

Chief Executive

Merran McRae – Chief Executive

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Typetalk calls welcome

Your Ref.
Our Ref

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Date 21 November 2018

To: Members of the Management Committee of the Yorkshire Purchasing Organisation Joint Committee

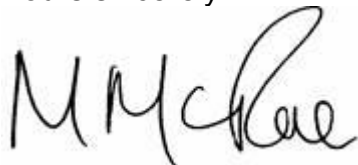
Chief Executive of the Constituent Authorities (for information)

Dear Councillor

**YORKSHIRE PURCHASING ORGANISATION MANAGEMENT COMMITTEE MEETING
– FRIDAY, 30 NOVEMBER 2018**

You are invited to a meeting of the Management Committee of the Yorkshire Purchasing Organisation Joint Committee which is to be held at **10:30 am on Friday, 30 November 2018** at the **YPO HQ, 41 Industrial Park, Wakefield** to consider the items set out in the agenda detailed overleaf.

Yours sincerely



Merran McRae
Secretary to the Joint Committee

PLEASE NOTE: A buffet lunch is to be provided at the conclusion of the meeting. Please contact Kayley on the details above if you have any dietary requirements.

As a courtesy to colleagues will you please turn all electrical devices to silent prior to the start of the meeting.

**YORKSHIRE PURCHASING ORGANISATION MANAGEMENT COMMITTEE -
Friday, 30 November 2018**

AGENDA

1. Apologies for Absence.
2. To note any items which the Chairman has agreed to add to the agenda on the grounds of urgency.
3. To approve, as a correct record, the Minutes of the Management Committee held on 29th June 2018. (Pages 1 - 6)
4. To approve, as a correct record, the Minutes of the Audit & Scrutiny Sub Committee held on 2nd November 2018. (Pages 7 - 9)
5. To approve, as a correct record, the Minutes of the Executive Sub Committee held on 16th November 2018. (Pages 11 - 13)
6. Members' Declaration of Interest.
7. YPO Pay Policy. (Pages 15 - 33)
8. Appointment of Auditors. (Pages 35 - 36)
9. Lead Authority Issues.
10. 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 for consideration of agenda items 11 - 13 to 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

11. Business Update. (Pages 37 - 40)
12. Budget & Business Plan 2019. (Pages 41 - 63)
13. Report of Independent Director. (Pages 65 - 67)
14. Date and Time of Next Meeting.
The next meeting is to be held 22nd March 2019.

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YORKSHIRE PURCHASING ORGANISATION MANAGEMENT COMMITTEE**Friday 29th June 2018**

Present:

Bolton
Councillor Mistry

City of Bradford
Councillor Warburton
Councillor Whiteley

Calderdale
Councillor Scullion
Councillor Carter

Doncaster
Councillor Cole

Knowsley MBC
Councillor Walsh

North Yorkshire CC
Councillor Mackenzie
Councillor Dadd

Rotherham MBC
Councillor Atkin
Councillor Vjestica

Wakefield MDC
Councillor Shaw

Wigan MBC
Councillor Walker

City of York
Councillor Cuthbertson
Councillor Rawlings

37:	Members Declaration of Interest
	Councillor Rawlings (York) declared a pecuniary interest in relation to a YPO competitor, Councillor Rawlings works for York Survey Supply Centre Ltd who supply to Lyreco. Chair acknowledged and thanked Councillor Rawlings.
38:	Membership of the Management Committee of the YPO Joint Committee 2018/19.
	The Managing Director asked members to review the information contained in the report regarding Committee representation from Member Authorities.

	Resolved – (1) That the content of the report relating to Management Committee Membership be noted.
39:	Apologies for Absence
	Apologies for absence submitted prior to the meeting were accepted on behalf of Councillors Nightingale (Doncaster), Barnard (Barnsley), Morris (Bolton), Mather (Kirklees), Asif (Kirklees), Rehman (Wigan) and Aston (Knowsley).
40:	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 2018/19.</p> <p>A nomination was received and seconded on behalf of Councillor L 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 2018/19. Councillor Shaw thanked the Committee for their support and welcomed new members.</p>
41:	Election of Vice Chair
	<p>The Chair requested nominations for the position of Vice Chair for 2018/19.</p> <p>A nomination was received and seconded on behalf of Councillor F Walker (Wigan MDC).</p> <p>Resolved – (1) That Councillor F Walker of Wigan MBC be elected as Vice Chair of the Management Committee of the Yorkshire Purchasing Organisation for 2018/19. Councillor Walker thanked the Committee for their support.</p>
42:	Urgent Items
	No urgent items were discussed.
43:	Minutes of the Management Committee – 23rd March 2018
	Resolved – (1) That the Minutes of the meeting of the YPO Management Committee held on 23 rd March 2018 be accepted as a correct record.
44:	Minutes of the Audit & Scrutiny Sub-Committee – 25th May 2018
	Resolved – (1) That the Minutes of the meeting of the Audit & Scrutiny Sub

