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Our Ref
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Date 05 November 2015

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Typetalk calls welcome

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

Dear Member,

YPO EXECUTIVE SUB-COMMITTEE – FRIDAY, 13 NOVEMBER 2015

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 **10:00 am on Friday, 13 November 2015** in the **YPO Headquarters, 41 Industrial Park, Wakefield** to consider the items set out in the agenda attached.

Yours sincerely



Joanne Roney OBE
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, 13 November 2015**

AGENDA

1. Chair's Introduction and Welcome.
2. Acceptance of Apologies for Absence.
3. To approve, as a correct record, the Minutes of the meeting held on 5 June 2015. (Pages 1 - 2)
4. Members' Declarations of Interest.
5. To note any items which the Chairman has agreed to add to the Agenda on the grounds of urgency.
6. Lead Authority Issues.
7. YPO Pay Policy. (Pages 3 - 15)
8. Associate Member Proposals. (Pages 17 - 36)
9. 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 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."
10. Performance Report. (Pages 37 - 51)
11. Draft Budget and Business Plans for 2016. (Pages 53 - 59)
12. Business Update. (Pages 61 - 63)
13. Stock Losses Report. (Pages 65 - 70)
14. Date and Time of Next Meeting.
The next meeting of the YPO Executive Sub-Committee will be held on Friday 4 March 2016 at 10.00am.

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YORKSHIRE PURCHASING ORGANISATION EXECUTIVE SUB-COMMITTEE

5TH JUNE 2015

Present: The Chair: Councillor Sykes (Bradford MBC)
 Councillors – Councillor Mackenzie (North Yorkshire CC), Councillor
 Stokes (Wakefield MDC), Councillor Walker (Wigan MBC)

86:	CHAIR'S INTRODUCTION & WELCOME
	The Vice Chair, Councillor Sykes, welcomed Members to the meeting.
87:	APOLOGIES FOR ABSENCE
	Apologies for absence submitted prior to the meeting were accepted on behalf of Councillor Keats (Knowsley), Councillor Kenny (Wigan).
88:	MEMBERS DECLARATION OF INTEREST
	No declarations of interest were made
89:	MINUTES – 13TH FEBRUARY 2015
	Resolved – That the Minutes of the meeting of the YPO Executive Sub-Committee held on 13 th February 2015 be approved as a true and accurate record.
90:	EXECUTIVE SUB-COMMITTEE WORK PROGRAMME & TERMS OF REFERENCE 2015/16
	A report of the Managing Director provided an overview of the work scheduled for Executive Sub-Committee for the 2015/16 cycle. This report also proposed the Terms of Reference, Principal Agenda Items, 2015/16 meeting schedule and training plan. Councillor Sykes noted that the word of the Terms of Reference read as though the Executive Sub Committee approved plans and budget before submission to the Management Committee – this isn't the case and it was agreed to change this wording to reflect that the Sub-Committee 'review and recommend' to Management Committee. Resolved (1) That subject to the amendment above the report be noted and submitted to the Annual General Meeting in June.
91:	LEAD AUTHORITY ISSUES
	Councillor Stokes asked if YPO had received nominations from the Member Authorities to the Management Committee for 2015/16. JW responded we had received 7 nominations so far and the remaining Members are being chased up.
92:	RESERVES EXPENDITURE 2015
	Consideration was given to a report submitted by the Financial Controller & Finance Business Partner, presenting a summary of reserves spend in 2015 as at 30 th April 2015.

	<p>Members asked questions on the content and were satisfied by the Officers' responses.</p> <p>Councillor Sykes requested that a timetable of the planned spend be submitted so that the Members can see when the spend should be expected throughout the year and what projects it would be funding. This was agreed.</p> <p>Resolved - That the Reserves Expenditure 2015 report be accepted and a timetable of planned expenditure be brought back to the next Exec Sub-Committee meeting.</p>
93:	EXCLUSION OF THE PUBLIC AND PRESS
	<p>Resolved – That the public and press be excluded from the meeting during consideration of Agenda Items 10 and 11 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>
94:	PERFORMANCE REPORT (EXEMPT)
	<p>A report of the Managing Director detailed the latest performance results for the Organisation.</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>Resolved – That the Performance Report be acknowledged and welcomed.</p>
95:	MD'S REPORT/BUSINESS UPDATE
	<p>A report of the Managing Director provided an update of the activities of the organisation since the last meeting of the Sub-Committee and gave an overview on forthcoming activities and challenges. The report included an update on the organisations operational, financial, procurement, commercial, workforce issues and IT & Business Change.</p> <p>Discussion were held around the content of the report on points raised by the Councillors.</p> <p>Resolved – That the MD's Report/Business Update for February 2015 – June 2015 be acknowledged and welcomed.</p>
96:	DATE AND TIME OF NEXT MEETING
	<p>Resolved – That the next meeting of the YPO Executive Sub Committee will be held on Friday 13th November at 10.00am</p>



