

Better value, delivered.



ANNUAL REPORT

2019





Contents

Chairman's Statement	4
Managing Director's Statement	6
Sustaining our relevant position.....	8
Our 2019 achievements	10

Protect

Protecting our core	12
Our people.....	14
Our sector focus	16

Growth

Growing our world of procurement	20
App launch to help safeguard school children	22
Innovative framework development.....	24
Our digital journey	26

Position

Entering the political arena	28
Twinkl partnership to support teachers.....	30
Partnership to tackle challenges with Edtech.....	32
Helping partners to buy better	34
Our sustainable journey	36
Returning profits back into the heart of our communities	38
Our valued members and partners	40
Our member authorities	42
Our plans for the future	44

Our board of directors.....	46
Performance summary.....	48

"This year we focused strongly on retaining our customer base and bringing diversity and innovation to our offering - continuing to be a helping hand to our customers."

Chairman's Statement



Councillor Les Shaw

On behalf of the YPO Management Committee, I'm delighted to introduce the YPO Annual Report and Performance Summary for the 2019 financial year.

In 2019 we continued to see an upward change in some of our key markets, specifically education. At YPO we saw this as an opportunity to go for growth and position ourselves for the year ahead.

We are focusing heavily on our customer service to maintain and grow our position in the market and to retain our customer base and bring diversity and innovation to our offering – continuing to be a helping hand to our customers.

We signed a ground-breaking agreement with Amazon Business to supply goods and services to public sector bodies, this contract offers public sector customers buying from Amazon Business a compliant purchasing route for the first time. By using the contract put in place by YPO and Amazon Business, customers will be earning an income for the public purse with a percentage of each sale given back to the public sector.

2019 was our second year of the three-year strategy for YPO themed around 'relevance'. I'm pleased to see that YPO is continuing to strive to remain relevant to its customers, members and associate members and to the evolving commercial and public sector landscape in which we operate.

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 seeing how we continue to meet our objectives in the challenging times ahead.

"I'm particularly proud of our achievements as an employer. We made the Sunday Times 100 Best Companies to Work For list, which is an outstanding achievement."

Managing Director's Statement



Simon Hill

2019 saw another headline finance performance, with increases in profitability and delivery of over £7.7million in dividend to our members and associate members. Naturally, we're very proud of this result, as we know the dividend that we provide, increasingly helps to fund crucial frontline services for our member authorities. However, apart from the purely financial measures, there are so many other aspects of 2019 of which we're equally proud of.

We're proud that 20% of our total dividend is returned directly to schools through our loyalty vouchers, again helping to support increasingly stretched finances in the education sector.

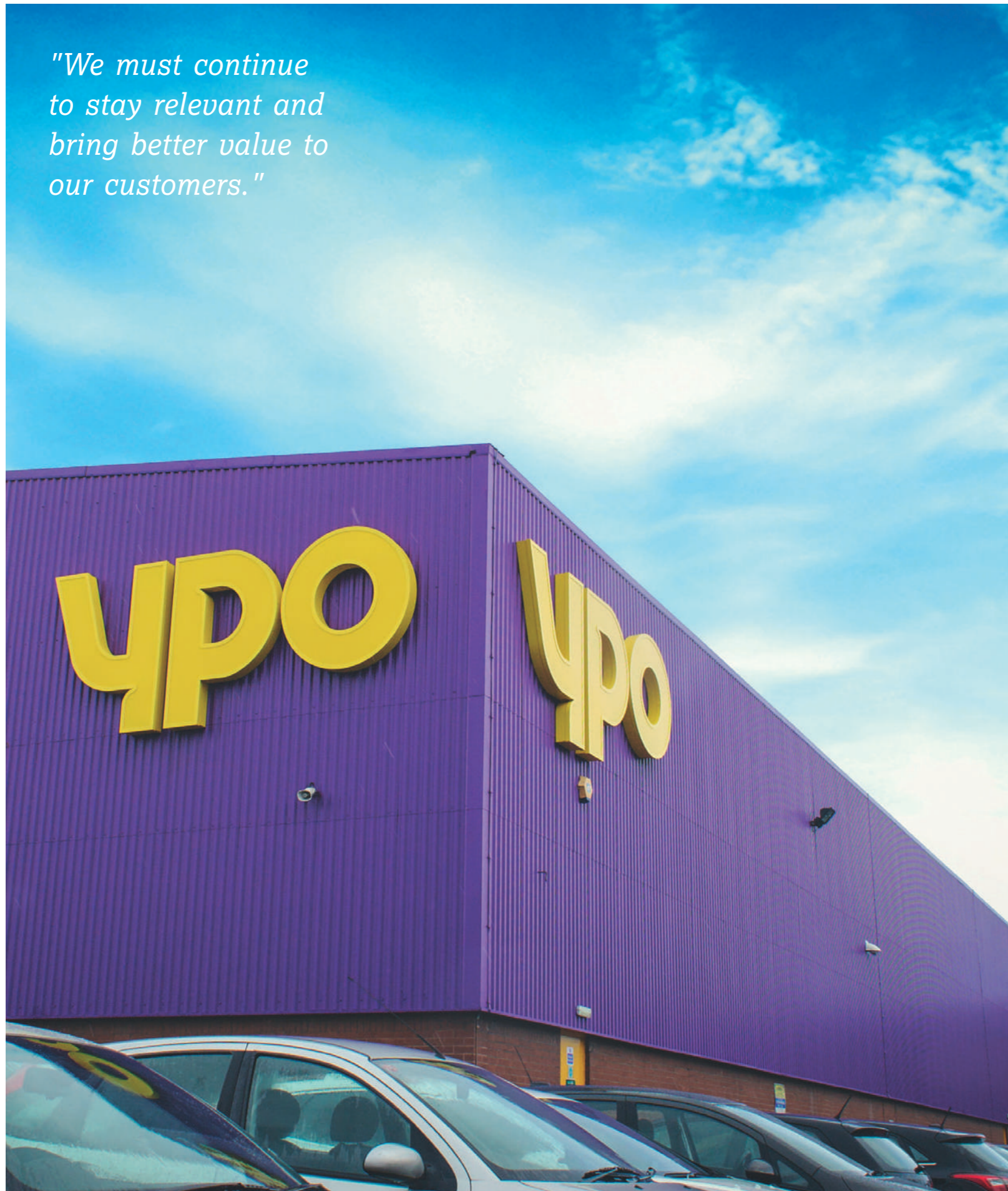
In the last year, we've done some very innovative things, which you might not expect of a local authority-owned organisation. We created the first of its kind public sector drones framework, so our emergency services colleagues can procure the latest technology compliantly. We also made sure pupils were safe, by launching a new innovative technology to improve the safety and security of secondary school pupils when using transport provided by the school.