	Committee held on 25 th May 2018 be accepted as a correct record.
45:	Minutes of the Executive Sub Committee – 8th June 2018
	Resolved – (1) That the Minutes of the meeting of the Executive Sub Committee held on 8 th June 2018 be accepted as a correct record.
46:	Appointments to the Sub-Committees and Joint Consultative Committee 2018/19
	<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 twelve-month period commencing June 2018.</p> <p>Councillor Carter of Calderdale requested that the Sub-Committee preferences for Calderdale be reviewed.</p> <p>Resolved – (1) That the report be noted.</p>
47:	Annual Report 2017
	<p>Managing Director, Simon Hill submitted the annual report to the Management Committee as set out in the YPO Management Agreement.</p> <p>A number of key achievements were highlighted 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 will be forwarded to Members in due course.</p> <p>Members were shown the YPO video that provides an overview of YPO and will be used in future as promotional marketing material. Simon Hill thanked those members who participated in the making of the video.</p> <p>Councillor Scullion suggested a press release should accompany the launch of the Annual Report.</p> <p>A discussion was held in relation to the title of the Annual Report, as the Annual Report is dated with the previous year. Officers explained that it presented in that manner because it contains the previous year's accounts and information of performance in that year.</p> <p>Resolved – (1) That the report be noted.</p>
48:	Audited Accounts
	Consideration was given to a report of the Head of Finance & The Financial

	<p>Controller which presented to Members' the 2017 Audited Statement of Accounts.</p> <p>It was noted that the Audited Statement of Accounts was approved and signed off by the Audit & Scrutiny Sub Committee on 25th May 2018.</p> <p>Councillor Warburton asked for his thanks to be noted to all the team from YPO that were involved in the Audit and achieving such a successful audit.</p> <p>Resolved - (1) That the report be noted.</p>
49:	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.</p> <p>Resolved – (1) That the Management Committee approved the proposals outlined in table 2.2.</p>
50:	Standing Orders
	<p>Consideration was given to the report of the Managing Director which reviews the Standing Orders.</p> <p>The recommended amendment to the Standing Orders aimed to give clarity and provide flexibility for Member Authorities to decide how they apply their single vote entitlement. It was proposed to amend the wording of the Standing Orders as follows:</p> <p><i>“Unless otherwise provided by these Standing Orders any matter will be decided by a simple majority of those Members voting and present in the room at the time the question was put. Member Authorities are entitled to one vote each and this entitlement will normally rest with the designated voting member. Member Authorities may choose to transfer this voting entitlement to another elected member from their authority, at their discretion and through prior notification to YPO Committee Services. This may be either on a continuous basis or for a specific vote.”</i></p> <p>Resolved - (1) That the report and the amendment was agreed by all.</p>
51:	Terms of Reference and Work Programme 2018/19
	<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 2018/19 for the Management Committee, Executive Sub-Committee, Audit & Scrutiny Sub-Committee, and Joint Consultative Committee be agreed.</p> <p>(2) That the Principal Agenda Items for 2018/19 be agreed.</p> <p>(3) That the Meeting Schedule & Training Schedule for 2018/19 be agreed.</p>
52:	Lead Authority Issues
	No Lead Authority issues were raised.
53:	Exclusion of the Public & Press
	<p>Resolved - That the public and press be excluded from the meeting during consideration of Agenda Items 18 to 22 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.</p>
	IN PRIVATE
56:	Business Update - (Exempt Paragraph 3)
	<p>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.</p> <p>Resolved – (1) That the report be noted.</p>
57:	Dividend Distribution – (Exempt Paragraph 3)
	<p>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 2017.</p> <p>Resolved - (1) That the distribution of dividend would be distributed as per recommendation 4.1.</p>
58:	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 since March.</p> <p>Resolved - (1) That the report of the Independent Director and his observations be noted.</p>
59:	Investment Proposal – (Exempt Paragraph 3)
	The Managing Director provided Members with an update on the progress of