YPO
EXECUTIVE SUB-COMMITTEE
TO BE HELD ON
13TH NOVEMBER 2015

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

REPORT OF: ASSISTANT DIRECTOR HR AND LOGISTICS

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 that can be recommended to Management Committee.
- 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 2016.
- 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).

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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 £140 per week in year one and £175 per week (or age related payments if applicable) in year two. This equates to £3.78 per hour in year one and £4.73 per hour in year two. Both amounts are in excess of the Governments minimum pay for apprentices of £3.30 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 14 people in receipt of a living wage supplement.

4 OPTIONS APPRAISAL (WHERE APPLICABLE)

- 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.

12 APPENDICES

YPO Pay Policy 2016

YPO Senior Management Pay as at 31'12'15

YPO Transparency policy information 2016

SERVICE DIRECTOR: JULIE WRAY, ASSISTANT DIRECTOR HR AND LOGISTICS

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YPO - Statement of Pay Policy 1st Jan 2016 to 31st December 2016

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 27th November 2015 and if agreed will be made public on the first working day of January 2016

- 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

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:

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

* This post is a Board level position and reports directly to the Managing Director but was not appointed at Chief Officer level

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 5 within Grade 1, this relates to an annual salary of £13,500 and can be expressed as an hourly rate of pay of £7.00 This pay point and salary was determined by the pay scale for employees employed on Local Government Services Terms and Conditions from 1st January 2015. The pay rate is increased in accordance with any pay settlements which are reached through the National Joint Council for Local Government Services.
- 4.3 From the 1st April 2014 YPO implemented the living wage to pay a contractual supplement to YPO employees to a minimum of £7.85 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 at that point as to if the increases proposed should be adopted.

There are currently 14 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 £121,210 which is the substantive salary of the Managing Director. The average salary in YPO (not including apprentices) is £23,762. The ratio between the two salaries, the 'pay multiple' is 1:5.1 The median salary is £19,048. The ratio between the highest and median salary points is 1:6.4

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

- 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 2016 – end December 2016), 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

Lease Cars

YPO operate a lease car scheme that is governed by a lease car policy which defines the eligibility. On inception of this policy eligibility will be agreed on a case by case basis and not be automatic even though existing employees undertaking the same role have a car.

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. YPO will also apply any pay increases that are as a result of decisions to significantly increase the duties and responsibilities of the post in question beyond the normal flexing of duties and responsibilities that are expected in senior posts.

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 £7.85 (as at November 2014)

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

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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	<p>YPO</p> <p>EXECUTIVE SUB-COMMITTEE</p> <p>TO BE HELD ON</p> <p>13TH NOVEMBER 2015</p>
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TITLE: ASSOCIATE MEMBERSHIP APPLICATIONS 2015

REPORT OF: STRATEGIC RELATIONSHIP MANAGER

1 PURPOSE OF REPORT

- 1.1 Provide details of formal applications for YPO Associate Membership received from a number of strategic target customers across the North West region for consideration by the YPO Management Committee.

2 SUMMARY

- 2.1 Applications from Merseyside:
Halton Borough Council
Liverpool City Council

Applications from Lancashire Districts:
Flyde Council
Lancaster City Council
Wyre District Council

Applications from NW Emergency Services:
Merseyside Fire & Rescue
Lancashire Police

- 2.2 YPO is continuing with a strategy of building the associate membership base in the North West region. YPO also has a strategy to engage with the emergency services sector to grow the potential market for YPO's services.
- 2.3 These applications are the result of ongoing engagement by the YPO team as we build our presence in the North West particularly through the efforts of our NW Procurement Business Partner
- 2.4 The engagement with Lancashire Districts is growing and discussions are continuing with Chorley, Ribble Valley, Preston, West Lancashire, Pendle and Burnley. Whilst we are hopeful of adding these authorities in the future, we are processing the applications from Flyde, Lancaster City and Wyre as they have

been outstanding for a while and there is a risk of lost business if we continue to hold off.