I continued to meet with the chief executives of our member authorities during 2019. They reinforced to me that the creation of social value and support for the local SME economy were high priorities for them. We're therefore proud of the work we do in reporting social value and supply chain spend in each local authority area. We're also working hard to ensure these figures are as strong as possible through our supplier engagement work and by using dynamic purchasing systems in our service contracts. Our team of public sector buyers work hard to encourage SMEs to join our mission in helping the public sector.

I'm particularly proud of our achievements as an employer. We made the Sunday Times 100 Best Companies to Work For list, which is an outstanding achievement and in 2019 we saw another successful intake of apprentices into the organisation. In total, since 2011, we've recruited 78 apprentices. Of the 78 apprentices, 77 so far have completed their term and 55% have progressed to full employment with us. Creating a strong pipeline of future talent. In April, we introduced new pay scales in line with increases in the national minimum wage, ensuring that our lowest paid colleagues were rewarded with a proportionately higher increase and more opportunities to work their way through the different stages of pay in their pay grades. We also reported a positive gender pay gap, in favour of our female employees.

These achievements have been produced by a dedicated and loyal workforce, all of who are committed to providing the best possible outcomes for the public sector daily – something to be proud of!

"We must continue to stay relevant and bring better value to our customers."



Sustaining our relevant position

In the second year of our three-year strategy themed around 'relevance', supporting our vision 'that every single public sector organisation achieves the best possible value for money when procuring its goods and services', we looked at our proposition as a business.

Our diverse customer groups in education and local authority procurement teams - plus others in the emergency services sector, housing, early years settings as well as health and social care - need us to stay relevant and provide good value to them all. Not just on price, but through excellent customer service, thought leadership, innovation, being a partner, and being a helping hand to our customers.

Established over four decades ago by our owning member authorities to help combine their procurement demands and achieve efficiency savings, our ethos is still the same and we've worked hard to protect, grow and position our organisation.

We protect our employees, which is shown by YPO being ranked in the Sunday Times Best Companies to Work for and retaining our place as a UK Best Not-for-Profit Organisation to Work for with our one-star accreditation.

We continue to grow our range of services by sharing our 'world of procurement' offering with our customers and hosting our second national conference in London. Our world of procurement is a marketing concept that brings together our procurement services offering in a way that

encompasses all our frameworks and solutions, as well as recognising the challenges our owning authorities and customers face daily.

We position YPO by being at the forefront of new developments. The Department for Education challenged the tech industry to launch an education revolution for schools, colleges, and universities. Already in development at this time was 'Edtech Impact,' an online platform designed to guide teachers and school leaders through the vast choice of edtech products, by evaluating their specific needs and accessing the impact of the solutions available. Our 13 owning member authorities provided investment in Edtech Impact and by doing so, we were at the forefront of this technological change. We helped develop the platform with Innovate My School.

By looking at the changing markets and adapting, YPO will always be customer focused and we will always be a successful and relevant organisation, meeting the needs of our customers, employees and owning members.

Our 2019 achievements

amazon business



NOVEMBER

We launched a new innovative tech solution to improve the safety and security of secondary school pupils when using transport provided by the school. The Home to School app connects buses with real-time tracking for schools and parents/guardians to monitor pupils' journeys, offering peace of mind and improving safeguarding.

"The Home to School app connects buses with real-time tracking for schools and parents/guardians"



MARCH

In March, we launched our international website, to help our overseas customers buy from us through their distributors. The website isn't accessible from UK search engines, so it won't be mistaken with our website, but the international website helps our international customers browse our products and makes ordering easier for them.

MAY

In May, we signed a groundbreaking agreement with Amazon Business to supply goods and services to public sector bodies including local authorities, multi-academy trusts and universities. The framework offers public sector customers buying from Amazon Business a compliant purchasing route for the first time. YPO customers are directed to Amazon Business where they can set up their account and use a framework to buy products YPO currently doesn't sell, all while being assured that these products have been compliantly sourced.

"The framework offers public sector customers buying from Amazon Business a compliant purchasing route for the first time"

FEBRUARY

YPO was ranked in The Sunday Times Best 100 Companies to Work For. Coming in at 79th place, we were delighted to be back on The Sunday Times 100 list in the Not-For-Profit category. First launched in 2001, the list was created to measure true employee engagement and has since been developed to help improve it.

APRIL



We launched a new online community called YPO Communities, to further enhance our customer's online experience. The main aim of YPO Communities is to create an online community for teachers and other customers to use by asking and answering questions with each other. This peer-to-peer activity encourages quick, non-biased and precise responses to questions, building a helpful online community for our customers.