	<p>the Investment Proposal and provided some anticipated timescales.</p> <p>Members queried the process that is proposed. Officers answered a number of questions and Members were satisfied with the responses.</p> <p>Resolved – (1) That Members agreed the proposal in 4.1, 4.2 and 4.4.</p>
60:	<p>Succession Planning – (Exempt Paragraph 3)</p> <p>Consideration was given to the report of the Managing Director which outlined a succession plan for the Senior Leadership Team and Board of Directors.</p> <p>Resolved – (1) That the proposed actions outlined in section 3 of the report be agreed.</p>
61:	<p>DATE AND TIME OF NEXT MEETING</p> <p>Resolved – That the next meeting of the YPO Management Committee will be held on 30th November 2018.</p>

YORKSHIRE PURCHASING ORGANISATION

AUDIT & SCRUTINY SUB-COMMITTEE

FRIDAY, 2ND NOVEMBER 2018

Present: The Chair: Councillor Warburton (Bradford)

Councillors: Vjestica (Rotherham), Wiseman (St Helens), Warburton (Bradford), Barnard (Barnsley), Scullion (Calderdale), Cuthbertson (York), Dadd (North Yorkshire).

65.	CHAIR'S INTRODUCTION & WELCOME
	Councillor Warburton welcomed all parties to the meeting.
66.	ACCEPTANCE OF APOLOGIES FOR ABSENCE
	Apologies for absence submitted prior to the meeting were accepted on behalf of Councillors Graham (Wakefield), Nightingale (Doncaster), Walsh (Knowsley), Mistry (Bolton), Carter (Calderdale), Asif (Kirklees), Rehman (Wigan).
67.	MEMBERS DECLARATION OF INTEREST
	No declarations of interest were made.
68.	URGENT ITEMS
	No urgent items were raised by Members.
69.	PREVIOUS MINUTES (AUDIT & SCRUTINY SUB COMMITTEE)
	The minutes of the YPO Audit & Scrutiny Sub-Committee held on 25 th May 2018 were approved by all.
70.	INTERNAL AUDIT PLAN TEMPLATE 2018
	<p>Members gave consideration to a report produced by the Service Manager for Internal Audit & Risk, the purpose of which is to provide Members with information relating to the next annual Internal Audit Plan.</p> <p>The report outlines what progress has been made, the planning process and also includes details of potential auditable areas.</p> <p>Members raised questions and were satisfied with the responses given by Officers.</p> <p>Resolved – (1) That the report be noted.</p>
71.	YEAR END CLOSEDOWN TIMETABLE
	<p>Consideration was given to a report of the Head of Finance which informed Members of the contents of the 2018 Closedown Timetable.</p> <p>Resolved – (1) That the Year End Closedown Timetable and plan be noted.</p>

72.	APPOINTMENT OF AUDITORS
	<p>The Executive Director, Paul Smith presented a report informing Members of the appointment of auditors for 2018, this is the final year of the contract and a tender process will be carried out during 2019 to appoint an external auditor for the 2019 financial year and beyond.</p> <p>Resolved – (1) That Members note the appointment of the external auditors KPMG.</p>
73.	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 13 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>
74.	IT PROGRAMME UPDATE (LINK) (EXEMPT – PARAGRAPH 3)
	<p>Consideration was given to the report of the Head of Business Change & IT which provided Members with an update on the current project dossier.</p> <p>The report summarised the implementation status of the ERP (Enterprise Resource Planning) System. Members were informed that the Board review the activity and progress on a monthly basis at the Programme Board Meeting.</p> <p>Members raised a number of questions in relation to timescales and were satisfied with the responses given by Officers.</p> <p>Resolved – (1) That the report be noted.</p>
75.	WAREHOUSE & LOGISTICS STRATEGY (EXEMPT – PARAGRAPH 3)
	<p>Consideration was given to a report & presentation given by the Head of Logistics regarding the Logistics Strategy.</p> <p>This report provided an update on progress made on the 2018 - 2020 strategy. It outlined the challenges faced by logistics in conjunction with the priorities outlined in the Three-Year Strategy.</p> <p>Members raised a number of questions and detailed responses from YPO Officers were accepted.</p> <p>Resolved – (1) That the report be noted.</p>
76.	RISK MANAGEMENT UPDATE
	<p>Members considered a report of the Executive Director which recommends deferring the reporting of the Risk Management Policy & Strategic Framework and Strategic Risk Register to the Audit & Scrutiny Sub-Committee to February 2019.</p> <p>The report provided Members with a progress update on property insurance</p>

