

Your Ref.
Our Ref

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Date 01 July 2021

Chief Executive

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Typetalk calls welcome

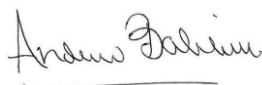
To: Members of the YPO Joint Committee Executive Sub-Committee

Dear Member,

YPO EXECUTIVE SUB-COMMITTEE – FRIDAY, 9 JULY 2021

It is with pleasure that I write to invite you to attend a meeting of the YPO Joint Committee Executive Sub-Committee which is to be held at **10:30 am on Friday, 9 July 2021** in the **YPO Headquarters, 41 Industrial Park, Wakefield** to consider the items set out in the agenda attached.

Yours sincerely



Andrew Balchin
Secretary to the Joint Committee

As a courtesy to colleagues will you please turn off your mobile phones and pagers prior to the start of the meeting.

**YORKSHIRE PURCHASING ORGANISATION EXECUTIVE SUB-COMMITTEE -
Friday, 9 July 2021**

AGENDA

1. Chair's Introduction and Welcome.
2. Acceptance of Apologies for Absence.
3. Members' Declarations of Interest.
4. To note any items which the Chairman has agreed to add to the Agenda on the grounds of urgency.
5. To approve, as a correct record, the Minutes of the Executive Sub-committee meeting held on 12th March 2021. (Pages 1 - 3)
6. Executive Sub Committee Terms of Reference & Work Programme 2021-2022. (Pages 5 - 19)

7. Lead Authority Issues.

8. Exclusion of the Public and Press

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 during consideration of agenda items 9 - 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.”

IN PRIVATE

9. Financial Performance Update Report. (Pages 21 - 30)
10. Business Update. (Pages 31 - 33)
11. Third Party Logistics Update. (Pages 35 - 38)
12. Link Update Report. (Pages 39 - 53)
13. Independent Director Update. (Page 55)
14. Date and Time of Next Meeting.
Proposed as 12th November 2021.

YORKSHIRE PURCHASING ORGANISATION EXECUTIVE SUB-COMMITTEE

12TH MARCH 2021

Present: The Chair: Councillor Shaw (Wakefield)
 Councillors: Walker (Wigan), Walsh (Knowsley), Mackenzie (North
 Yorkshire), Atkin (Rotherham), Bond (St Helens), Cox (Bolton),
 Daubeney (York).

16:	CHAIR'S INTRODUCTION & WELCOME
	The Chair, Councillor Shaw, welcomed Members to the meeting.
17:	APOLOGIES FOR ABSENCE
	Apologies for absence submitted prior to the meeting were accepted on behalf of Cllr Whiteley, Bradford.
18:	MEMBERS DECLARATION OF INTEREST
	There were no declarations of interest made.
19:	URGENT ITEMS
	There were no urgent items were discussed.
20:	MINUTES – 13TH NOVEMBER 2020
	Resolved – (1) That the Minutes of the meeting of the YPO Executive Sub-Committee held on 13 th November 2020 be approved as a true and accurate record.
21:	REVIEW OF FINANCIAL PROCEDURE RULES
	Consideration was given to the Review of Financial Procedure Rules. The Financial Procedure Rules have been reviewed to ensure compliance with the current law, and no changes are currently proposed. Resolved – (1) That the Review of Financial Procedure Rules be noted.
22:	LEAD AUTHORITY ISSUES
	No Lead Authority issues were discussed.
23:	EXCLUSION OF THE PUBLIC AND PRESS
	Resolved – That the public and press be excluded from the meeting during consideration of Agenda Items 9 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.
24:	FINANCIAL PERFORMANCE REVIEW 2020 (EXEMPT)
	<p>The Head of Finance (Matthew Hirst) presented the report which provides an update of the organisation's performance in 2020.</p> <p>Councillors asked a number of questions and were satisfied with the responses provided.</p> <p>Resolved – (1) That the Financial Performance Review 2020 be acknowledged and noted.</p>
25:	FINANCIAL PERFORMANCE REVIEW 2021 (EXEMPT)
	<p>The Head of Finance (Matthew Hirst) presented the report which provides an update of the organisation's performance so far in 2021.</p> <p>Councillors asked a number of questions and were satisfied with the responses provided.</p> <p>Resolved – (1) That the Financial Performance Review 2021 be acknowledged and noted.</p>
26:	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>The Managing Director (Simon Hill) provided Members with an update on an operational issue which could provide a risk to the organisation.</p> <p>Simon shared the possible implications of this with Members.</p> <p>Councillors asked several further questions on this and were satisfied with the responses provided from Officers.</p> <p>Resolved – (1) That the report be noted.</p>
27:	LINK UPDATE REPORT (EXEMPT)
	<p>Consideration was given to the report of the Managing Director (Simon Hill), which provided Members with an update on the current project status.</p> <p>Simon also shared the progress made since the lessons learnt review was completed by Independent consultants Hatmill.</p> <p>Members raised a number of questions, and Officers provided detailed responses.</p>