- 2.5 The applications from Flyde Council, Lancaster City Council and Wyre should be considered as part of a Lancashire district collaborative engagement. A collective growth criteria of £500,000 (frameworks or supplies) for these three authorities is recommended reflecting their size.
- 2.6 Any future applications from Lancashire districts will be similarly grouped together and will be considered separate to these initial applications.
- 2.6 Adding these 7 associates will bring the total added for 2015 to 8 (Tameside were admitted earlier in the year). This is in line with previous years.
- 2.7 The total number of associate members currently stands at 34 (41 with these applications).
- 2.8 The formal application for each authority is attached as appendices to this report.
- 2.9 The financial impact of adding associate members has been modelled and is detailed in section 5.1.

3 RECOMMENDATIONS

- 3.1 The applications submitted are recommended for approval as they all fall within the criteria established in 2014 for Associate Membership and support continued growth for YPO across the North West region.
- 3.2 The applications from Flyde Council, Lancaster City Council and Wyre should be approved with a collective growth criteria of £500,000 (frameworks or supplies) for these three authorities.

4 BACKGROUND

- 4.1 Halton Borough Council was formed in 1974 as a district of Cheshire and established as a unitary authority on the 1st April 1998 has a population of over 125,000 based on 2011 census information and covers a geographic area of over 30 square miles containing the towns of Runcorn and Widnes.

Within the borough of Halton there are 65 education establishments & Halton has already put in place an action plan to identify opportunities for both catalogue growth and framework engagements through YPO which is encouraging and should create some positive outcomes going forward. They have also committed to promoting YPO widely across the borough as well as through the collaborations with the Merseyside Procurement Partnership.

They have been trading with YPO catalogue through engagements with local schools and have gradually increased spend through during the period 2009 – 2014 to a level of £382k for the full year 2014.

In addition they have also had several contractual engagements through YPO to the value of £2.4 million in 2014 across Liquid Fuels, MSTAR, Insurance Services and Crematoria

- 4.2 Liverpool City Council is a metropolitan district council made up of 30 wards with 90 councillors and an elected mayor and is a constituent council of the Liverpool City Region Combined Authority. The city area has a population of around 500,000 and covers over 43 square miles containing a regional airport, 5 universities and 150 individual educational establishments.

Current framework opportunities exist with Cash Collections, ICT Equipment and Stationery with future possibilities on Energy.

Liverpool City Council have had limited previous engagement on frameworks with YPO although reasonable catalogue spend is enjoyed through Liverpool schools and other public sector establishments.

- 4.3 Borough of Flyde is a district within Lancashire based in Lytham St Annes covering 64 square miles with a population of over 75,000 bordering Blackpool, South Ribble, Preston, West Lancashire and Wyre districts. No procurement function currently exists at Flyde and Head of Governance has responsibility for this portfolio.

Immediate opportunities include Insurance Services as well as office supplies, energy and banking services. Flyde Council do not currently utilise YPO for any category spend and have no dedicated procurement function therefore we have an excellent opportunity to embed our service in this local authority and maximise the potential that exists here as well as securing further YPO's presence in the North West region.

- 4.4 Lancaster City Council is a local government district of Lancashire covering the towns of Morecambe, Heysham and Carnforth with a population in excess of 140,000 and covering 222 square miles.

Lancaster work collaboratively across the sub district area of Lancashire and are committed to exploring potential opportunities for joint working having already identified Postal Services , Liquid Fuels and Vehicle replacement as YPO opportunities for 2015/16.

Lancaster City Council has no catalogue spend and have no responsibility for schools as they fall under remit of the County Council. Existing contractual arrangements through YPO are currently limited to the Energy category with 2014 spend of £680k and this provides an opportunity to protect this area of spend and open up new category opportunities.

- 4.5 Wyre is a local government district with borough status in Lancashire and is based in Poulton le Flyde. It was formed on 1 April 1974 by the Local Government Act 1972, and has a population in excess of 108,000 covering 109 square miles.

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Wyre has already indicated a preference to engage in collaborative frameworks as limited resource exists to procure separately and has engagement with YPO in Energy and MSTAR. YPO opportunities have also been identified in Postal Services Stationery and Washroom Services.