	<p>and risk survey.</p> <p>Resolved – (1) That the report be noted.</p> <p>(2) That Risk Management Policy & Strategic Framework and Strategic Risk Register will be brought to the Audit & Scrutiny Sub-Committee on 15th February 2019 for full review.</p> <p>(3) That an options appraisal in relation to YPO's Business Continuity Plan be submitted to the Audit and Scrutiny Sub-Committee on 15th February.</p>
77.	RISK APPETITE
	<p>The Audit and Scrutiny Sub-Committee discussed YPO's risk appetite and how it influences YPO's risk management arrangement and how this affects future strategic decisions.</p> <p>Resolved – (1) That the discussion held by Members be noted.</p>
78.	DATE AND TIME OF NEXT MEETING
	<p>Resolved – (1) That the next meeting of the YPO Audit & Scrutiny Sub Committee is proposed to be held on 15th February 2019.</p>

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YORKSHIRE PURCHASING ORGANISATION EXECUTIVE SUB-COMMITTEE

16TH NOVEMBER 2018

Present: The Chair: Councillor Shaw (Wakefield)
Councillors: Atkin (Rotherham), Mackenzie (North Yorkshire),
Whiteley (Bradford), Rawlings (York), Johnson (St Helens).

1:	CHAIR'S INTRODUCTION & WELCOME
	The Chair, Councillor Shaw, welcomed Members to the meeting.
2:	APOLOGIES FOR ABSENCE
	Apologies for absence submitted prior to the meeting were accepted on behalf of Councillor Walsh (Knowsley), Morris (Bolton), and Walker (Wigan).
3:	MEMBERS DECLARATION OF INTEREST
	There were no declarations of interest made.
4:	URGENT ITEMS
	No items were discussed.
5:	MINUTES – 8TH JUNE 2018
	Resolved – (1) That the Minutes of the meeting of the YPO Executive Sub-Committee held on 8 th June 2018 be approved as a true and accurate record.
6:	LEAD AUTHORITY ISSUES
	No Lead Authority issues were discussed.
7:	EXCLUSION OF THE PUBLIC AND PRESS
	Resolved – That the public and press be excluded from the meeting during consideration of Agenda Items 8 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.
8:	FINANCIAL PERFORMANCE REPORT (EXEMPT)
	The Executive Director (Paul Smith) presented the report detailing the performance results for the Organisation. The report reviewed the year to date results and forecasted outturn position against the budget, as well as the profit and loss figures.