	<p>Resolved – (1) That the update be noted.</p>
28:	INDEPENDENT DIRECTOR MEMBERS DISCUSSION (EXEMPT)
	<p>The Chair requested that YPO officers leave the meeting for this item.</p> <p>Jon Towler (Independent Director) shared his findings from the last few months. Jon noted that recovery is the main priority for 2021 and shared that he is pleased on where the business is operationally and how the leadership team have responded to recent challenges. Jon noted that it is a good news story so far this year.</p> <p>Jon outlined an area where it is understood there is an opportunity for growth.</p> <p>Rob McWilliam (Independent Director) noted that he is optimistic for the future, the two Executive Director appointments are critical for the long-term strategy.</p> <p>Cash management should remain a key focus. Support for the leadership team from the Management Committee is important over the next few months.</p> <p>Councillors thanked the Independent Directors for their update and noted it was useful.</p> <p>Resolved – (1) That the verbal update be acknowledged and noted.</p>
29:	DATE AND TIME OF NEXT MEETING
	<p>Resolved – (1) That the next meeting of the YPO Executive Sub Committee is to be held 9th July 2021, at 10:30am.</p>

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YPO
EXECUTIVE SUB COMMITTEE
TO BE HELD ON
9TH JULY 2021

TITLE: 2021/22 WORK PROGRAMME

REPORT OF: MANAGING DIRECTOR

1. PURPOSE OF REPORT

1.1 To provide Members with an overview of the work scheduled for the 2021/22 committee cycle.

2. BACKGROUND INFORMATION

2.1 The Executive Sub-Committee has a membership of nine members drawn from the Management Committee (including the Chair and Vice Chair of the Management Committee). Its primary purpose is to review the performance of the organisation, ensure delivery of the agreed strategy and review the performance of the Managing Director.

2.2 Since summer 2020 the Executive Sub-Committee has met three times and on each occasion a full set of minutes with actions and matters arising has been presented to the Management Committee.

3. TERMS OF REFERENCE

3.1 The Terms of Reference have been reviewed and are attached for Member's consideration.

4. PRINCIPAL AGENDA ITEMS

4.1 The focus of principal agenda items for the Executive Sub-Committee are similar to previous years and they are aimed at providing the members with sufficient information to undertake their role, as set out in the terms of reference. The proposed principal agenda items along with a meeting schedule and training plan are attached as appendices.

5. RECOMMENDATION

5.1 Members are asked to agree this report for submission to the Management Committee in the name of the Chair of the Executive Sub-Committee.

REPORT AUTHOR: SIMON HILL, MANAGING DIRECTOR

YPO
41 Industrial Park
Wakefield
WF2 0XE

Telephone No: 01924 834912
E-mail address: simon.hill@ypo.co.uk

APPENDICES:

Appendix 1 - Terms of Reference 2021/22
Appendix 2 - Principal Agenda Items
Appendix 3 - Meeting Schedule
Appendix 4 - Training Schedule

Yorkshire Purchasing Organisation

Management Committee Terms of Reference 2021/22

Number of Members

Twenty Six Councillors – Two from each Member Authority

Quorum

Member representation from at least five Member Authorities.

