

Barnsley MBC
Councillor Barnard
Councillor Gardiner

City of Bradford
Councillor Warburton
Councillor Sykes (Vice Chair)

Calderdale MBC
Councillor Smith

Doncaster MBC
Councillor Cole

Kirklees MC
Councillor O'Neill

Knowsley MBC
Councillor Byron

North Yorkshire CC
County Councillor Mackenzie

Rotherham MBC
Councillor Atkin

St Helens MBC
Councillor Fletcher

Wakefield MDC
Councillor Shaw (Chair)
Councillor Johnson

Wigan MBC
Councillor Walker

City of York
Councillor Mercer
Councillor Waller

35:	Members Declaration of Interest
	No declarations of interest were made by members.
36:	Apologies for Absence
	Apologies for absence submitted prior to the meeting were accepted on behalf of Councillors Morris (Bolton MBC), Pillai (Calderdale MBC), Corden

	(Doncaster MBC), Trotter (North Yorkshire CC), Johnson (St Helens MBC), Kenny (Wigan MBC).
37:	Minutes of the Management Committee – 27 November 2015
	Resolved – That the Minutes of the meeting of the YPO Management Committee held on 27 November 2015 be accepted as a correct record.
38:	Minutes of the Executive Sub-Committee – 4 March 2016
	Resolved – That the Minutes of the meeting of the Executive Sub-Committee held on 4 March 2016 be accepted as a correct record.
39:	Minutes of the Audit Sub-Committee – 26 February 2016
	Resolved – That the Minutes of the meeting of the Audit Sub-Committee held on 26 February 2016 be accepted as a correct record.
40:	Minutes of the Scrutiny Sub-Committee – 5 February 2016
	Resolved – That the Minutes of the meeting of the Scrutiny Sub-Committee held on 5 February 2016 be accepted as a correct record.
41:	Pre Audit Statement of Accounts
	<p>Consideration was given to a report of the Head of Finance which detailed the 2015 Pre Audit Statement of Accounts, attached as Appendix 1 to the report. It was highlighted to Members that advertisement of the audit and public inspection period had commenced.</p> <p>Resolved - That the Pre Audit Statement of Accounts 2015, as detailed in Appendix 1, be noted.</p>
42:	Internal Audit Annual Report
	<p>Members considered a report by the s151 Officer which presented the Annual Audit Report for 2015 (attached as Appendix A to the report), in line with the requirements of the Internal Audit Protocol and the Public Sector Internal Audit Standards (PSIAS).</p> <p>It was highlighted to Members that from the work undertaken by Internal Audit during 2015, key controls were found to be adequate to manage associated risks to the required level, with no significant errors, losses or omissions identified. Senior Management has continued to strengthen overall governance arrangements throughout the year, including implementing audit recommendations to improve any areas of control weakness identified from individual Internal Audit reviews. Consequently there are no new key control improvements arising from Internal Audit work that require inclusion in Section 5 of the 2015 AGS.</p> <p>Resolved – That the Internal Audit Annual Report for 2015, attached as Appendix A, be approved.</p>

43:	Associate Membership Applications 2016
	<p>Consideration was given to the report of the Strategic Relationship Manager which provided Members with a summary of the applications for Associate Membership status from Greater Manchester Fire & Rescue, Salford City Council and Sefton Borough Council.</p> <p>Resolved – (1) That Greater Manchester Fire & Rescue, Salford City Council and Sefton Borough Council be accepted as Associate Members of YPO.</p> <p>(2) That Associate Membership approval for Greater Manchester Fire & Rescue, Salford City Council and Sefton Borough Council come with a growth criteria of £500,000 each in line with the agreed criteria established in 2014.</p>
44:	Internal Audit Plan
	<p>A report of the s151 Officer detailed the draft 2016 YPO Internal Audit Plan, attached as Appendix A to the report, which had been considered by the YPO Audit Sub-Committee on 26 February 2016.</p> <p>Resolved – That the YPO draft Internal Audit Plan for 2016, attached as Appendix A, be approved.</p>
45:	Standing Orders and Financial Procedure Rules
	<p>Consideration was given to a report of the Head of Finance which detailed a review of the Standing Orders for Contracts and Financial Procedure Rules, attached as Appendix 1 to the report. Members were asked to consider the changes recommended by the YPO Board. The review complied with section 4(6) of the Management Agreement dated 8 September 2011.</p> <p>Resolved – (1) That the revised Standing Orders for Contracts and Financial Procedure Rules, attached as Appendix 1, be approved and used by YPO.</p> <p>(2) That mandatory training be imparted to the organisation through a suitable delivery vehicle such as OLAS (Online Learning and Assessment System).</p>
46:	Lead Authority Issues
	<p>A verbal update was provided by Julie Copley (Wakefield MDC s151 rep) to inform Members that Judith Badger (Wakefield MDC Assistant Chief Executive – Resources and Governance) has secured another role and will shortly be leaving the authority. Julie Copley will remain the s151 rep and the authority is looking to recruit a replacement Assistant Chief Executive – Resources and Governance.</p>
47:	Exclusion of the Public and Press
	<p>Resolved – That the public and press be excluded from the meeting during consideration of agenda items 16 to 20 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> <p>IN PRIVATE</p>