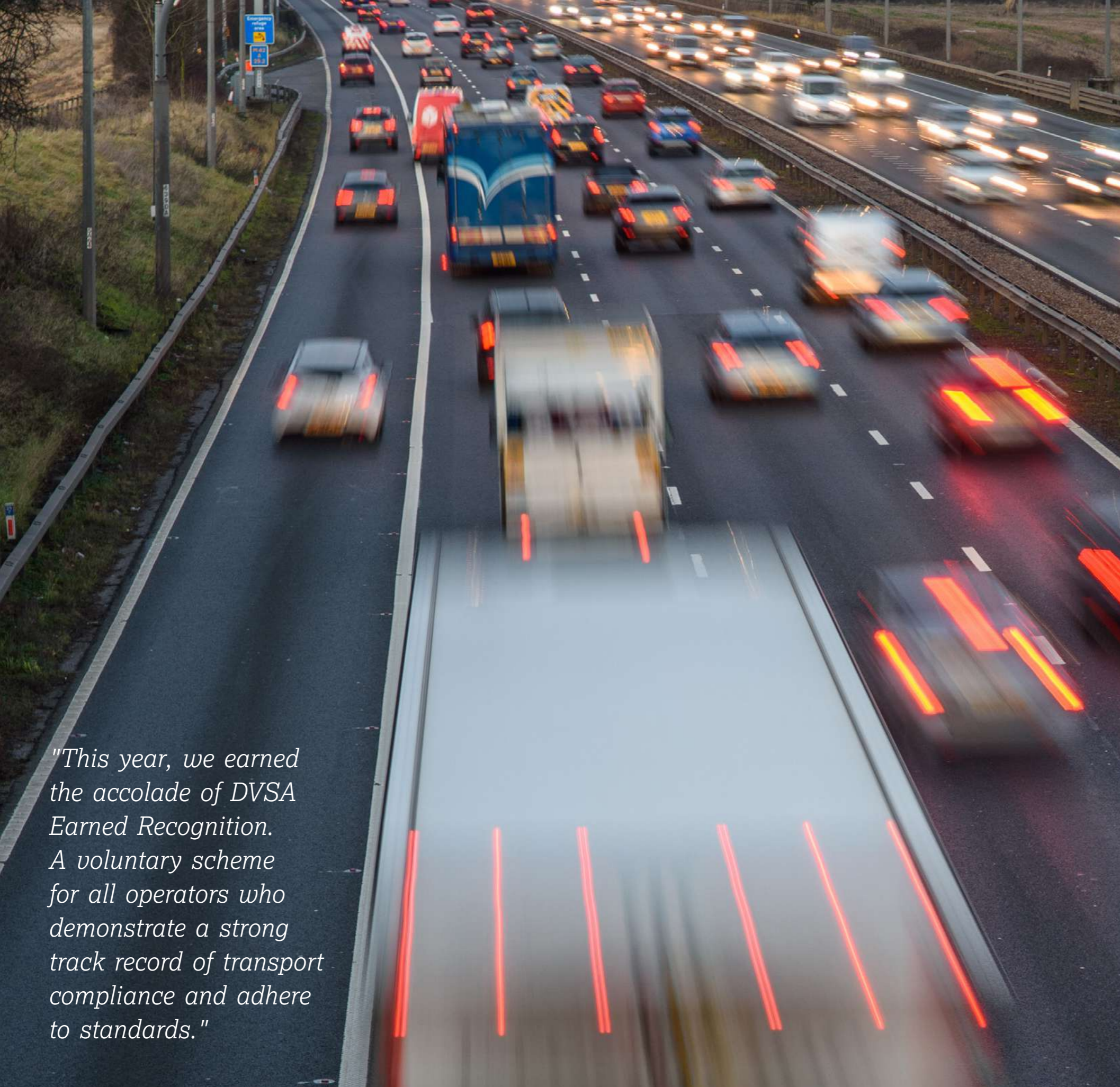
SEPTEMBER

"We provided the support to help deliver the UCI Road World Championships, as Yorkshire welcomed the world's elite cyclists"

In September, we provided procurement support to help deliver the UCI Road World Championships, as Yorkshire welcomed the world's elite cyclists to test their endurance on the region's roads. Everything from first aid and folding chairs to radios and lunch for event volunteers was procured with help from YPO.

DECEMBER

To end the year, we joined forces with Twinkl to help teachers across the UK. The partnership combines YPO's 45 years in education, with Twinkl's expertise in educational resources and its vast range of digital teaching materials used by educators worldwide. The collaboration delivers a wide range of classroom solutions for schools, as well as discounts and giveaways, to further a shared mission to support teachers and learners.



"This year, we earned the accolade of DVSA Earned Recognition. A voluntary scheme for all operators who demonstrate a strong track record of transport compliance and adhere to standards."

Protect

Protecting our core

As we continue to grow with new customers in different regions, as well as expanding international sales, we recognise it's just as important to protect our existing loyal customers.

We help our education customers by not just providing products and services, but by being a partner and a helping hand to them. One of the ways we do this is through our free termly magazine called Everything Curriculum. This year, we rebranded the magazine and each issue is themed around a specific topic and our team of experts pick the topics depending on what's hot in the curriculum. The magazine is packed with content to help primary school teachers and each edition includes insight from primary education specialists, the chance to learn what schools are getting up to and an exclusive competition.

We also pride ourselves on our award-winning customer service. Over the years our customer service offering has gone from strength to strength with impressive scores in the Institute of Customer Service Benchmarking Survey as well as consistently high ratings on Feefo, our customer review and feedback platform.

Protecting our employees, operations and fleet is an ongoing success for us. This year, we earned the accolade of DVSA Earned Recognition. The DVSA Earned Recognition scheme is a voluntary scheme for all operators who demonstrate a strong track record of transport compliance and adhere to standards, showing robust systems and processes that promote effective and proactive transport management. This is an incredible achievement, sharing our transport o-licence with Wakefield Council we're the first local authority to have earned recognition, which means we are best in class for o-licence management.



Our people

Having such a committed and hardworking workforce is one of the main reasons YPO continues to succeed in what we do. That's why it's important for us to make sure that our employees are happy and feel valued and appreciated for their continued support.

Measuring Engagement Sunday Times 100

Every year we take part in the Best Companies Sunday Times 100 survey, which determines a list of the UK's best companies to work for. In 2019, we achieved a place as a 'Best Not-for-Profit Organisation to Work for', ranking at 79 out of 100 and obtaining a one-star accreditation.

Organisations register to be considered for a place on the list, then Best Companies send out their annual 'b-Heard' survey to each employee within the workforce. Employees are granted the opportunity to answer questions about their workplace, relating to factors such as their wellbeing,

manager and general feeling in connection with the organisation.

After all the surveys have been finalised, answers are submitted confidentially to Best Companies who correlate the results to establish the rankings of the awards.

According to Best Companies, achieving a one-star accreditation is a 'significant achievement that shows an organisation is taking workplace engagement seriously.' It also signifies 'very good levels of workplace engagement'.

Participating in the b-Heard survey annually also means we can measure employee engagement, as the ranking we receive is based solely on their anonymous feedback. After the awards have taken place, we receive data in percentage format from Best Companies to see how we're performing. This way, we can accurately see if the differences we make year on year are improving or worsening our employee's overall outlook and act accordingly to achieve the most efficient workplace possible.