Wyre District Council also has no catalogue spend with YPO and no responsibility for schools as they fall under the remit of the County Council. Existing contractual engagement through YPO totals £200k for 2014 on Liquid Fuels framework.

- 4.6 Merseyside Fire & Rescue Service collaborate with Lancashire Fire and share a joint Head of Procurement therefore with both organisations being Associate Members a number of collaborative opportunities could be developed.

Current usage includes YPO smoke alarms framework valued at £290k with potential opportunities including Liquid Fuel valued at £300k, MFDs valued at £65k and PPE valued at £200k.

- 4.7 Lancashire Police have not previously used YPO frameworks or catalogue offerings so the growth potential here is significant despite budget pressures on expenditure. Growth opportunities exist with Energy, Fleet, Washroom Services and Postal Services.

5. FINANCIAL IMPLICATIONS

- 5.1 Additional associate membership may lead to additional dividends being available for founder members in the following scenario:-

- The distributable fund is £9,139,000 (as per the 2014 dividend distribution).
- The risk proportion of the fund is 25%.
- The usage proportion of the fund is 50%.
- The Loyalty proportion of the fund is 25%

The opening position would be as follows, as per the 2014 dividend distribution:-

	£ 000's
Members total	6,495
Associates and non-members	2,644
Total	9,139

If the additional income from the new membership was £500,000 as mentioned in section 3.2, then this might translate into an additional profit of around £26,000, taking into account the current margins on stock, directs and food, together with the expected income from framework contract rebates. The revised distribution would therefore be as follows:-

	New £ 000's	Original £ 000's	Additional £ 000's
Members total	6,504	6,495	9
Associates and non-members.	2,661	2,644	17
Total	9,165	9,139	26

- 5.2 To qualify for any dividend distribution, associate members must grow from an agreed baseline. The baselines for these applications (based on 2014 spend) are below:

Customer	Stock	Contractual	Total
Flyde Council	£0k	£0k	£0k
Lancaster CC	£0k	£680k	£680k
Lancashire Police	£0k	£0k	£0k
Wyre DC	£0k	£200k	£200K
Halton BC	£382k	£2.4m	£2.8m
Liverpool CC	£1.6m	£0k	£1.6m
Merseyside Fire	£0k	£290k	£290k

6. LEGAL IMPLICATIONS

- 6.1 The admittance of new associate members requires the approval of the YPO Management Committee.

7. RISK IMPLICATIONS

- 7.1 There is a risk that YPO fails to meet its strategic growth plans without attracting new associate members.
- 7.2 There is a risk that increasing associate membership has a negative impact on the share of dividend for founder members. This risk is mitigated by the current dividend formula and the establishment of baselines and growth criteria for new associate members.

8. APPENDICES

- 8.1 Appendices – Letters of Application from Flyde Council, Halton Borough Council , Lancaster City Council, Lancashire Police , Liverpool City Council ,Merseyside Fire & Rescue and Wyre Council.

SERVICE DIRECTOR: JO MARSHALL, COMMERCIAL DIRECTOR

YPO
41 Industrial Park
Wakefield
WF2 0XE

Telephone No: 01924 834976
E-mail address: jo.marshall@ypo.co.uk

CONTACT OFFICER: DAVID BEMROSE, STRATEGIC RELATIONSHIP MANAGER

YPO
41 Industrial Park
Wakefield
WF2 0XE

Telephone No: 01924 834812
E-mail address: david.bemrose@ypo.co.uk



Lancashire Constabulary

police and communities together

Ian Cosh
Director of Resources
Lancashire Constabulary
Headquarters
Saunders Lane Hutton
Preston PR4 5SB
Tel: 01772-0412348
Web: www.lancashire.police.uk

Your ref:
Our ref:
Date: 2 July 2015

Dear David,

Please see the information regarding Lancashire Constabulary on the attached YPO Associate Membership application form.

Kind regards

Mr Ian Cosh
Director of Resources

Better value, delivered.



