

Better value, delivered.



Annual Report

Invest for success

2023



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Chairman's statement

On behalf of the YPO Management Committee, I'm pleased to introduce the **YPO Annual Report and Performance Summary for the 2023 financial year.**

I'm delighted to present my first Chairman's statement, following on from the eight years served by my predecessor Councillor Les Shaw from Wakefield Council.

As an organisation, we've always adapted to the needs and challenges faced by the public sector, right from our inception in 1974 and through the pandemic years. 2023 was no different, as we continued to feel the impact of the cost-of-living crisis and higher interest rates.

No more was this felt than in local authorities across the country, as some sadly reached breaking point. In 2018 the first section 114 was issued in almost 20 years and since then, it's been rising. In 2023 we saw another three local authorities issuing section 114 notices.

As councils work hard not to reduce core services or lay-off staff, the National Audit Office estimates that £4b-£8b could be saved annually across the public sector, through better procurement. As a public sector procurement organisation, YPO is best placed to support struggling councils to make savings. With the Procurement Act 2023 in place, ready for the new regulations to go live in 2024, we're able to use our expertise and framework business model to help councils unlock the potential of future procurements.

Schools still face their own challenges, with teacher retention and wellbeing being a top concern, and of course school budgets and funding cuts adding to the pressure. For 50 years, YPO has been there for schools and will continue to provide products and services to help deliver lessons and keep schools running.

The other founding members and I would like to thank all the staff at YPO for their hard work over the year, and I look forward to celebrating our 50th anniversary year in 2024.



Councillor Fred Walker,
Wigan Council

Managing Director's statement

YPO has reached a major milestone, as it's now 50 years since our establishment in 1974. As part of the Local Government Act, many of our member authorities and customers across the country were also set up at this time, so we've all been on this journey together.

I'm proud to say that 50 years on, our mission remains the same – to provide the best possible value to the public sector. The benefit of our work is still as needed and as valued today as it was in 1974.

Those benefits, formed from our pioneering expertise in procurement, are significant. We're at the midpoint of our three-to-five-year strategy, with ambitious performance targets being achieved year on year. This strong performance was achieved in difficult market conditions for the education and local government sectors and is something we're proud of.

Our 50 years of delivering value through a strong

commercial performance, underpinned by a sense of purpose and public service is completely driven by YPO's fantastic workforce. I'd like to pay tribute to them, not only for what they have achieved, but the way in which they have done it.

I inherited this strong culture when I joined YPO 13 years ago. I immediately valued it and have done whatever I can to nurture and develop it during that time.

I would also like to pay tribute to our member authorities and particularly the elected council members who have made up our Management Committee which has governed YPO over the last 50 years. They have been forward-thinking and somewhat ground-breaking in providing the commercial freedom necessary to provide the maximum possible public value, while competing in a dynamic and aggressive commercial marketplace.

Our success can be put down to a combination of these two factors – a committed workforce, backed by an enlightened membership.

We're endlessly committed to continuing our progress in increasing public value wherever

we can. This includes preparing to support our members and customers through the challenges posed by the new Procurement Act which comes into force during 2024. Also continuing to grow our education business is imperative – emphasising the benefits of a stable, publicly owned supplier against a backdrop of failing private businesses in this sector.

We will make sure we do this in a way which is sustainable, and which creates maximum social value for the communities in which we operate.

I and the rest of the YPO Board are proud of our achievements as we work hard to prepare the organisation for the next 50 years of successfully delivering public value.



Simon Hill,
Managing Director

Our member authorities

Including our 13 member authorities, YPO is the largest formally constituted public sector buying organisation in the UK with 84 member organisations.

Our members



Our associate members



We are social value

We exist to serve our communities. We believe in reducing our negative impact while increasing our positive ones to create a better world through our actions.

As part of our three-to-five-year strategy, we've identified four priority themes to demonstrate our commitment and contribution to social value.

Procurement

It's our responsibility to make sure we have diverse, sustainable and ethical supply chains free from modern slavery.

The environment

With a large warehouse and distribution network, we recognise the impact our buildings and operations have on the environment.

Our people

We put employee engagement at the centre of our organisation. We continually capture staff feedback and drive change and innovation across the workforce.

Communities

Many different organisations and charities are close to the hearts of people at YPO. One in particular is our charity partnership with the NSPCC.



Fighting for every childhood **NSPCC***

With our 50 years of experience in the education sector and working with local authorities, emergency services, charities, we realise how important it is to keep our children safe.