	<p>Councillor Rawlings asked why our growth is not in line with inflation? Paul Smith explained we are in line with the market predictions of BESA and we also benchmark against our competitors on this. We are currently growing above the market rate.</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>Councillors congratulated the team on the positive figures.</p> <p>Resolved – (1) That the Financial Performance Report be acknowledged and noted.</p>
9:	FOOD REVIEW (EXEMPT)
	<p>The Executive Director (Jo Marshall) gave a presentation on the YPO Food business. The presentation included details of the supplier and customer base, the year to date figures, and future plans for Food.</p> <p>Councillors raised a number of questions and were satisfied with the responses provided by Officers.</p> <p>Resolved – (1) That the Food review report and presentation be acknowledged and noted.</p>
10:	ATTENDANCE REPORT (EXEMPT)
	<p>The Executive Director (Julie Wray) presented the Attendance report. This report is provided in response to a request from Members to update the Committee on levels of sickness absence in the organisation and how this compares to our owning authorities.</p> <p>The results of the benchmarking exercise were shared, and it was discussed the interventions which are in place with the aim of reducing sickness absence and improving performance.</p> <p>Councillors made a number of comments on the absence figures, and Officers provided further explanation on certain points.</p> <p>Resolved – (1) That the report be noted.</p>
11:	BUSINESS UPDATE (EXEMPT)
	<p>The Managing Director (Simon Hill) 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>Updates were given on the Procurement, Commercial, Operations and Business Change & IT areas of the business.</p> <p>The Executive Director (Julie Wray) gave an update on the implementation of new pay spines in relation to the national pay deal for 2019/ 20. A further update on this will be brought to the Management Committee.</p> <p>Resolved – (1) That the report be noted.</p>
12:	STOCK ADJUSTMENTS REPORT (EXEMPT)
	<p>Consideration was given to a report that provides Members with an up to date stock adjustments position for 2018.</p> <p>Resolved – (1) That the report be noted.</p>
13:	RISK UPDATE (EXEMPT)
	<p>The Executive Director (Paul Smith) presented the Risk Management Update report to Members.</p> <p>A discussion was held around the options for sprinklers, Councillors were comfortable with the position on this.</p> <p>Resolved – (1) That the report be noted.</p>
14:	INDEPENDENT DIRECTOR MEMBERS DISCUSSION (EXEMPT)
	<p>The Chair requested that YPO officers leave the meeting for this item.</p> <p>The Independent Director (Rob McWilliam) provided Members with a verbal update in relation to YPO's on-going activity and challenges, Governance and Strategy.</p> <p>Councillors thanked the Independent Director for his update and noted it was useful.</p> <p>Resolved – (1) That the verbal update be acknowledged and noted.</p>
15:	DATE AND TIME OF NEXT MEETING
	<p>Resolved – (1) That the next meeting of the YPO Executive Sub Committee is to be held 8th March 2019, 10.30am.</p>

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YPO
MANAGEMENT COMMITTEE
TO BE HELD ON
30TH NOVEMBER 2018

SUBJECT: YPO PAY POLICY (COMPLIANCE WITH THE LOCALISM ACT 2011 AND THE LOCAL GOVERNMENT TRANSPARENCY CODE 2014)

REPORT OF: EXECUTIVE DIRECTOR

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 2019.
- 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 £150.00 per week in year one and £180 per week (or age related payments if applicable) in year two. This equates to £4.05 per hour in year one and £4.86 per hour in year two. Both amounts are in excess of the Governments minimum pay for apprentices of £3.70 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 16 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.

APPENDICES:

Appendix 1 - YPO Pay Policy 2019

Appendix 2 - YPO Senior Management Pay as at 31'12'18

Appendix 3 - YPO Transparency policy information 2019

SERVICE DIRECTOR: JULIE WRAY, EXECUTIVE DIRECTOR

YPO
41 Industrial Park
Wakefield
WF2 0XE

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

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YPO - Statement of Pay Policy 1st Jan 2019 to 31st December 2019

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 30th November 2018 and if agreed will be made public on the first working day of January 2019

- 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
- 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:

- Head of Logistics
- Head of Procurement Services
- Head of Trading
- Head of Marketing
- Head of Sales and Customer Experience
- Head of Finance
- Head of HR
- Head of Business Change and IT

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 £16,394 and can be expressed as an hourly rate of pay of £8.52 This pay point and salary was determined by the pay scale for employees employed on Local Government Services Terms and Conditions from 1st April 2018. The pay rate is increased in accordance with any pay settlements which are reached through the National Joint Council for Local Government Services.
* a new national pay spine comes into effect from the 1st April 2019 which will see a revised structure with a minimum spinal column point of 1 in Grade 1 at £17,364 expressed as an hourly pay rate of £9 per hour
- 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 £8.75 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 before the 1st April as to if the increases proposed should be adopted. There are currently 16 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 £126,109 which is the substantive salary of the Managing Director. The average salary in YPO (not including apprentices) is £25,788. The ratio between the two salaries, the 'pay multiple' is 4.9:1. The median salary is £21,074. 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 (Directors)

- 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 2019 – end December 2019), 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

Essential Car Users

YPO operate an essential car user scheme that is governed by the essential car user policy which defines the eligibility. This is agreed on a case by case basis and there is no automatic right even though existing employees undertaking the same role have may have a car or car user payment. From the 1st January 2018 any new employees (with the exception of those travelling more than 10,000 business miles) will only have access to a car user payment.

The policy itself has been subject to a full review to ensure it is environmentally friendly and cost effective.

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.

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 £8.75 per hour (as at October 2018)

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

YPO will 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).

