

YORKSHIRE PURCHASING ORGANISATION MANAGEMENT COMMITTEE

Wednesday 22th June 2016

Present: **City of Bradford**
 Councillor Whitely

Bolton MBC
 Councillor Morris

Calderdale MBC
 Councillor Pillai

Kirklees MC
 Councillor Walker

North Yorkshire CC
 Councillor Trotter

Rotherham MBC
 Councillor Atkin

St Helens MBC
 Councillor Johnson

Wakefield MDC
 Councillor Shaw
 Councillor Dagger

Wigan MBC
 Councillor Walker

City of York
 Councillor Mercer

1:	Members Declaration of Interest
	No declarations of interest were made by members.
2:	Membership of the Management Committee of the YPO Joint Committee 2016/17.
	The Monitoring Officer asked members to review the information contained in the tabled report regarding Committee representation from Member Authorities.
	Resolved – (1) That the report content for Management Committee Membership be noted.
3:	Apologies for Absence
	Apologies for absence submitted prior to the meeting were accepted on behalf of Councillors Byron (Knowsley MBC), Mackenzie (North Yorkshire CC),

	<p>Waller (City of York), Gardiner (Barnsley MBC), Richards (Kirklees MBC), Warburton (Bradford MDC), Cole (Doncaster MBC) and Corden (Doncaster MBC).</p> <p>Cllr Walker, Wigan MBC submitted apologies for Cllr Kenny, Wigan MBC and Cllr Atkin, Rotherham MBC submitted apologies for Cllr Tweed, Rotherham MBC.</p>
4:	Election of Chair
	<p>The Monitoring Officer requested nominations for the position of Chair of the Management Committee who in turn would become the Chair of the Executive Sub-Committee and Joint Consultative Committee/Appointments Sub-Committee for the year 2015/16.</p> <p>A nomination was received and seconded on behalf of Councillor Shaw (Wakefield MDC).</p> <p>Resolved – (1) That Councillor L Shaw of Wakefield MDC be elected Chair of the Management Committee of the Yorkshire Purchasing Organisation for 2016/17.</p>
5:	Election of Vice Chair
	<p>The Chair requested nominations to the position of Vice Chair for 2016/17. A nomination was received and seconded on behalf of Councillor Walker (Wigan MDC).</p> <p>Resolved – (1) That Councillor Walker of Wigan MBC be elected as Vice Chair of the Management Committee of the Yorkshire Purchasing Organisation for 2016/17.</p> <p>Councillor Walker thanked the Committee for their support.</p>
6:	Urgent Items
	No urgent items were discussed.
7:	Minutes of the Management Committee – 18 March 2016
	Resolved – (1) That the Minutes of the meeting of the YPO Management Committee held on 18 March 2016 be accepted as a correct record.
8:	Minutes of the Executive Sub Committee – 10 June 2016
	Resolved – (1) That the Minutes of the meeting of the Executive Sub Committee held on 10 June 2016 be accepted as a correct record.
9:	Minutes of the Audit Sub-Committee – 22 April 2016
	Resolved – (1) That the Minutes of the meeting of the Audit Sub Committees held on 22 April 2016 be accepted as a correct record.
10:	Minutes of the Scrutiny Sub-Committee – 20 May 2016
	Resolved – (1) That the Minutes of the meeting of the inquorate Scrutiny Sub

	Committee held on 20 May 2016 be accepted.
11:	Appointments to the Sub-Committees and Joint Consultative Committee 2016/17.
	<p>Consideration was given to a report to receive nominations from the Constituent Authorities in relation to membership of Sub-Committees and Joint Consultative Committee and to determine the membership for those meetings for the 12 month period commencing June 2016.</p> <p>The Monitoring Officer stated preferences as shown in the report would be adhered to where this could be accommodated. A completed list of memberships to the Sub Committees would be provided at a later date.</p> <p>Resolved – (1) That the report be noted. (2) That the memberships to the Sub Committees be confirmed in writing. (3) That Rotherham MBC has now confirmed that Cllr Atkin and Cllr Tweed are their representatives.</p>
12:	Annual Report
	<p>Managing Director Simon Hill submitted the annual report to the Management Committee as set out in YPO Management Agreement.</p> <p>A number of key achievements were highlighted contained within the Annual Report. It was explained that it was intended to circulate the Annual Report to Leaders, Chief Executives and Finance Directors of member authorities and also use it more widely as marketing and promotional material.</p> <p>A copy of the report was circulated to Management Committee and individual authority Benefits Statements were included for members.</p> <p>Resolved – (1) That the report be noted.</p>
13:	Audited Accounts
	<p>Consideration was given to a report of the Head of Finance & The Financial Controller which presented to Members' the 2015 Audited Statement of Accounts.</p> <p>It was noted that the Audited Statement of Accounts was approved and signed off by the Audit Sub Committee on 22nd April 2016.</p> <p>Resolved - (1) That the report be noted.</p>
14:	Governance Review
	<p>Consideration was given to a report of the Managing Director to review the policies and processes by which YPO is managed.</p> <p>The report highlighted the policies and protocols which have been reviewed within the last 12 months. Minor changes were proposed for the Meeting Standing Orders and Code of Corporate Governance Documents outlined in</p>