We're proud to have an exclusive partnership with the NSPCC. Throughout a three-year partnership, we're supporting the UK's leading child protection charity with its invaluable work to improve children's lives.

As part of the partnership, our ultimate goal was to amplify the NSPCC's message, and we broke this down into three workstreams.

Raising awareness – of vital campaigns, advice, and resources from the NSPCC in our various publications such as our Little Learners magazine – a free early years magazine packed full of ideas and inspiration to help settings flourish.

Commercial opportunities – the NSPCC is a loved and trusted UK heritage brand. We pledge to **donate** a minimum of £20,000 of all profits made on our annual YPO-branded product sales each year.

Employee engagement mission – to continue to raise funds and awareness of the NSPCC's vital work with £430 being raised through wellbeing events, staff fundraising and the Best Companies UK Employee Engagement Survey.

In 2023, we raised an incredible £66,134 contributing to over £100,000 raised in our three-year partnership. We raise the funds through the sale of our YPO-range products to support the NSPCC, going above and beyond our minimum £20,000 donation and increasing contributions through staff donations.

This partnership is a great way to grow our social value contribution while opening new opportunities for the NSPCC in schools across the UK, our supply base, and strategic partners. It's important that through our partnership we continue to evolve, be creative, helpful, and insightful.



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Make a difference – The Big Day 2023

The Big Day is our annual staff celebration event and in 2023, we held it for the first time in December.

Joining us for some festive fun, were nearly 500 staff and some of our valued suppliers who kindly sponsored our staff recognition awards. The event is the main date in our calendar, which brings our whole organisation together and is held in our very own warehouse.

The 2023 event was even more special as we excitingly launched our YPO50 celebrations. We also reflected on our corporate strategy and the achievements we've made in the four core themes of sustainability, social value, collaboration and digital transformation.

Our managing director Simon Hill discussed why it's important to our staff, the public sector and the communities we service – that we're around for another 50 years and how we need to keep evolving to achieve record profits, that are reinvested back into the public sector, and keep adding value through procurement support.

During the day, we celebrated the efforts of our employees through our annual staff awards ceremony, highlighting the hard work and achievements as well as the valuable contributions of our suppliers.

Staff and suppliers generously donated to our charity partner, NSPCC, raising a total of £580. Just after The Big Day, we held our Family Fun Day where we raised a further £784 for the charity.

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We do the right thing

In 2023 we launched our new brand values. These are the things we believe in, and they direct and guide the decisions we make and the actions we take to deliver our brand purpose...

“To help the public sector achieve the best possible value when buying products and services.”

One of our new values is to ‘**Do the right thing**’. We do what we say we will, we’re honest, inclusive and professional and everyone at YPO provides great support and added value to our customers, as well as meeting their changing needs.

In September, RAAC concrete was brought to the forefront of school agendas due to new guidance that was issued in 2021 and 2022 about how to manage RAAC. With 234 schools being forced to close due to make them safe, we knew our customers needed help. So, we did the right thing...

We pulled together our framework solutions in a simple way to assist with everything our customers will need. Creating a RAAC-dedicated webpage to simplify what RAAC means, listing YPO solutions to help and what next steps customers need to take.

Our compliant frameworks put our customers at ease, knowing they have products and services based on fairness, legality, and long-term stability.





Be kind

We're lucky enough to be partnered with some amazing education brands and charities that all share our vision of helping support and deliver the best service to schools and teachers.

Through our partners, we live and breathe our **'Be Kind'** brand value. We care for and are committed to supporting each other, showing kindness and support and going the extra mile for our customers.

We've joined forces with Twinkl for the last five years, and together we've become a driving force in helping teachers and learners across the UK. With our 50 years experience in education, and with Twinkl's expertise in educational resources and its vast range of digital teaching materials used by educators worldwide, we're the perfect match.



In 2023 Twinkl launched its Community Collections campaign that we support. The initiative offers support for education settings across the UK – from sports supplies to gardening kits, to breakfast club vouchers or class pets. Each round one lucky setting will win £500 to spend on what they need. Plus, each round we also help an average of 58 further schools with additional support such as other funding, essential equipment, or access to YPO and Twinkl resources.

The applications we received were astonishing. Education settings were asking for the basic school necessities that they're unable to buy due to budget cuts.

Since the start of this initiative, we've provided over 1,500 schools with their requests and will continue to do so – we're known for being kind.





Embrace creativity

In 2023 we launched our procurement reform campaign to support public sector customers and suppliers with upcoming legislation changes.