Substitutes

Two named substitutes from each Member Authority.

Frequency of Meetings

Three times per annum.

Suggested duration: Max 2 hours (10:30am – 12:30pm)

Remit

1. To approve and keep under review a long term plan setting out the strategic direction of YPO.
2. To consider, approve and keep under review Standing Orders, Financial Procedure Rules and the Officer Delegation Scheme prior to subsequent approval by Member Authorities, and to carry out such actions as are required by these rules.
3. To provide leadership for Risk Management across YPO and ensure Risk Management is used as a strategic and operational tool.
4. To keep under review the method of distributing annual dividends, and decide annually on the amount and timing of dividend distribution.
5. To periodically review the membership of YPO.
6. To appoint annually at the Annual General Meeting an Audit & Scrutiny Sub-Committee and an Executive Sub-Committee, and a Joint Consultative Committee and receive minutes or reports from them highlighting any areas that require action by the Management Committee.
7. To seek assurances from the sub-committees that YPO is acting with all due care and attention.
8. 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.

Yorkshire Purchasing Organisation

Executive Sub-Committee Terms of Reference 2021/22

Number of Members

Nine Councillors, including Chair and Vice Chair of the Management Committee.
Not more than one Councillor from any member authority.

Quorum

Member representation from at least three Member Authorities.

Substitutes

Agreed named substitutes are Allowed.

Frequency of Meetings

Three times per annum.

Remit

1. To ensure that the performance of YPO is in accord with established business plans.
2. To receive trading reports from senior managers and that trading operations are in line with approved business plans.
3. To review the performance of the organisation in achieving its objectives through an examination of performance data and relevant performance indicators.
4. To receive reports on spending against approved budgets.
5. To review annually its terms of reference and report any additions and amendments to the Management Committee.
6. To provide an update to Management Committee on the activities of the Committee by way of meeting minutes and responses to any matters arising.
7. To consider applications for Associate Membership of YPO, and recommend them for approval by the Management Committee.

To act with delegated authority of the Management committee in respect of:

1. To approve individual capital investment proposals, in line with the overall investment plan agreed by the Management Committee.
2. To agree conditions within which goods, materials and services can be supplied to Member Authorities, Associate Members and other Local and Public Authorities covered by the Local Authorities (Goods and Services) 1970 act and any subsequent modifications.

Yorkshire Purchasing Organisation

Audit & Scrutiny Sub-Committee Terms of Reference 2021/22

Number of Members

Sixteen Councillors, but not the Chair or Vice Chair of the Management Committee

Frequency of Meetings

Three times per annum, to be scheduled approximately one month prior to Management Committee meetings.

Quorum

Member representation from at least four Member Authorities.

Substitutes

Agreed named substitutes are allowed.

Remit

1. To ensure that the highest standards of probity and public accountability are demonstrated and in doing so ensure effective governance of YPO.
2. To provide the Management Committee with a reasonable assurance of the efficient and effective operation of the overall internal control environment within YPO, through a systematic appraisal of its framework of internal controls, processes and data quality.
3. To consider internal audit plans and performance to ensure the work of internal audit is planned and carried out with due regard to major risks, areas of significant financial effect and the need to cover the range of the service, and to challenge and review actions taken by senior managers on significant audit recommendations.
4. To consider the external audit work programme and monitor the implementation of significant external audit recommendations.
5. To ensure that an appropriate risk management strategy has been drawn up and to monitor that risk management procedures are being carried out effectively, including the establishment of a reserves policy.
6. To review annually its terms of reference and report any additions and amendments to the Management Committee.
7. To provide an update to management committee on the activities of the committee activity by way of meeting minutes and responses to any matters arising.
8. To ensure the effectiveness of decisions made by YPO by means of conducting scrutiny reviews in accordance with both an approved programme and on an ad-hoc "call in" basis.
9. In conducting reviews receive evidence and call witnesses as appropriate for each review so as to determine how decisions were made, on what basis were they made, if appropriate account of options and risks were considered, if the decisions made reflected original statements of intent and if decisions were made in a timely

fashion and if they were made in the best interests of YPO and in accord with YPO's public accountability and code of corporate governance.

