

YORKSHIRE PURCHASING ORGANISATION MANAGEMENT COMMITTEE COMMITTEE

Friday, 29 November 2013

Present: **Barnsley MBC**
Councillor Barnard

Bolton MB
Councillor Harkin
Councillor Iqbal

City of Bradford
Councillor Warburton
Councillor Sykes (Vice Chair)

Calderdale MBC
Councillor Smith
Councillor Pillai

Knowsley MBC
Councillor Moorhead

North Yorkshire CC
County Councillor Trotter

Rotherham MBC
Councillor Sharman (Chair)

St Helens MBC
Councillor Fletcher

Wakefield MDC
Councillor Shaw

Wigan MBC
Councillor Halliwell
Councillor Walker

City of York
Councillor Barton

20. **Chair's Introduction and Welcome**

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

Members were informed that the Management Committee AGM would be taking place on Monday 30 June 2014 and not on Friday 27 June 2014 as previously approved.

21. **Apologies for Absence**

Apologies for absence submitted prior to the meeting were accepted on behalf of Councillors Gardiner (Barnsley MBC), Williams (Doncaster MBC), Cooper-Holmes (Doncaster MBC), O'Donovan (Kirklees MC), Keats (Knowsley MBC), Mackenzie (North Yorkshire CC) and Glover (St Helens MBC).

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22. Members' Declaration of Interest

No declarations of interest were made.

23. Urgent items

The Chair referred to an additional report which would be considered with the Managing Director's Business Update. The item was 'Proposed Restructure of YPO Board' and the reason for urgency was due to the need to make a timely decision on the item.

24. Minutes of the Management Committee - 28 June 2013

Resolved – That the Minutes of the meeting of the YPO Management Committee held on 28 June 2013 be accepted as a correct record.

25. Minutes of the Executive Sub-Committee - 26 July 2013

Resolved – That the Minutes of the meeting of the YPO Executive Sub-Committee held on 26 July 2013 be accepted as a correct record.

26. Minutes of the Audit Sub-Committee - 19 July 2013

Resolved – That the Minutes of the meeting of the YPO Audit Sub-Committee held on 19 July 2013 be accepted as a correct record.

27. Minutes of the Scrutiny Sub-Committee - 13 September 2013

Resolved – That the Minutes of the meeting of the YPO Scrutiny Sub-Committee held on 13 September 2013 be accepted as a correct record.

28. Associate Member Proposals

A report of the Head of Business Development provided Members with relevant background information and a supporting strategy statement which recommended that Associate Membership status be granted to Birmingham City Council and Kettering Borough Council.

During discussions, a suggestion was made that future applications for Associate Membership could be delegated to the Chair in order to avoid any delay.

Resolved - That the two new applications for 2014 Associate Membership, from Birmingham City Council and Kettering Borough Council, be approved.

29. Travel and Subsistence Policy

Consideration was given to a report of the Head of HR and People Support Services which gave an overview of the proposed changes to the travel and subsistence policy. A copy of the revised policy was attached as Appendix B to the report.

Councillor Harkin, Bolton MB wished to place on record his concerns regarding the pilot.

Resolved – (1) That the revised Travel and Subsistence Policy be agreed.

(2) That any future amendments to the Travel and Subsistence Policy be delegated to the YPO Board.

(3) That the Financial Procedure Rules (section 2, paragraph 7.16) be amended to remove reference requiring the agreement of the Management Committee of any future amendments to the policy.

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30. Pay Policy

Consideration was given to a report of the Head of HR and People Support Services which asked Members to agree a pay policy for YPO in line with statutory requirements to comply with the 2011 Localism Act. The report also detailed the additional information which needed to be published in order to comply with the Code of Recommended Practice for Local Authorities on Data Transparency.

During discussions, a request was made for a further report detailing the cost implications of introducing the living wage at YPO.

Resolved – (1) That the Pay Policy for 2014 be agreed.

(2) That any minor operational change prior to publication of 1 January 2014 be agreed with the Chair of Management Committee.

(3) That an Annual Pay Policy Statement be submitted to Management Committee in November each year to allow for publication at the beginning of each financial year.

(4) That any additional information, not specific within the Pay Policy, be published to mirror that of Wakefield MDC to comply with the recommended practice for Local Authorities on Data Transparency.

(5) That a report be submitted to a future meeting detailing the cost implications of introducing the living wage at YPO.

31. Exclusion of the Public and Press

Resolved – That the public and press be excluded from the meeting during consideration of Agenda Items 13 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.

IN PRIVATE

32. Managing Director's Business Update (Exempt - Paragraph 3)

The Managing Director presented a report giving an update on the activities of the organisation since the last meeting and to give an overview of the forthcoming activities and challenges. The report included an update on the organisations operational, procurement, commercial, infrastructure, financial and strategic issues along with an update on Associate Membership.