Recognition The Big Day 2019

Our annual staff awards ceremony, The Big Day, is the perfect time for us to showcase the fantastic work our employees have undertaken and reward them for their efforts. It's also a time where, as a business, we look back on the previous year's achievements and our board of directors discuss the current position of the organisation and future plans.

Each year, employees have the opportunity to nominate their colleagues, a team or even themselves to be recognised for a job well done. Staff nominations are generally based on successful team or individual projects, and some describe a colleague that has gone the extra mile to help others.

In 2019, we saw six different award categories: Employee of the Year, Team of the Year, Young Employee of the Year, Outstanding Contribution to the YPO Values, Social Collaborator and Outstanding Customer Service (Internal or External). Each nomination per category is carefully overseen by a panel of elected judges who determined the overall winners.

In addition to the award ceremony and business update, all employees are granted a full day 'out of office' to attend The Big Day to say thanks for their support. We provide complimentary refreshments, a delicious lunch and a famous guest speaker. At our most recent event, we all had the pleasure of meeting boxing superstar, Nicola Adams who gave a moving speech to our staff members, to encourage motivation and keep them inspired about their future.

Year on year our employees continue to shine, and as a business we will continue to celebrate and reward them for their hard work in the years to come.



Our sector focus

In 2019, we took the decision to refocus YPO by dividing into two divisions, public sector and education. We made three senior promotions in these areas to ensure we continued investment and commitment to these sectors.

Gavin Rimmington took on the role of Head of Public Sector following seven years as Head of IT and Business Change, **Martin Armytage moved** from his position as Head of Sales and Customer Experience into a new Head of Education role and **Ashley Cartwright** has been made Education Development Manager.

The three roles demonstrate a clear strategy for the organisation that focuses on the continued development of YPO within the public sector, alongside a drive to harness detailed insight into a UK-wide customer base that will influence the creation of market-leading products and services.





Gavin Rimmington
Head of Public Sector

Leading the way with public sector procurement

Gavin Rimmington began his role as Head of Public Sector following 20 years working in change and innovation. After 10 years working on large-scale technology solutions at Wakefield Council, Gavin joined YPO in 2013, first as a Programme Manager, then as Head of IT and Business Change.

With experience in leading digital strategies, such as developing our digital platforms, Gavin will be the driving force behind our drive to develop in-depth customer understanding in order to lead a world-class service.

Overseeing all public sector divisions, from energy solutions, IT, insurance, apprenticeships and HR solutions to name a few, Gavin is keen to support customers to transform, innovate and improve through championing collaborative procurement. Gavin will continue to promote a culture of innovation at YPO which will involve building partnerships, like the ones launched in 2019 with Amazon Business and Edtech Impact.



Martin Armytage
Head of Education

A head for education

Martin Armytage took on the new role of Head of Education following over 33 years working in our education arm. In his new position, Martin will be responsible for the entire education offering which encompasses sales, marketing, customer experience and buying.

Martin has seen many major transformations both within YPO and the wider education sector over the last 20 years. We care about providing a valuable service to the public sector, but Martin's role is to remain one step ahead of what schools and multi academy trusts will need, which, currently focuses on edtech and the integration of climate change into the curriculum. Martin's aim is to simplify these areas for schools and provide them with a workable framework for incorporating software and other tools into lesson plans.



Ashley Cartwright
Education Development Manager

Innovation in education

Our other promotion within our education division is for Ashley Cartwright, Education Development Manager. Working closely with Martin to understand what our customers need, Ashley will be responsible for carrying out market analysis and leading on product innovation.

Pioneering new technology and learning tools for schools is just one part of Ashley's role. Hand-in-hand with this is ongoing gap analysis of the education market to ensure that what we develop and offer, is a direct response to what our 4,000 schools and MATs customers need.

With over one third of schools now being part of a MAT, Ashley will be tasked with delivering solutions that work for all educational institutions, both now and in the future - a task he is passionate about.

Ashley will also be responsible for influencing a change in the way schools get the information they need and will be promoting webinars, event and new template materials.

"The three roles demonstrate a clear strategy for the organisation that focuses on the continued development of YPO within the public sector"

"Our overall theme was 'enabling change'. Throughout the day we also held sessions on enabling change through customer service, enabling change through the procurement process, enabling change through workforce transformation"



Growth

Growing our world of procurement

It's important to us to continue to grow, that's why we're constantly looking at ways we can adapt our operations to fit our growing customers' needs. We want to be innovative with our products and services, expand our digital offering and be at the forefront of thought leadership on public sector procurement.

Last year, we introduced a new marketing concept bringing together our procurement services offering in a way that would encompass all our frameworks and solutions, as well as recognise the challenges our customers face on a daily basis.

This concept includes some new categories and branding and this year we hosted our second conference organised and hosted by YPO suitably titled the 'World of Procurement'.

The event took place in London in July and welcomed around 100 public sector customers and suppliers. Opened by headline speaker Mario Marin, Head of US Sales – Government at Amazon Business discussing applying customer obsession to the public sector. Mario was followed by our keynote speaker John Fernau, Director at Fernau Solutions sharing his thoughts on beyond the transactional – using procurement to define and deliver wider value.

Our overall theme was 'enabling change' so throughout the day we held sessions on enabling change through customer service, enabling change through the procurement process, enabling change through workforce transformation, enabling change through fleet transformation and enabling change through digital transformation - all prevalent topics that currently concern our public sector customers.



"Featuring alerts and messages, the app keeps parents/guardians and schools directly informed and notified of delays, route changes and absences."

App launch to help safeguard school children

We launched our Home to School app to improve the safety and security of secondary school pupils when using transport provided by school.

Featuring alerts and messages, the app keeps parents/guardians and schools directly informed and notified of delays, route changes and absences. Communication is through a mobile subscription service for transport providers and a free app for parents/guardians, thus offering real-time information and reducing the requirement for calls and emails from school to parents/guardians and vice versa.

Home to School can be integrated into school systems such as Capita SIMS, providing improved administration and record keeping. The app will store boarding activity and offer advice on fuel efficiencies by utilising data regarding journey time and distance.

The app also features voice recognition for drivers, to allow messages to be sent to parents/guardians without the need to handle a device. It integrates near field communication stickers, mobile devices/tablets and the latest software to help provide parents/guardians with the necessary safeguarding information required whilst their children are on school transport.