As the UK moves away from EU law, the Procurement Act 2023 will replace all current regulations under one single act, aiming to create a more transparent and simple process, in the biggest reform to public procurement in decades.

With 50 years of procurement expertise, we're best placed to create positive change and unlock the potential of future public procurement. As early adopters, our campaign centered on a landing page with useful information such as blogs, webinars and a podcast, providing clarity and signposting routes. Our senior leaders have been invited to speak at events and we welcomed hundreds of customers and suppliers to our drop-in surgeries.

The campaign continues in 2024 where we'll continue to **embrace creativity** and support our customers and suppliers through the changes.



Our plans for the future

2024 is a landmark year for YPO as we celebrate five decades of helping our public sector customers achieve the best possible value when buying their products and services.

Our year of celebration will be divided into four themes: **collaboration, our people and communities, sustainability, and digital transformation**. These are at the core of everything we do.

Over the 12 months, we'll reflect on our heritage, journey, and purpose and celebrate our achievements through events and competitions for staff, customers, suppliers, and members.

With the new Procurement Act being implemented in October 2024, we'll continue to position ourselves as pioneers in procurement by providing unrivalled support and guidance to the public sector and our suppliers as they navigate the changes and challenges brought

by the new public procurement regime. We'll provide regular up-to-date guidance and insight throughout the year through online content, events, survey reports, and webinars.

In education, a key focus will be launching our new edtech software platform, Learning Box. This platform will provide schools with a cost-effective way to access the latest programmes and technologies to support schools. The one-stop solution, which has been developed to reduce teacher workload and simplify the acquisition of cost-effective edtech, will save schools both time and money.

Collaboration, our people and communities, sustainability and digital transformation are at the core of everything we do.



Our plans for the future (continued)

Digital transformation and improving our website will continue to be a key focus, with significant progress already being made. We'll be collaborating with our new digital partner, UNRVLD, who specialises in digital experience and technology to enhance several areas of the website, with a particular focus on improving the public sector framework area.

We'll also continue to enhance our customers' experience online as we launch our improved order tracking area. This will allow customers to self-serve and easily see up-to-date information such as expected delivery dates, carrier name and delivery notes.

Throughout 2024, our newly formed business intelligence team will focus on building a new data warehouse, enabling future reporting, and implementing our improved internal SharePoint site. These initiatives reflect our commitment to providing a better user experience for our workforce.

Digital transformation and improving our website will continue to be a key focus.



Our board of directors



Simon Hill
Managing Director

Simon joined YPO in July 2011 from former regional development agency Yorkshire Forward, where he was executive director.

Previously, Simon was managing director of electronics automotive manufacturer Kostal UK Ltd. With experience across procurement, sales, and general management, he also has 10 years public sector and 20 years commercial experience.

Simon is also Chairman of BESA, the British Educational Suppliers Association and company secretary of YPO Procurement Holdings Limited.



Jo Marshall
Executive Director

Jo joined YPO as a business development manager in 2010 from her position as head of public sector at Samsung Electronics and was promoted to commercial director the following year. With a strong sales background, Jo has been working with the public sector for over 25 years.

She leads the organisation's commercial functions including sales, marketing, customer experience, and trading.



Julie Hawley
Executive Director

Julie joined YPO in May 2021 as finance director from her previous role as managing director of Office Friendly, a buying group specialising in office products.

She previously worked for Kingfield Heath Wholesale and has over 30 years' experience in the office products industry and joined the board of Boss federation in 2022. Julie was awarded Professional of the Year in 2018 and European Professional of The Year in 2019. Julie leads the organisation's finance, business change and HR functions.

Our board of directors (continued)



Jacquie Lightfoot
Executive Director

Jacquie joined YPO in July 2021 and is responsible for leading the organisation's warehouse, logistics and IT teams. She joined from Arla foods where she held the position of head of logistics and warehousing for the UK.

Jacquie's career has been dedicated to logistics. She's worked for several blue-chip organisations including Carlsberg, Hallmark Cards, DHL, and Whitbread. Jacquie has experience of managing both insourced and outsourced operations and a strong background in leading large teams and instigating business change.



Andrea Smith
Executive Director

Andrea joined YPO in 2024, from her role as ICS Procurement Director at Sheffield Teaching Hospitals NHS and South Yorkshire ICS. Previously, Andrea was head of procurement at Doncaster and Bassetlaw Teaching Hospitals NHS and University Hospitals of Leicester NHS.