Members were informed that YPO were not eligible to hold its own HGV Operators Licence and it had been agreed with the Traffic Commissioner that Wakefield MDC, as lead authority, would take on that responsibility. It was explained to Members that an amendment to the current Management Agreement would be required in order to recognise Wakefield MDC's sole authority and responsibility on this issue.

Tabled at the meeting, was a report of the Managing Director detailing a proposed restructure of the YPO Board.

Resolved – (1) That the report be noted.

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(2) That a new clause 4(5A) be inserted into the current Management Agreement stating "Shall operate the goods vehicles required for the business of YPO under the Lead Authority's own Operator's Licence and shall control and authorise decision making about the use of such goods vehicles". **This motion was passed by 11 votes, being agreed by over two thirds of the Management Committee and accordingly under clause 15.1 of the Management Agreement dated 8 September 2011, the Management Agreement is duly amended.**

(3) That the recommendations set out in the second report (7.1 to 7.4 and 7.6 to 7.8), tabled at the meeting, be agreed:-

- (i) The role of Corporate Director be removed from the organisation structure and the associated responsibilities split among other members of the Board.
- (ii) The role of Head of IT be removed from the organisation structure and combined with the Programme Manager role.
- (iii) That Members give approval to the Managing Director to initiate the proposed changes by starting formal consultation with the affected employees and their representatives.
- (iv) That Members agree to form a Sub-Committee of three Members with delegated power to give final approval for the changes, taking into consideration the results of the consultation and other processes required by employment legislation.
- (v) Existing delegations regarding contracts be transferred from the Corporate Director to the Procurement & Supply Chain Director.
- (vi) Existing procedures be amended so that the Managing Director takes direct management responsibility for the Finance and Accounting functions, including Corporate Governance.
- (vii) The Quality Assurance function to be transferred to the Head of HR & People Services.

and that a special purpose Sub-Committee be formed consisting of Councillor Sharman (Rotherham MBC), Councillor Shaw (Wakefield MDC) and Councillor Walker (Wigan) in order to offer support and oversight during the process and to give final approval to the changes.

(4) That recommendation 7.5, in the tabled report, (the role of Independent Director is maintained beyond the current fixed term contract (expiring currently September 2014) to provide on-going external challenge to the Board on behalf of members, until the next review period in September 2016) be agreed in principle, and a further decision about the implementation of this decision be referred to a future Management Committee.

33. Establishment of a Limited Company (Exempt - Paragraph 3)

Consideration was given to a report of the Corporate Director which set out the case for establishment of a Limited Company owned by the thirteen Founder Members and managed on their behalf by the YPO Management Team. Appendix 1 to the report outlined the business case for the proposal and a draft shareholder agreement was detailed in Appendix 2 with the heads of terms for YPO service agreement being attached as Appendix 3.

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It was suggested to Members that an additional meeting of the Management Committee should take place on 31 January 2014 in order to discuss this single issue in more detail. Final proposals including proposed Shareholder Agreement and Service Agreement would be presented at the meeting.

Members asked a number of questions and responses from Officers were accepted.

Resolved – That an additional meeting of the Management Committee be arranged for 31 January 2014 in order to discuss the single issue of the establishment of a limited company, including the shareholder agreement, the management agreement and the business case.

34. Business Plans and Budget for 2014 (Exempt - Paragraph 3)

The Managing Director and Corporate Director gave a presentation to Members which detailed the outcome of the Business Planning cycle for 2014. Progress made in 2013 in delivering the Three Year Strategy and recommendations for a 2014 Business Plan and Budget were detailed for Members.

An inaccuracy in Table 2.2, Arts and Crafts, was highlighted to YPO Officers. Members were reassured that the error would not affect the budget position but the matter would be looked into.

During discussions, Members highlighted to YPO Officers that the programme of investments needed to demonstrate deliverables in order to justify the outlay. The Corporate Director stated that a report would be brought back to a future meeting detailing the progress made.

Following a request from the Chair of YPO Scrutiny Sub-Committee, it was agreed that the Business Plan and Budget for 2014 be submitted to a future meeting for consideration.

Resolved – (1) That the 2014 budget, attached as Appendix 1 to the report, be approved.

(2) That the investment requests, detailed in Appendix 5 of the report, be approved.

(3) That the re-allocation of reserves no longer required, detailed in section 9.2 of the report, be approved.

(4) That the Business Plan and Budget for 2014 be submitted to the next meeting of the YPO Scrutiny Sub-Committee for consideration.

35. Date and Time of Next Meetings

Resolved – That the next meetings of the YPO Management Committee be held on 31 January 2014 and 21 March 2014 at 10.30am.