Innovative framework development

We're constantly adding to and diversifying our framework offering in line with the ever-changing marketplace. Our public sector team have been working hard on some innovative solutions and one that we're proud of, although in its infancy is our new drones and associated products and services framework, the first of its kind.

"We're excited to be bringing the latest data technology to the public sector and know the significant benefits this can bring. Organisations in local government and education sectors will often naturally span large estates so it is integral that their data can be stored effectively and can be accessed promptly. Working closely with our suppliers, we intend to provide tailored data solutions for many years to come."

Sarah Sesum
YPO Category Manager for ICT

Drones and Associated Products and Services

In June 2019, we were approached by the Home Office to discuss a gap in public procurement. The emergency services, particularly the police and the fire and rescue service were unable to purchase drones and other services through a compliant route to market. The importance of developing technology and how drones could support emergency and public services was increasing and a solution was needed. We worked closely with the Home Office, the police and the fire and rescue services to agree on the structure of the framework that is fit for the emergency services and the wider public sector.

The new framework is a tool to support the emergency services, blue light and other public sector bodies in purchasing drones and associated products and services. Customers will be able to purchase drones and their accessories, whilst having access to other services such as the hire of drones and their pilots to inspect buildings or landscaping, drones repairs and maintenance, training services and licencing.

"The new framework is a tool to support the emergency services, blue light and other public sector bodies in purchasing drones and associated products and services."



Data Centres, Maintenance, Cloud Hosting and Security Framework

In 2019, we also announced our data centres, maintenance cloud hosting and security framework for the public sector. The new framework was created to ensure data can be stored compliantly and accessed across several locations - either on-premise, off-premise or through the cloud. Utilising data centres and cloud technology is expected to support organisations within local government and education sectors, especially those operating across large estates and multiple sites.

Amazon Business Framework

We signed a ground-breaking agreement with Amazon Business to supply goods and services to public sector bodies including local authorities, multi-academy trusts and universities.

Amazon Business is an online marketplace which combines the selection, convenience and value customers have come to know and love from Amazon, but with unique features and benefits tailored to the needs of institutional buyers of every size. It provides access to hundreds of millions of products, including from tens of thousands of

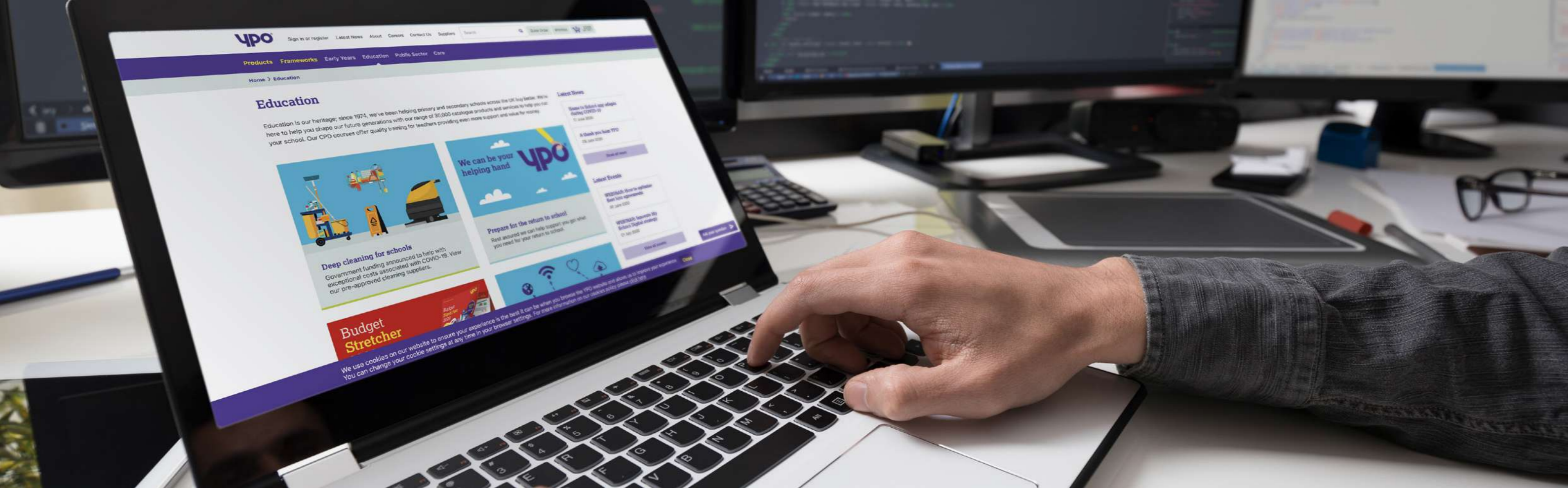
smaller independent suppliers from across the UK, helping customers to save time and money.

The four year contract will offer public sector customers buying from Amazon Business a compliant purchasing route for the first time. In addition, by accessing Amazon Business through YPO, customers will be earning income for the public purse with a percentage of each sale given back to the public sector.

Our customers are directed to Amazon Business where they can set up their account and use a framework to buy products we currently don't sell, all while being assured that these products have been compliantly sourced.

The demand for innovative ways to buy better is one of the highest priorities for public sector organisations and our new framework agreement represents a forward-thinking approach to public sector purchasing. It offers brand new benefits in a first for a public sector buying organisation in the UK.

Our recent customer survey showed that 80% of our customers already use Amazon so the framework will allow them to complete their list of requirements through YPO, without fragmenting their spend and threatening the 'one-stop-shop' proposition.



Our digital journey

Our digital journey took it's next leap in 2019 with additional resources and budget being allocated to improve customer experience.

Throughout the year, the team focused on optimising the social media strategy and plans were put in place to complement all marketing campaigns. A revamp of our early years Instagram profile was included, making it as consistent as possible with the Little Learners campaign.

Likewise, social media and pay-per-click (PPC) advertisements reached a far wider audience which significantly increased traffic to the website. This converted to catalogue downloads and other campaign objectives being met.

The year saw the introduction of two new digital content authors, whose job roles are to improve website product data. Our new team members started their role working through a list of prioritised product categories, liaising with the trading team and their suppliers to make sure data was correct and sufficient. Improvements to data included more detailed product descriptions, with added measurements and colour options to provide our customers with as much information as possible.

