

# YORKSHIRE PURCHASING ORGANISATION MANAGEMENT COMMITTEE

Friday 22<sup>nd</sup> November 2024

## Present:

**Barnsley**  
Councillor Barnard (Sub)

**Calderdale**  
Councillor Barnes

**Knowsley**  
Councillor Lonergan

**Kirklees**  
Councillor Turner

**Wakefield MDC**  
Councillor Pickersgill

**York**  
Councillor Whitcroft (Sub)

<b>1:</b>	<b>Members Declaration of Interest</b>
	No declarations of interest were made.
<b>2:</b>	<b>Apologies for Absence</b>
	Apologies for absence submitted prior to the meeting were accepted on behalf of Councillors Frost (Barnsley), Merrett (York), Bond (St Helens), Rehman (Wigan), Thornton (Bradford), Cole (Doncaster), and Khurram (Bolton).
<b>3:</b>	<b>Urgent Items</b>
	No urgent items were discussed.
<b>4:</b>	<b>Minutes of the Audit &amp; Governance Sub-Committee – 8<sup>th</sup> November 2024</b>
	<b>Resolved</b> – (1) That the Minutes of the meeting of the Audit & Governance Sub Committee held on 8 <sup>th</sup> November 2024 be accepted as a correct record, and the recommendations contained within the minutes are also agreed.
<b>5:</b>	<b>Minutes of the Audit &amp; Governance Sub-Committee – 19<sup>th</sup> July 2024</b>
	<b>Resolved</b> – (1) That the Minutes of the meeting of the Audit & Governance Sub Committee held on 19 <sup>th</sup> July 2024 be accepted as a correct record, and the recommendations contained within the minutes are also agreed.

<b>6:</b>	<b>Minutes of the Management Committee – 19<sup>th</sup> July 2024</b>
	<b>Resolved</b> – (1) That the Minutes of the meeting of the YPO Management Committee held on 19 <sup>th</sup> July 2024 be accepted as a correct record.
<b>7:</b>	<b>Verbal Update from Chair of Audit &amp; Governance Sub-Committee</b>
	Councillor Turner (Chair of Audit & Governance Sub-Committee) shared a verbal update following the Audit & Governance Sub-Committee meeting held on 8 <sup>th</sup> November 2024.
	<b>Resolved</b> – (1) That the verbal update be noted.
<b>8:</b>	<b>Lead Authority Issues</b>
	Gillian Marshall (Wakefield) shared we are still awaiting the signed Management Agreement from North Yorkshire CC. It is concerning how long this is taking to resolve.
	Gillian raised that the Lead Authority have concerns around the level of attendance at YPO Committee meetings. It is now getting to the point where is it impacting on the ability to make decisions.
	A discussion was held around how this can be improved.
	Cllr Barnes suggested a letter to go out in his name as Chair, to each group leader of all the 13 owning Councils, to advise them of the importance of the meetings and quoracy etc.
	Helen Lisle confirmed she would be supportive of that.
	Cllr Pickersgill noted that as much notice for meetings as possible is helpful to ensure attendance.
	<b>Resolved</b> – (1) That the Lead Authority update be noted.
	(2) It was agreed that a letter on behalf of the Chair of the Management Committee will be sent to all 13 owning Councils to stress the importance of meeting attendance.
<b>9:</b>	<b>Exclusion of the Public &amp; Press</b>
	<b>Resolved</b> - <i>That the public and press be excluded from the meeting during consideration of Agenda Items 10 to 13 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.</i>
	<b>IN PRIVATE:</b>

<b>10:</b>	<b>Business Update - (Exempt Paragraph 3)</b>
	<p>The Managing Director (Simon Hill) presented the Business Update which provided Members with an update on activities of the organisation since the last committee and provided an overview on forthcoming activities and challenges.</p> <p>Simon noted there is just over one trading month left of this financial year. The efficiencies and business improvements made are now paying off, and we are confident as a team that we will achieve close to the profit target this year.</p> <p>The education market has been challenging this year. However, we have maintained good cost control, and we are continuing to increase our market share.</p> <p>Simon noted that our 50<sup>th</sup> year is coming to an end, we have used this as part of our marketing and general profile raising throughout the year.</p> <p>Simon provided updates on planned CPD courses, our account-based marketing approach, and our plans around pro-active public sector marketing.</p> <p>Cllr Pickersgill asked if there is a list of all YPO frameworks that could be shared? It was agreed we will circulate our framework booklet.</p> <p>Cllr Whitcroft noted his congratulations on YPO's 50<sup>th</sup> year. It is important we continue to celebrate our longevity in the market.</p> <p>Julie Hawley shared we have had an ambitious budget this year. We had a successful peak in July and mini-peak in September, despite the tough market conditions. We are continuing to monitor costs towards the year end and are reviewing where any costs will be deferred into next year, if required.</p> <p>Julie explained we are working hard to ensure we are getting cash in on time to pay suppliers when due. We are on track to be independent cash wise next year.</p> <p>Julie noted there are a number of projects on-going within the portfolio, as well as a lot of digital transformation across the business. This includes a new Health &amp; Safety management system, an update to our internal Sharepoint system, a new automated recruitment system for HR, and the full refurb of the building.</p> <p>We also have a lot of initiatives around Health &amp; Wellbeing on-going currently.</p> <p>Cllr Barnard asked if our fill rate needs to be so high, or could we lower it slightly to free up some cash?</p> <p>Jacque Lightfoot explained that focussing on having our key fast moving items in stock saves us money in the long run, so we don't have to re-deliver. The slower moving stock products are continually reviewed, and this is a balanced approach.</p>

A discussion was held around the automated recruitment system and how this will work. Julie confirmed it is more around automation of our manual processes.