10. To prepare a report following each review, setting out conclusions and recommendations, for submission to the Management Committee.
11. To review periodically the response of senior managers to completed reviews.
12. To carry out reviews requested by the Executive Sub-Committee and the Management Committee.

To act with delegated authority of the Management committee in respect of:

1. To approve the annual governance statement to the Management Committee for inclusion in the annual statement of accounts, and review the implementation of any audit recommendations arising from the final accounts audit.
2. To approve the acceptance of the annual statement of accounts. In the event the Committee not being quorate the Chair of the Audit & Scrutiny Sub-Committee shall have delegated authority from the Management Committee to sign the accounts if confident to do so after consultation with the Section 151 Officer.

Yorkshire Purchasing Organisation

Joint Consultative Committee Terms of Reference 2021/22

Number of Members

- Five Councillors (including the Chair and Vice Chair of the Management Committee) drawn from different member authorities.
- The Chair and Secretary of the YPO branch of UNISON.
- The UNISON Regional Organiser responsible for liaising with YPO.

Frequency of Meetings

Three times per annum, linked to Management Committee meetings.

Quorum

Two Councillors and two Trade Union officials.

Substitutes

Agreed name substitutes are allowed.

Remit

1. To represent and co-ordinate the views locally of UNISON and Members of the YPO Management Committee on issues of common interest in relation to YPO.
2. To raise issues, make recommendations and reach agreement on issues which have an effect on the employees of YPO, but without binding effect on either party.
3. To monitor and challenge the outputs of any employee satisfaction survey.
4. To promote the well-being of employees and monitor and challenge matters related to sickness and attendance.
5. To promote, challenge and monitor YPO's actions in relation to it being an employer of choice and its public sector equality duties.
6. To review annually its terms of reference and report any additions and amendments to the Management Committee.
7. To provide an update to management committee on any matters arising which warrant a wider discussion.

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PRINCIPAL AGENDA ITEMS 2021 - 2022

MANAGEMENT COMMITTEE

November 2021	Author	Agenda
Budget and Business Plans for 2021	M Hirst/ JH	Private
Business Update	SH	Private
YPO Pay Policy	JH	Public
Lead Authority Issues	GM	Public
Report of Independent Director	Independent Directors	Private

March 2022	Author	Agenda
Pre-Audit Statement of Accounts <i>(For information only)</i>	M Hirst/ JH	Public
Dividend Distribution <i>(Total amount of dividend)</i>	M Hirst/ JH	Private
Internal Audit Annual Report	Internal Audit	Public
Lead Authority Issues	GM	Public
Business Update	SH	Private
Report of Independent Director	Independent Directors	Private
Internal Audit Plan	Internal Audit	Public
Treasury Outturn Report	M Hirst/ JH/ Wakefield	Private
Financial Procedure Rules & Standing Orders Relating to Contracts	AHG	Private

July 2022	Author	Agenda
Annual Report	SH	Public
Audited Accounts <i>(For information only)</i>	M Hirst/ JH	Public
Governance Review	AHG	Public
TOR and Work Programme	SH	Public
Business Update	SH	Private
Report of Independent Director	Independent Directors	Private
Lead Authority Issues	GM	Public
Membership of the YPO Management Committee	KS	Public
Appointments to Sub-Committees & Joint Consultative Committee	KS	Public
Dividend Distribution <i>(Individual Dividend Amounts)</i>	M Hirst/ JH	Private
Independent Director Recruitment Contract	JH	Private
Gender Pay Gap (for info only)	JH	Public

PRINCIPAL AGENDA ITEMS 2021 - 2022

EXECUTIVE SUB COMMITTEE

November 2021	Author	Agenda
Financial Performance Report (Forecast for next year)	M Hirst/ JH	Private
Lead Authority Issues	GM	Public
Business Update	SH	Private
Attendance Report	JG/ JH	Private
Stock Losses Report	M Hirst/ JH	Private
YPO Pay Policy	JG/ JH	
Independent Director Update – Verbal	Independent Directors	Private