A large update to the website took place in at the end of the year, giving customers more information around stock availability, pricing groups, offers and more functionality. The website also benefitted from the launch of YPO communities,

our new onsite chatbot that allows customers to ask real-time questions to help them make informed purchase decisions. Questions can be submitted to the community or directly to our team to receive a quick response. This new feature introduced an alternative customer service channel which meant we could support our customers' needs even more.

Additionally, we launched a new website for our international customers at the beginning of the year, ypo-international.com which allows overseas customers to view our products and pricing and create quotes to share with distributors.

Finally, working alongside our digital agency Sagittarius, multiple projects were agreed including conversion rate optimisation (CRO), search engine optimisation (SEO), specific website updates and more to run continuously. A project to incorporate personalisation on the website was also discussed for the future, which would ultimately allow each customer's digital user journey to be completely personalised. This means that their experience using our website would be unique to match their interests and online behaviour. Personalisation of our website will eventually be a ground-breaking feature and will greatly improve the customer journey, leading to increased conversions.



Position

Entering the political arena

We continually strive to position YPO as the leading provider of frameworks, products, and services in the public sector, and we do this in several ways - such as partnering with thought leaders and organisations such as Edtech Impact and Twinkl and demonstrating social value, in everything we do.

In 2019, we started a public affairs programme to help us highlight the breadth of support we could provide to Westminster, central and local government. Our aim is to raise YPO's profile on the services that we can provide but also the expertise we have in the education sector and public sector buying.

The programme includes political stakeholder engagement where we map the current political environment and engage with our members and central government on how our services can help. Along with political monitoring so we can see how YPO can be a solution to the current political challenges our members are facing.

Our public affairs programme is in its infancy, but so far we have provided strategic support to our members, met with MPs in Westminster, been able to support local charities during their time of need and overall be more proactive in the political arena.



Twinkl partnership to support teachers

In 2019, we proudly announced a new partnership with the online educational publisher Twinkl to develop new opportunities to support schools and educators.

The partnership combines YPO's 45 years in education, with Twinkl's expertise in educational resources and its vast range of digital teaching materials used by educators worldwide. The collaboration delivers a wide range of classroom solutions for schools, as well as discounts and giveaways, to further a shared mission to support teachers and learners.

In particular, the partnership supports teachers with a joint approach to the new Personal, Social and Health Education (PSHE) and Relationships and Sex Education (RSE) curriculums. Resources in our catalogue and online will be mapped with a PSHE scheme of work from Twinkl.

Other activity will focus on these topics as well as keeping children healthy and safe, and supporting schools as they look to meet their safeguarding obligations.

The joint partnership activity began with a focus on wellbeing for teachers in support of Twinkl's year of wellbeing launched in September 2019. The campaign that was designed to help create healthier and happier school communities.

"The collaboration delivers a wide range of classroom solutions for schools, as well as discounts and giveaways, to further a shared mission to support teachers and learners."



Partnership to tackle challenges with education technology

Our partnership with Edtech Impact to help schools tackle edtech challenges, saw early success with more than 700 primary and secondary schools, including four large multi-academy trusts, and several international school groups.

Our 13 owning member authorities provided investment to develop the free online platform, Edtech Impact, which is leading the way in edtech innovation. Developed by Innovate My School, it guides teachers and school leaders through more than 1,000 Edtech products by evaluating the impact of different solutions to understand 'what works' in their classroom environment.

The unique partnership follows the government's call for schools, leaders and tech companies to think in innovative ways to enable teachers, pupils and parents to buy and use technology with confidence. When the education technology strategy was unveiled in June 2019, the Education Secretary Damian Hinds set out plans for tech firms to work with the education sector to cut teacher workload, support professional development and improve student outcomes.

Among the emerging edtech ventures available to schools are those helping teachers tackle subjects such as maths and English in a more innovative way, as well as teaching everything from robotics and coding to computing and creativity.



“For me, the greatest challenge around edtech is that it’s hard for us to know what really works, with the limitations of what social research can prove and in a crowded marketplace suffused with sales rhetoric. Schools are forced to either subjectively review the entire edtech market or buy on recommendation, neither of which is optimal. Part of the answer is to provide schools with a simple way to rigorously and transferably evaluate the edtech they use and with Edtech Impact, we now have a solution which helps schools identify effective and appropriate technology for their context, reliability and with ease.”

Dominic Norrish

United Learning Trust’s Director of Technology

Helping partners to buy better

As a business, we're always looking to provide a helping hand to the public sector, and in 2019 we carried this through to our partners.

We provided additional resource to the Yorkshire 2019 team in the form of a secondment of two members of YPO's procurement services team: shared services buyer, Amanda Quinn and category manager, Lesley Harper. The relationship provides added value to our local economy as well as potential savings to the public purse.

YPO was also central to the action at the 'Fan Zone' which took centre stage in Harrogate for nine days, full of exhibitors. Working with Yorkshire 2019, YPO attracted schools to the Fan Zone during weekdays, encouraging children and teachers to get involved in the event and design cycling jerseys and bikes as part of a competition.

"Working with Yorkshire 2019, we attracted schools to the Fan Zone during weekdays, encouraging children and teachers to get involved in the event"



Continuing our sustainable journey

In 2019 we approved a social value and sustainability strategy which defines our commitment and sets out our ambitions which will lead us to become a more sustainable and responsible organisation.



At YPO we take a holistic view regarding social value and sustainability and for us, this means reducing our negative environmental, economic, and social impacts while increasing our positive impacts.

We have a natural social value heartbeat that has grown organically across the organisation which includes

- Donations of obsolete stock, food, and IT equipment to charitable organisations like The Real Junk Food Project, NSPCC, Airedale Computers
- Support for the Federation of Small Businesses and Chamber of Commerce with SMEs gaining an understanding of how to work with the public sector
- Reduction and removal of single-use plastic from the YPO own brand range and identification of more sustainable products

Linked to our vision, mission, and core values we have identified five social value and sustainability values which has started to form the basis for departmental objectives.

Our values are:

Education – We're the largest supplier in the UK education sector, and **we care** about the quality of education and the development opportunities for both children and young people

Procurement and Supply Chain – As a public sector buying organisation, **we're straight talking** and want to assure our customers that sustainable and ethical procurement decisions are at the forefront of our minds

Environment – **We don't like waste** and we strive to reduce the negative impact our operations and logistics have on the environment

Communities – We take our role as an employer based in Wakefield and as a national organisation seriously. We have a responsibility to, and **we care** about all the communities we serve

Staff – **We care** about the health and wellbeing of our staff and recognise the important role our staff hold in being helpful to our customers and delivering excellent customer service

"Reduction and removal of single-use plastic from the YPO own brand range and identification of more sustainable products."