48:	Local Audit and Accountability Act 2014 and Joint Committees (Exempt - Paragraph 3)
	<p>Consideration was given to the report of the S151 which detailed the changes to the Local Audit and Accountability Act 2014 and the implications for the joint committee.</p> <p>Resolved – That YPO continues to prepare, each year, a statement of accounts in accordance with the CIPFA Code of Practice that is subject to external audit.</p>
49:	Dividend Distribution (Exempt - Paragraph 3)
	<p>Members considered a report of the Head of Finance which sought agreement on the level and method of dividend distribution for the year ended 31 December 2015.</p> <p>It was explained that the distribution split had not changed and that the proposal of 25% of the available amount for distribution to be split evenly between the 13 founder member authorities, a further 50% of the available amount to be distributed to founder and associate members based on usage and the final 25% to be distributed to individual customers based on usage being retained for the distribution of future surpluses recognised in the statement of accounts.</p> <p>Resolved – (1) The calculation of the fund available for distribution, and to pay a full and final 2015 dividend as calculated in section 5 of this paper, be approved.</p> <p>(2) That the fund is to be distributed based on a 25% reward for members risk a 50% reward for members and associate members usage of the Organisation and 25% loyalty bonus available to all customers.</p> <p>(3) That Members are to be paid by cash in September 2016 a sum covering the risk and usage elements as applicable and the member and associate member authority earned loyalty bonus.</p> <p>(4) That all other loyalty bonus will be paid to individual customers by way of redeemable voucher in September 2016.</p> <p>(5) A dividend distribution of £9.230m, as shown in section 5 of the report, which is a 1.00% increase on the amount distributed in 2015. This is in line with the consumer price index level of 1% for the same period.</p>
50:	Business Update (Exempt - Paragraph 3)
	<p>Consideration was given the report of the Managing Director which provided an update of the activities of the Organisation since the last meeting and gave an overview on forthcoming activities and challenges.</p> <p>The report included an update on performance, procurement, commercial</p>

	<p>issues, operational issues, financial issues and strategic opportunities.</p> <p>Resolved – That Officers be congratulated on the content of the report and Members welcomed the report.</p>
51:	Report of the Independent Director (Exempt - Paragraph 3)
	<p>Members gave consideration to a report of the Independent Director which detailed his observations of the organisation during the past year.</p> <p>Resolved – (1) That the Independent Director be thanked for his report and that his observations be noted.</p>
52:	Senior Remuneration Update (Exempt - Paragraph 3) (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> <p>Resolved – (1) To ensure that there is a robust process for ongoing pay and grading review as part of a wider strategy for recruitment and retention.</p> <p>(2) To review an organisational development plan to ensure the risk of recruitment and retention issues for key roles is mitigated; to include employer branding succession planning and workforce planning in the context of growth and change.</p> <p>(3) To consider the impact of growth of the Trading Company on capacity and sustainability of the workforce to include consideration of impact on pay and reward strategies.</p> <p>(4) To commission further work regarding remuneration of the Board Members with an urgency for the June meeting of the Committee.</p>
53:	DATE AND TIME OF NEXT MEETING
	<p>Resolved - That the next meeting of the YPO Management Committee will be held on Monday 27 June 2016 at 10.30am.</p>