Jacque Lightfoot talked through the updates around logistics. This year has been our best ever peak, and having such good order fulfilment rates has helped us massively. We have much more efficient processes in place now.

The WMS / SQL upgrade happened in August, and this went well. A lot of prep work went into ensuring this was a success. The next phase is looking at implementing scanning in the warehouse.

IT are now focussing on the ISO27001 accreditation, work is progressing on this to prepare for next year.

A lot of background work has recently been taking place around Health & Safety, including implementing a new system for reporting and collecting data.

Cllr Turner asked a question around the sustainable fuel vehicles. It was agreed we will pull some information together on this and circulate to Members. Jacque noted this is currently in the early stages.

A discussion was held around the timescales for the warehouse extension. We will continue to update Members with the progress on this.

Michelle Walker (Head of Procurement Services) shared the procurement update. The Trading & Procurement services teams have recently joined together under Andrea Smith's directive.

Michelle shared we are introducing a bespoke consultancy service and training academy as additional areas next year. This will include training on procurement best practice across the public sector.

The procurement act has been delayed from October 2024 until February 2025. We are working towards this new date.

Michelle talked through the trading performance; we have achieved the budget in this area. We are currently looking at the pricing strategies for 2025.

Our new Edtech solution, Learning Box, brings all Edtech together in one place, making it attractive for schools, parents, and children.

Michelle talked through the update relating to procurement services, including the focuses and challenges for the area up to the end of 2024. We have an engaged with some external organisations to complete an audit on any non-reported spend on our rebate system.

Councillors asked various questions on the report, and explanations were provided by Officers.

	<p><b>Strategic Opportunity Discussion</b></p> <p>Simon Hill talked through a strategic opportunity that has arisen and talked through some slides which shared further information on this.</p> <p>Key officers as well as Chair of both the Management Committee and the YPO Procurement Holdings Ltd company have been briefed on this. PWC are also involved from a legal perspective.</p> <p>Simon explained that the mechanism for the decision on this will be required in the YPO Procurement Holdings Ltd company Board meeting, which is to be held this afternoon.</p> <p>Councillors asked a number of questions, and a discussion was held around timescales.</p> <p>Cllr Barnard noted Barnsley Council's reservations.</p> <p><b>Resolved</b> – (1) That the report be noted.</p> <p>(2) That the Management Committee note the proposal to issue a non-binding bid in relation to the investment opportunity, and that a final decision will be made on this in the YPO Procurement Holdings Ltd Company Board meeting, later today.</p>
11:	<p><b>Budget and Business Plan – (Exempt Paragraph 3)</b></p>
	<p>Matthew Hirst, Head of Finance, presented the report which presents the 2025 operational profit and loss budget. It also highlights exceptional cost items and Capital Expenditure that needs to be funded next year. Matthew talked through the headlines of the report.</p> <p>Matthew talked through the growth plans, we are working through the detailed sales and marketing plan currently. There are also growth plans in place regarding the rebate income.</p> <p>Matthew talked through the exceptional costs.</p> <p>Matthew explained that once the 2025 phasing is complete, we will be looking ahead to the next five-year plan. We are planning to have a rolling five-year plan in place going forward.</p> <p><b>Resolved</b> - (1) That the Committee agree the proposed budget for 2025.</p> <p>(2) That the Committee reviewed the exceptional and capital items highlighted and the proposed funding of these.</p>

<b>12:</b>	<b>Non-Executive Director Role – Options appraisal of term - (Exempt Paragraph 3)</b>
	<p>Helen Lisle (Non-Executive Director) talked through the report, which provides an in-depth options appraisal for determining the optimal term length for the Non-Executive Director (NED) at YPO. A Non-Executive Director is pivotal in steering the strategic direction of an organisation and ensuring robust governance. NEDs offer independent oversight, strategic input, and a critical balance to the executive leadership. The effectiveness of a NED is influenced significantly by their term length, which affects continuity, governance, and the infusion of fresh perspectives.</p> <p>This report evaluates the benefits and drawbacks of various term lengths, including 2-year, 3-year, 4-year, and 5-year terms, to identify the most suitable approach for YPO.</p> <p>The Management Committee reviewed the NED options paper and following a lengthy discussion came to an agreement regarding the term.</p> <p><b>Resolved</b> - (1) It was agreed that an initial term of a NED would be 3 years, there would then be an option for another term of 3 years, should the Board and Committee agree, and if the NED were agreeable to the 2nd term. The Management Committee also agreed that there should be an opportunity for a third term of up to 3 years, held for exceptional circumstances.</p> <p>(2) It was agreed for Cllr Barnes as Chair to discuss ‘exceptional terms’ wording with Ben Hitch-Bramley (Wakefield) and Simon Hill.</p>
<b>13:</b>	<b>Report of Non-Executive Director – (Exempt Paragraph 3)</b>
	<p>Members gave consideration to a report of the Non-Executive Director which detailed her recent observations of the organisation. Helen Lisle talked through the key headlines of the report.</p> <p><b>Resolved</b> - (1) That the report of the Non-Executive Director be noted.</p>
<b>12:</b>	<b>DATE AND TIME OF NEXT MEETING</b>
	<p><b>Resolved</b> – That the next meeting of the YPO Management Committee will be held on 18<sup>th</sup> July 2025.</p>