As a proficient commercial leader with 25 plus years experience, Andrea has spearheaded strategic and operational improvements in commercial and procurement realms, spanning public and private sectors. A CIPS Fellow and engaged in regional and national procurement circles, Andrea's dedication shines as an HCSA Council member, nurturing future Healthcare leaders.



Helen Lisle
Non-Executive Director

Helen Lisle has had a career spanning over 35 years holding senior executive and non-executive roles in Local Government, the NHS and the Charitable sector. Helen is currently the managing director of CPP LLP, a wholly owned NHS organisation delivering procurement services at a national level to the NHS. She is also very active outside of her executive role sitting as a Public Governor of Northumbria Healthcare NHS Foundation Trust and until recently a board member and trustee of the City of Newcastle Gymnastics Association. As a dedicated commercial professional, Helen has also held senior voluntary positions in Health Care Supply Association (HCSA) and the Chartered Institute of Procurement and Supply (CIPS). She is a Fellow of both the CIPS and the Chartered Management Institute.

Performance summary

Total Spend under Management

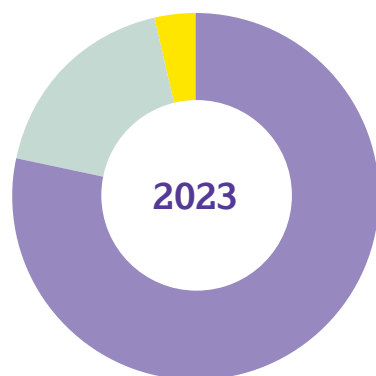
£1.894bn

Account activated in 2023

Joint committee accounts	2928
Limited company accounts	10,984

Turnover by category (£000s)

		2022	2023
Stores	●	£82,878	£92,430
Direct Supply	●	£24,708	£21,363
Food	●	£12,135	£4,091



Income and expenditure account (£000s)

Income and expenditure account	2022	2023
Invoiced turnover	£119,722	£117,975
Cost of sales	(£82,691)	(£78,344)
Gross margin	£37,031	£39,631
Rebate & Other Income	£8,384	£10,445
Overheads	(38,442)	(42,066)
Net profit / (loss) on trading operations	£6,973	£8,010
Exceptional Costs	(£755)	(£1,506)
Net profit / (loss) after Exceptional Costs	£6,218	£6,504

This table is an extract from the YPO Audited Statement of Accounts. To view the full document visit www.ypo.co.uk

Performance summary (continued)

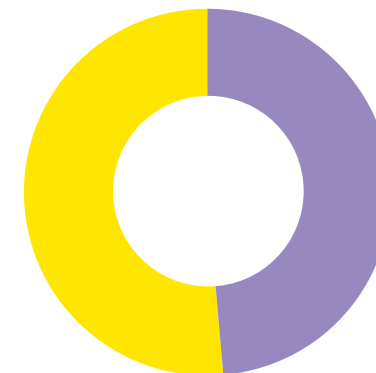
Energy consumption

Annual usage comparisons	2022	2023	Difference
Electricity usage (kWh)	1,558,997	1,381,611	(-11.38%)
Gas usage (kWh)	2,627,855	2,026,842	(-22.87%)
Diesel (litres)	226,151	166,766	(-26.26%)
CO ₂ emissions (tonnes)	1,429	1,135	(-20.56%)
Water usage (m ³)	2,548	3,260	27.94%

Note: The closure of our food warehouse has seen a large reduction in gas as we were no longer heating the building when it was in use and also the impact on deliveries/diesel usage

Gender pay gap

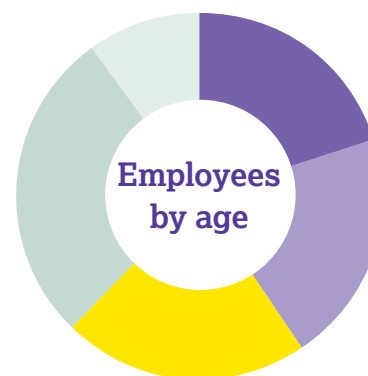
Mean hourly rate for men	●	£16.27
Mean hourly rate for women	●	£17.14



You can take a look at our [gender pay gap report](#) for 2023 on the social value section of our website.

Employees by age

	Total	● Male	● Female
<30	105	55	50
31 to 40	107	48	59
41 to 50	114	53	61
51 to 60	145	78	67
61+	51	36	15
Total head count	522	270	252





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