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YPO Senior Management Pay Data (based on data as at 17th September 2018)

<u>Name</u>	<u>Job Title</u>	<u>FTE</u>	<u>Salary</u>
Simon Hill	Managing Director	1.0	£126,109
Paul Smith	Executive Director / Deputy MD	1.0	£101,114
Jo Marshall	Executive Director	1.0	£91,114
Julie Wray	Executive Director	1.0	£91,114

Data on salaries above £50,000

Salary Bracket	Number of employees
£50,000 - £55,000	7
£55,001 - £60,000	3
£60,001 - £65,000	3
£65,001 - £70,000	0
£70,001 - £75,000	2
£75,001 - £80,000	0

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YERLocal 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 / Deputy MD – this role has responsibility for procurement (supplies and services), contracts, Finance, IT and Programme Management as well as a number of additional duties in deputising for the MD

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

Executive Director – 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 Sales and Customer Experience

Head of Marketing

Head of Human Resources

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
Executive Director	Julie Wray	julie.wray@ypo.co.uk
Head of Logistics	David Sergeant	david.sergeant@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 Sales and Customer Experience	Martin Armytage	martin.armytage@ypo.co.uk
Head of Marketing	Rachel Stothard	Rachel.stothard@ypo.co.uk
Head of Finance	Steve Hall	steven.hall@ypo.co.uk
Head of Business Change and IT	Gavin Rimmington	gavin.rimmington@ypo.co.uk
Head of Human Resources	Jo Freeman	Jo.freeman@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 2019 which was approved at Management Committee on the 30th November 2018.

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 17th September 2018 2107 hours were spent on Union duties, the equivalent of 1.1 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 £25,840 or 0.002% of the total pay bill.

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YPO
MANAGEMENT COMMITTEE
TO BE HELD ON
30TH NOVEMBER 2018

SUBJECT: APPOINTMENT OF AUDITOR - 2018 FINANCIAL YEAR AND BEYOND

REPORT OF: HEAD OF FINANCE

1. PURPOSE OF REPORT

- 1.1 To inform and remind Members that the appointment of an external auditor in respect of the 2018 financial year has already been taken by the decision to roll over the previous contract with KPMG by one year. This is the final year covered by this contract and YPO will therefore carry out a tender process during 2019 to appoint an external auditor for the 2019 financial year.

2. RECOMMENDATION

- 2.1 It is recommended that the report is noted.

3. BACKGROUND INFORMATION

- 3.1 The Local Audit and Accountability Act 2014 indicated that Joint Committees do not require a statutory external audit. However, the YPO Management Committee approved a recommendation from the Lead Authority, for reasons to support effective corporate governance, that YPO should continue to prepare a statement of accounts and be subject to an external audit.
- 3.2 Following the demise of the Audit Commission, YPO was in a position that there was no external auditor in place for the 2016 financial year and beyond.
- 3.3 Consequently, a tender exercise was undertaken in 2016 with a view to appointing an external auditor for the 2016 and 2017 financial years. YPO included an option to extend the contract for a third year into 2018.
- 3.4 The successful contractor was K.P.M.G. and they have agreed to the proposed extension to the contract for the 2018 financial year.

4. STRATEGIC IMPLICATIONS

- 4.1 The tender exercise mentioned above was undertaken as an interim arrangement until the Local Government Association (LGA) found a more permanent replacement for the Audit Commission.

- 4.2 The LGA have now established a company called Public Sector Audit Appointments to carry out external audits for Local Government, the Police and National Health Service and most eligible bodies have opted in to that arrangement.
- 4.3 However, Public Sector Audit Appointments Limited will not be available to undertake audits in respect of Joint Committees and recommend that such bodies make their own arrangements. Consequently, YPO will be required to undertake a further tendering exercise for the 2019 financial year and beyond.

5. FINANCIAL IMPLICATIONS

- 5.1 It is not anticipated that there will be a significant additional cost arising from this report.

6. LEGAL IMPLICATIONS

- 6.1 There are no legal implications arising from this report.

7. EQUALITY IMPLICATIONS

- 7.1 There are no equality implications arising from this report.

8. RISK IMPLICATIONS

- 8.1 The risk of ineffective corporate governance has been mitigated by the decision to have a voluntary external audit.

**SERVICE DIRECTOR: PAUL SMITH, EXECUTIVE DIRECTOR &
DEPUTY MANAGING DIRECTOR**

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