Application for Associate Membership

Name of Authority:

Lancashire Constabulary

Address:

Lancashire Constabulary Headquarters
Saunders Lane
Hutton
Preston
Lancashire

Postcode:

P R 4 5 S B

Contact Name:

Jackie Collett

Position:

Procurement & Contracts Manager

Contact Telephone Number:

01772 412889

Contact Email:

jacqueline.collett@lancashire.pnn.police.uk

Please provide details of your current usage of YPO Catalogue Supplies and YPO contracts:

Lancashire Police do not currently use YPO

Please outline how you will promote YPO Catalogue Supplies and YPO contracts to schools and other Budget Holding Departments/Service Areas within your Authority:

The Procurement & Contracts Team will include YPO Frameworks as an option when going out to Tender. The team will also promote YPO Frameworks to its Budget holders.

Continued overleaf...

Enquiries to: Trevor Ingham
Direct Line: 0151 225 2181
Email: trevor.ingham@liverpool.gov.uk



YPO
41 Industrial Park
Wakefield
Yorkshire
WF2 0XE

Dear Wendy,

Thank you for your time earlier this week.

Please find enclosed Associate Membership Form.

Yours sincerely

Jo Nettleton MCIPS MBA
Senior Category Manager

For and on Behalf of Trevor Ingham
Head of Commercial Procurement
Commercial Procurement Unit

Liverpool City Council
Municipal Buildings, Dale Street, Liverpool, L2 2DH
E: your.name@liverpool.gov.uk www.liverpool.gov.uk



it's liverpool

Better value, delivered.



Application for Associate Membership

Name of Authority:

LIVERPOOL CITY COUNCIL

Address:

MUNICIPAL BUILDINGS
DALE STREET
LIVERPOOL

Postcode:

L2 2DH

Contact Name:

TREVOR INGHAM

Position:

HEAD OF COMMERCIAL
PROCUREMENT UNIT

Contact Telephone Number:

0151 225 2181

Contact Email:

trevor.ingham@liverpool.gov.uk

Please provide details of your current usage of YPO Catalogue Supplies and YPO contracts:

- CASH COLLECTION

Please outline how you will promote YPO Catalogue Supplies and YPO contracts to schools and other Budget Holding Departments/Service Areas within your Authority:

- CPU will signpost schools requirements to YPO



Mr D Bemrose
Strategic Relationship Manager
YPO
41 Industrial Park
Wakefield
WF2 0XE

Our Ref: IKC

Your Ref:

Please Ask For: Ian Curtis

Telephone: 01253 658506

Email: ianc@fylde.gov.uk

Date: 20 July 2015

Dear Mr Bemrose

APPLICATION FOR ASSOCIATE MEMBERSHIP

Following discussions with Wendy Clark, I enclose Fylde Council's application for associate membership. Please let me know if you require more information.

I look forward to hearing from you when the application has been considered.

Yours Sincerely

A solid black rectangular redaction box covering the signature of Ian Curtis.

Ian Curtis, Solicitor
Head of Governance

Better value, delivered.



Application for Associate Membership

Name of Authority:

FYLDE BOROUGH COUNCIL

Address:

TOWN HALL
ST ANNES ROAD WEST
LYTHAM ST. ANNES

Postcode:

F 7 8 1 1 L W

Contact Name:

IAN CURTIS

Position:

HEAD OF GOVERNANCE

Contact Telephone Number:

01253 658506

Contact Email:

IANCO@FYDE.GOV.UK

Please provide details of your current usage of YPO Catalogue Supplies and YPO contracts:

NONE

Please outline how you will promote YPO Catalogue Supplies and YPO contracts to schools and other Budget Holding Departments/Service Areas within your Authority:

FYLDE COUNCIL IS NOT A LOCAL EDUCATION AUTHORITY AND DOES NOT HAVE RESPONSIBILITY FOR SCHOOLS.

THE EXISTENCE OF THE YPO CATALOGUE AND CONTRACTS WILL BE PROMOTED VIA THE STAFF INTRANET AND THROUGH PERSONAL ENGEEMENT WITH BUDGET HOLDERS.

Continued overleaf...



Mr D. Bemrose
Strategic Relationship Manager
YPO
41 Industrial Park
Wakefield
WF2 OXE

Janet Henshaw
Monitoring Officer
Merseyside Fire & Rescue Authority
Legal Services Department,
Fire Service Headquarters,
Bridle Road,
Bootle,
Merseyside
L30 4YD

Telephone: 0151 296 4301

Fax: 0151 296 4141

Web Site: www.merseyfire.gov.uk

Your ref:

Our ref: PROC/1

Date: 14th May 2015

Dear Mr Bemrose,

Application for Associate Membership

Please find attached our Application Form from Merseyside Fire and Rescue Authority.