	<p>table 2.2.</p> <p>Resolved – (1) That the Management Committee agree the proposals outlined in table 2.2 relating to the Meeting Standing Orders and Code of Corporate Governance.</p>
15:	Committee Work Programme and Terms of Reference 2016/17
	<p>Consideration was given to a report of the Managing Director which detailed the work of the YPO Management Committee and its associated Sub-Committees. The report also included the meeting schedule, terms of reference, principal agenda items and training schedule for each Committee and Sub-Committee.</p> <p>Resolved - (1) -That the terms of reference for 2016/17 for the Management Committee, Executive Sub-Committee, Audit Sub-Committee, Scrutiny Sub-Committee and Joint Consultative Committee be agreed.</p> <p>(2) - That the Principal Agenda Items for 2016/17 be agreed.</p> <p>(3) - That the Meeting Schedule & Training Schedule be agreed.</p> <p>(4) – That a training session for Members on due diligence be arranged in addition to the training schedule.</p>
16:	Associate Member Proposals
	<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 Oldham Council, Cheshire Fire & Rescue Service, Merseytravel, Solihull Council, London Borough of Waltham Forest and London Borough of Hackney.</p> <p>Resolved – (1) That Oldham Council, Cheshire Fire & Rescue Service, Merseytravel, Solihull Council, London Borough of Waltham Forest and London Borough of Hackney be accepted as Associate Members of YPO.</p>
17:	Role of Independent Director
	<p>Consideration was given to the report of the Assistant Director HR and Logistics.</p> <p>Following a discussion with Members it was resolved:</p> <p>(1) That the current incumbent’s contract will be extended for a further year.</p> <p>(2) That a report would be submitted to the November Management Committee to consider the need for a further Independent Director Role.</p> <p>(3) That the Independent Director would complete an update report for each Management Committee.</p>

18:	Lead Authority Issues
	No Lead Authority issues were discussed.
19:	Exclusion of the Public & Press
	Resolved - That the public and press be excluded from the meeting during consideration of Agenda Items 20 to 24 on the grounds that they were 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
20:	Business Update - (Exempt Paragraph 3)
	Members considered the report of the Managing Director which provided Members with an update of the activities of the organisation since the previous Committee meeting and gave an overview of the forthcoming activities and challenges. The report included an update on the organisations operational, financial, procurement, commercial, workforce and business change issues.
	Resolved – (1) That the report be noted.
21:	Dividend Distribution – (Exempt Paragraph 3)
	Members considered a report of the Financial Controller which sought agreement on the level and method of dividend distribution for the year ended 31 December 2015.
	Members were asked to note the following;
	<ul style="list-style-type: none"> ▪ The distribution split remains unchanged – a 25% reward for members risk, a 50% reward for members and associate members usage and 25% loyalty bonus available to all customers. ▪ The 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. ▪ That all other loyalty bonus will be paid to individual customers by way of redeemable voucher. ▪ A dividend distribution of £9.230m.
	Resolved - (1) That the distribution of dividend of £9.230m be approved.
22:	Review of Dividend Distribution Policy – (Exempt Paragraph 3)
	Consideration was given to the report of the Managing Director which presented a proposal to review the current system for distributing the dividend to Member Authorities.
	Resolved – (1) That members agree to a review of the dividend distribution formula as contained in YPO's Three Year Strategy;

	<p>(2) That members agree for a working group of Strategic Officers to consider alternative options and carry out financial modelling;</p> <p>(3) That a recommendation be submitted to the November 2016 Executive Sub-Committee, to enable it to make a recommendation to the Management Committee.</p>
23:	Senior Remuneration Issues – Exempt Paragraph 3
	<p>All YPO Officers left the room for the consideration of Item 23.</p> <p>After discussion with the members it was resolved that:</p> <p>(1) A retention payments system will be established with the effective date of 1st April 2016 to cover the period until 31st March 2019. The retention payments system will be incorporated into the individual contracts of employment of the three senior managers concerned via an individually agreed variation to their contracts of employment, the details to be agreed by the Chair and Vice Chair in consultation with the Assistant Chief Executive, Organisational Development at the Lead Authority, Wakefield Council.</p> <p>(2) The details of the agreements are to be reported back to the next Management Committee in November 2016.</p>
	<p>DATE AND TIME OF NEXT MEETING</p> <p>Resolved – That the next meeting of the YPO Management Committee will be held on 25th November 2016 at 10.30am</p>