Returning profits back into the heart of our communities

Being entirely publicly owned means we're in the privileged position of being able to return our profits back into the public purse. So, nine years ago we decided to expand on this and reward our customers with our Share of Profits Loyalty Scheme.

Since the introduction of the scheme in 2011, we've given back £15 million to our public sector customers. Anyone within this sector is eligible to apply, ranging from schools to police forces and local authorities.

Our customers are rewarded with a lump sum of money in the form of a YPO voucher, which is based on how much they spent with us over the previous year. Vouchers can be exchanged for any products on our website such as furniture, stationery and sports equipment.

In 2019 alone, we rewarded our customers with a share of £1.57m, many of them being disadvantaged schools struggling with low budgets. By having the scheme in place, we're thanking our customers for continuing to shop with us and encouraging them to return - overall, making our mission to support the public sector possible by returning more and more dividends.

Our valued members and partners

We welcomed a further six new associate members in 2019 which included Cheshire West and Chester Council, Lancashire County Council, London Borough of Islington, Oxfordshire County Council, Police and Crime Commissioner for Cleveland, and Thames Valley Police, bringing the total number now to 71.

Including our 13 member authorities, YPO is the largest formally constituted public sector buying organisation in the UK with 84 member organisations. This number has continued to rise year-on-year, as we work hard to strengthen our partnerships, developing YPO's sector penetration across a nationwide public sector landscape.

Our engagement with the regional procurement in Yorkshire and the Humber continues as a participative strategic member as does our work with the Connected Procurement group in the North West.

We've continued to host the Public Sector Buying Forum where we bring together the largest collaborative buying organisations in the public sector, as well as across the UK, including devolved government areas such as Scotland and Wales.

Customer spend under management, on YPO collaborative framework solutions in 2019 has remained strong at £1,424m– despite continued downward pressure on public sector spending, which reaffirms our position as a leader in public sector procurement.

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



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 founding members



Our associate members



Our plans for the future

Looking ahead to the final year of our current three-year strategy on 'relevance' we remain focused on delivering our customer-centric objectives and positioning YPO as a commercial partner of choice to the public sector.

Staying relevant couldn't be more significant when we consider the increasing requirements of customers to save time and be more efficient. We will continue to split our focus into our two main customer segments, education, and public sector.

Developing contracts for schools

The education market has seen a drastic change, as more schools turn to academy status, and schools are no longer mandated to use local authority contracts. This means they have to create their own tenders and lead their procurement activities. At YPO, we have over 50 active procurement contracts suitable for the education market and although these contracts have been readily available to our education customers for years, they've never been actively promoted to this sector before. It's estimated that the education procurement market is valued at £15billion, of which we only target £1.5billion currently through our product offering.

So, in 2020, we'll be running a new marketing campaign called contracts for schools, bringing our fun education concept we're known and loved for into procurement, contracts and services. Letting education settings know that



we can help them get the best value for money whether it's pens and paper, computers, furniture, or even things like electricity, food, insurance and more. We can offer schools procurement guidance and support and help them throughout the end to end procurement process. We aim to be the go-to advisory support for schools, in the complex world of procurement.

Insurance solutions

On our public sector side of the organisation, we have worked in partnership with ESPO and NEPO to create an insurance solution that addresses the challenges customers are facing when it comes to procuring insurance cover.

Rugby League World Cup 2021

Continuing with our 'helping hand' ethos, last year we initiated a partnership with Rugby League World Cup who declared us as the official procurement partner for the 2021 tournament.

Plans were finalised and it was agreed that we would be the first point of contact for providing procurement expertise and assisting with supplier and market engagement. This way, RLWC would have access to expert resources such as world-class companies offering services varying from logistics to technology and insurance.

As 2020 progresses the partnership will develop, and fantastic opportunities will arise for our founding member authorities and local communities.

Delivering procurement solutions to the NHS

In other category areas, we'll continue to develop our framework offering with alternative offerings and shared services. We've developed a partnership with the Salisbury NHS Foundation Trust to deliver procurement solutions to the NHS. We'll be delivering support through the full procurement journey and we have a wide range of frameworks available through the partnership.

We will continue to protect and grow our founding members and associate members, as we'll proactively connect with more local and central government representatives through our public affairs programme.

Our board of directors



Simon Hill
Managing Director

Simon joined YPO in July 2011 from former regional development agency Yorkshire Forward, where he was an Executive Director. Previously, Simon was Managing Director for electronic automotive manufacturer Kostal UK Limited. With experience across procurement, sales and general management, he also has 10 years public sector and 20 years commercial experience. Simon is also an elected Executive Council Member of BESA, the British Educational Suppliers Association and Company Secretary of YPO Procurement Holdings Limited.



Paul Smith
Deputy Managing Director

Paul joined YPO as a Director in November 2010 having previously held senior roles with Aviva, Capita, RM and Ford. He leads the organisation's Business Change and IT, Finance and Procurement functions. Paul currently represents YPO with our key partners in procurement organisations in local and central government and internationally. In 2016 Paul was named Finance Director of the Year (Public Sector) at the Yorkshire FD Awards.



Jo Marshall
Executive Director

Jo joined YPO as a Business Development Manager in September 2010 from her position as Head of Public Sector at Samsung Electronics, and was promoted to Commercial Director the following August. With a strong sales background, Jo has been working with the public sector for over 25 years. She leads the organisation's Commercial and Trading functions including Sales, Marketing, Customer Experience and Trading. Recently shortlisted for Businesswoman of the Year, Jo is also the board strategic lead for customer service and is a Vice President with the Institute of Customer Service.



Julie Wray
Executive Director

Julie joined YPO in September 2010 as Head of HR and she currently looks after HR, Business Support, Facilities Management, Health and Safety, and the Warehouse and Logistics teams. Julie has a mix of public and private sector experience. She joined YPO from Wakefield Council where she spent nine years working in HR and organisational development roles, and prior to that she spent 13 years working for Barclays Bank in various regional and national roles.