Please could you confirm that our application has been accepted as soon as convenient?

Should you require any further information please do not hesitate to contact me.

Yours sincerely

Janet Henshaw
Director and Solicitor to the Authority



2004-2005
Services for Older People
2006-2007
Early Intervention (Children at Risk)
2008-2009
Reducing Health Inequalities



INVESTORS
IN PEOPLE



Stonewall
DIVERSITY CHAMPION



Better value, delivered.



Application for Associate Membership

Name of Authority: **Merseyside Fire and Rescue Authority**

Address: **SHQ
Bridle Road
Bootle
Liverpool**

Postcode:

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Contact Name: **Sharon Matthews**

Position: **Head of Procurement**

Contact Telephone Number:
0152 296 4556

Contact Email:
sharonmatthews@merseyfire.gov.uk

Please provide details of your current usage of YPO Catalogue Supplies and YPO contracts:

See attached

Please outline how you will promote YPO Catalogue Supplies and YPO contracts to schools and other Budget Holding Departments/Service Areas within your Authority:

Regular Procurement updates and intranet

YPO FRAMEWORKS – MERSEYSIDE FIRE & RESCUE SERVICE

FRAMEWORK REF NUMBER	FRAMEWORK NAME		MFRS SPEND 2014/15
413	ELECTRONIC SUPPLIES	MIGHT USE	
RM1042	CORPORATE SOFTWARE SOLUTIONS	MIGHT USE	
RM1059	LOCAL AUTHORITIES SOFTWARE APPLICATIONS	MIGHT USE	
RM1599	MULTIFUNCTIONAL DEVICES	MIGHT USE	£64982
295	EMERGENCY SERVICES UNIFORMS	USE UNDER NORTH WEST FRS	
299	FIREFIGHTER PPE	MIGHT USE	
377	MANAGED SERVICES FOR FF PPE	MIGHT USE	
301	LIQUID FUEL	MIGHT USE	£318860
106	VEHICLE LUBS, OILS, GREASES, ANTIFREEZE	MIGHT USE	
	VEHICLE PURCHASES	MIGHT USE	
109	OFFICE SUPPLIES & EQUIPMENT	MIGHT USE	
217	MAILROOM EQUIPMENT	USE	£1000 APPROX
RM1034	TRAVEL MANAGEMENT SERVICES	MIGHT USE	
RM1063	POSTAL GOODS/SERVICES	MIGHT USE	
	FOOD AND CATERING	MIGHT USE	
246	INDUSTRIAL GASES	MIGHT USE	£8789
520	DRIVING LICENCE VERIFICATION SYSTEM	WILL USE	
RM958	INSURANCE SERVICES	MIGHT USE	
561	INCIDENT GROUND FEEDING	MIGHT USE	
591	SMOKE ALARMS	USE	£339869
	FURNITURE	MIGHT USE	



taking pride...

wyre
council

Please ask for: Allan Williams
Email: allan.williams@wyre.gov.uk
Direct Line: 01253 887440
Our Ref:

Date 16 April 2015

Dear Sir

Please find attached the application form for Wyre Council for associate member for Yorkshire Purchasing Organisation (YPO).

Yours faithfully,

Allan Williams
Procurement Officer

Civic Centre, Breck Road, Poulton-le-Fylde, Lancashire FY6 7PU

Web: wyre.gov.uk Email: mailroom@wyre.gov.uk Tel/text: 01253 891000



Better value, delivered.



Application for Associate Membership

Name of Authority:

Wyre Council

Address:

Civic Centre, Breck Road, Poulton-le-Fylde, Lancashire

Postcode:

F Y 6 7 P U

Contact Name:

Allan Williams

Position:

Procurement Officer

Contact Telephone Number:

01253 887440

Contact Email:

allan.williams@wyre.gov.uk

Please provide details of your current usage of YPO Catalogue Supplies and YPO contracts:

- Fuel
- Transport
- Agency staff
- Wheeled bins
- Furniture
- Clinical waste

Please outline how you will promote YPO Catalogue Supplies and YPO contracts to schools and other Budget Holding Departments/Service Areas within your Authority:

The council will promote YPO frameworks to its spending officer rather than go out to procure separately.