March 2022	Author	Agenda
Financial Performance Report (Earmarked Reserves Spend to be included in this) (Review of previous year performance)	M Hirst/ JH	Private
Lead Authority Issues	GM	Public
Business Update	SH	Private
Standing Orders & Financial Procedure Rules	M Hirst/ JH	Public
Independent Director Update – Verbal	Independent Directors	Private

July 2022	Author	Agenda
Financial Performance Report (Mid-year performance update)	M Hirst/ JH	Private
Lead Authority Issues	GM	Public
Business Update	SH	Private
Exec Sub Work Programme & TOR	SH	Public
Independent Director Update – Verbal	Independent Directors	Private

PRINCIPAL AGENDA ITEMS 2021 - 2022

AUDIT & SCRUTINY SUB COMMITTEE

November 2021	Author	Agenda
Internal Audit Plan Template 2021	Internal Audit	Public
Year End Closedown Timetable	M Hirst/ JH	Public
Link Actions Update	SH	Private
Strategy Update	TBC	Private
External Audit Report	External auditors	Public

March 2022	Author	Agenda
Internal Audit Action Update	AHG	Public
Annual Governance Statement	M Hirst/ JH	Public
Pre-Audit Statement of Accounts <i>(report will be submitted late but will be in for the official papers deadline)</i>	M Hirst/ JH	Public
Internal Audit Annual Report 2021	Internal Audit	Public
Internal Audit Plan 2021	Internal Audit	Public
Link Actions Update	SH	Private
Strategy Update	TBC	Private
Stock Adjustments	M Hirst/ JH	Private
Gifts & Hospitality	AHG	Public
External Audit Plan	External Auditors	Public
Risk Register	AHG	Private

July 2022	Author	Agenda
External Audit Report	External Auditors	Public
Audited Statement of Accounts	M Hirst/ JH	Public
Audit & Scrutiny Sub Work Programme & TOR	SH	Public
Governance Review	AHG	Public
Draft Internal Audit Plan	Internal Audit	Public
Link Actions Update	SH	Private
Strategy Update	TBC	Private

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Date of Meeting		Board Meeting	Strategic Officers Meeting	Executive Sub Committee	Management Committee	JCC Members Meeting	Audit & Scrutiny Sub Committee	Partnership Liaison Meeting
August								
24/08	9:00	Board Meeting						
September								
28/09	9:00	Board Meeting						
October								
TBC	9:00							Partnership Meeting
12/10	10:30		Strategic Officers					
19/10	9:00	Board Meeting						
November								
05/11	10:30						Audit & Scrutiny Sub	
12/11	10:30			Executive Sub				
23/11	9:00	Board Meeting						
26/11	9:30					JCC		
26/11	10:30				Management Committee			
December								
16/12	9:00	Board Meeting						
January								
25/01	9:00	Board Meeting						
February								
TBC	TBC							Partnership Meeting
15/02	10:30		Strategic Officers					
22/02	10:30	Board Meeting						
March								
04/03	10:30						Audit & Scrutiny Sub	
11/03	10:30			Executive Sub				
22/03	9:00	Board Meeting						
25/03	9:30					JCC		
25/03	10:30				Management Committee			
April								
26/04	9:00	Board Meeting						
May								
TBC	TBC							Partnership Meeting
24/05	9:00	Board Meeting						
June								
14/06	10:30		Strategic Officers					
28/06	9:00	Board Meeting						
July								
01/07	10:30						Audit & Scrutiny Sub	
08/07	10:30			Executive Sub				
22/07	9:30					JCC		
22/07	10:30				Management Committee			
26/07	9:00	Board Meeting						

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TRAINING SCHEDULE 2021 - 2022



	EXECUTIVE SUB COM	AUDIT & SCRUTINY SUB COM
Date and Training Topic	November 2021 IT Strategy Darren Elvidge	November 2021 Internal Audit Training Jason Brook
Date and Training Topic	March 2022 Marketing Strategy Rachel Stothard	March 2022 External Audit Training External Auditors
Date and Training Topic	July 2022 People Strategy Jacqui Green	July 2022 Education Strategy Martin Armytage

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