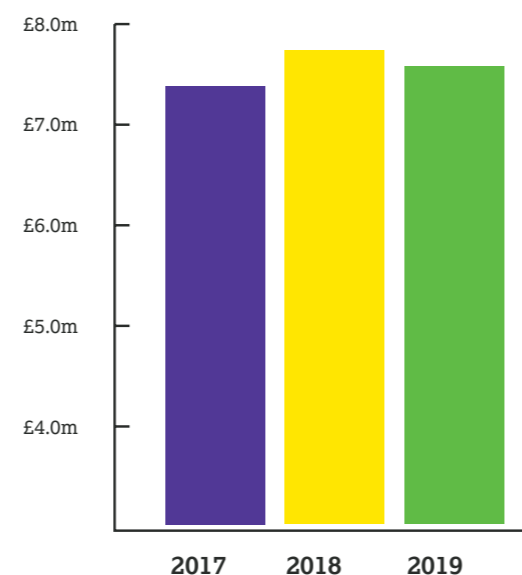


Rob McWilliam
Independent Director

Rob was appointed in November 2017 to provide independent guidance to the organisation as a member of the Board of Directors. He has over 25 years management experience working with leading global businesses including Amazon and ASDA/Wal-Mart. Rob is currently Chief Financial Officer of ASDA where he is responsible for managing the company's finances, including financial planning, management of financial risks and financial reporting.

Performance summary

Dividend paid back to the public sector			
	2017	2018	2019
	£7,492,000	£7,850,000	£7,747,000



Turnover by category (£000s)			
		2018	2019
Stores	●	£73,480	£74,070
Direct Supply	●	£25,190	£24,141
Food	●	£14,211	£12,534



New associate members

Cheshire West and Chester Council
 Lancashire County Council
 London Borough of Islington
 Oxfordshire County Council
 Police & Crime Commissioner for Cleveland
 Thames Valley Police

Income and expenditure account (£000s)

Income and expenditure account	2019
Invoiced turnover	£110,745
Cost of sales	(£79,161)
Gross margin	£31,585
Discounts	£134
Rebates	£5,812
Other income	£2,142
Gross surplus	£39,673
Operating expenses	
Employees	£(18,779)
Premises	£(1,004)
Supplies and services	£(7,735)
Transport	£(4,726)
S.L.A Costs	£(127)
Financial and miscellaneous	£(173)
Depreciation and revaluation increase/(decrease)	£(495)
Pension service gain (cost) net of charges made to the general fund	£(4,246)
	£(37,825)
Surplus/(deficit) on trading operations	£(2,387)

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

Total spend under management £1,424m

Account activated in 2019

Joint committee accounts	3,224
Limited company accounts	5,265

Institute of Customer Service Benchmarking

Customer service index

YPO CSI	87.8%
Our category average CSI	81.6%
Overall CSI	77.8%

YPO Customer Survey

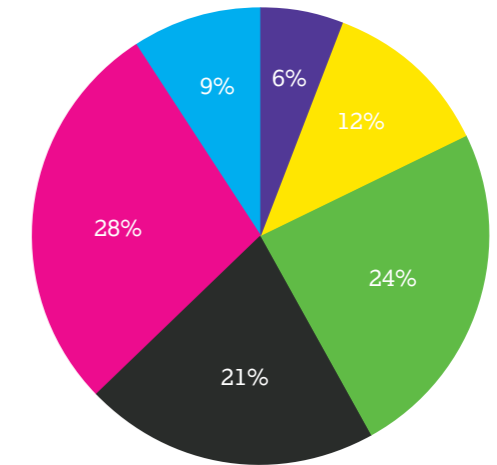
Customer satisfied or highly satisfied with the level of service received from YPO	98%
Customers were satisfied or highly satisfied with the price	97%
Customers that would recommend YPO	99%

Environmental Savings in 2019

Environmental KPI's	2019	2018	Difference
Emissions (tonnes)	1,652	1,818	-12.2%
Electricity usage (kWh)	1,692,764	1,617,680	-4.6%
Gas usage (kWh)	2,755,971	2,921,727	-5.7%
Water usage (m ³)	2,934	3,033	-3.3%
Diesel usage (litres)	270,208	274,562	-1.6%

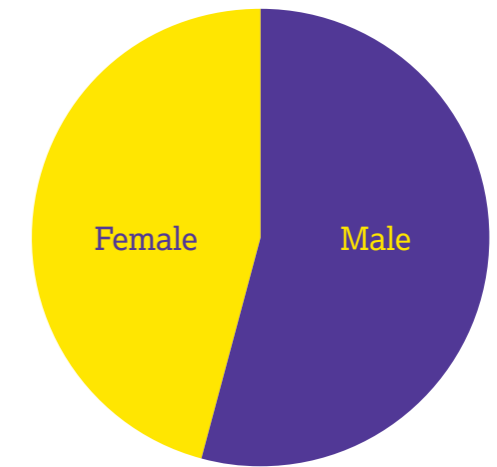
Employees By Age

<21	32
21 to 30	62
31 to 40	130
41 to 50	111
51 to 60	147
>60	46



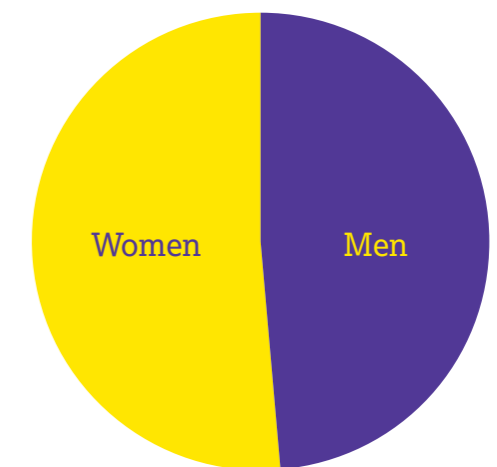
Employees By Gender

Male	286
Female	242



Gender Pay Gap

Mean hourly rate for men	£11.99
Mean hourly rate for women	£12.60



YPO, 41 Industrial Park, Wakefield, WF2 0XE
Tel: 01924 834 834 | Fax: 01924 834 926
Email: contactus@ypo.co.uk | www.ypo.co.uk



VAT No: 642 7206 51
Please recycle this document

www.ypo.co.uk