Contact: Helen McMahon
Telephone: (01524) 582122
E-mail: hcmahon@lancaster.gov.uk
Website: www.lancaster.gov.uk
Our Ref:
Your Ref:



FAO Mr David Bemrose
Yorkshire Purchasing Organisation
41 Industrial Park
Wakefield
WF2 0XE

Resources

Nadine Muschamp
Chief Officer (Resources)
Town Hall
Dalton Square
LANCASTER LA1 1PJ

15 December, 2014

DX63531 Lancaster

Dear Sir

Please accept this letter as a formal request for Lancaster City Council (LCC) to be considered as an Associate Member of Yorkshire Purchasing Organisation (YPO).

LCC currently access the YPO framework for electricity and gas. Work is currently underway to establish a business case for using the liquid fuel framework and the framework for vehicles. The current annual spend on liquid fuel is £500k and the projected spend for this replacement vehicle program is £160k

LCC is committed to explore collaborative opportunities where it has a proven benefit to the authority. This is reiterated in the authorities Contract Procedure Rules and is actively explored when determining the route to market.

Yours faithfully

Nadine Muschamp
Chief Officer (Resources)



Mr David Bembrose
 Head of Business Development
 Yorkshire Purchasing Organisation
 41 Industrial Park
 Wakefield
 WF2 0XE

Our ref Associate Member
 If you telephone Ashley McDonald
 please ask for
 Your ref
 Date Weds 11th February 2015
 E-mail address ashley.mcdonald@halton.gov.uk

Dear Mr Bembrose,

Halton Borough Council's Associate Member Application

I would like to apply for Associate Membership to Yorkshire Purchasing Organisation (YPO) for Halton Borough Council. The council already utilises a number of frameworks within your portfolio of contracts and has identified this route to market to be considered as part of our options appraisal for future contract awards.

Please find below details of the frameworks currently utilised by Halton BC via YPO:

Framework	REF:	Lot	Value £
MSTAR	653F	1a	1,700,000.00
Grounds Maintenance	222	2 – Med Equipment	180,000.00
Crematoria Solutions	248		396,000.00
Travel	808		67,000.00
Hoists	364		53,000.00
Total			2,396,000.00

Please find below details of Future Frameworks to be considered by Halton BC

Framework	Ref:	Lot	Indicative Value £
Beers, Wines & Spirits			155,000.00
Frozen Food	124		500,000.00
Soft Drinks			100,000.00
Bottled Water			40,000.00
Street Food	449		60,000.00
Grocery			500,000.00
Vending Machines			150,000.00
Catering Disposables	98		60,000.00
Catering Equipment	264		15,000.00
Specialist Vehicles – above 7.5 tonne	324		80,000.00
Total			1,660,000.00

It's all happening IN HALTON

Policy & Resources

Municipal Building, Kingsway, Widnes, Cheshire WA8 7QF



The future opportunities stated above provide indicative figures based on the past 12 months spend, which may be subject to change to reflect the Council's demand in specific areas i.e. specialist vehicles. This illustration shows the potential business growth from Halton via access to existing YPO Frameworks, alternatively potential collaboration in working together on new category areas.

The Council is a member of the Merseyside Procurement Partnership (MPP), whose members include the following Organisations:

- Halton BC
- Liverpool CC
- St. Helens MC – YPO Member
- Sefton MBC
- Knowsley MC – YPO Member
- Wirral MBC
- Cheshire West and Chester Council
- Mersey Travel

The 8 members work closely together on a number of collaborative arrangements, with most already utilising the services of YPO. Halton would explore collaborative opportunities with YPO, either as an individual authority or as a member of MPP.

A potential area for collaboration identified for review is the Catering category which has a variety of common areas of spend that are currently purchased by Halton and MPP, that may benefit from existing Frameworks established with YPO.

Halton's Procurement Division works very closely with the 57 schools within the Borough and offers Procurement support and guidance on an SLA basis. Schools already benefit from a variety of corporate and catering contracts in place.

All contract awards are published to our internal stakeholders to support awareness and understanding of the relevant contracts to be used for Council requirements, this also includes frameworks that are accessed by the council, which are referenced to the relevant organisation i.e. YPO.

Halton Borough Council is committed to working with organisations within the supply market to assist us to identify the most efficient and effective routes to market, to provide value for money by means of both cashable and non-cashable savings, in order to sustain delivery of our front line services.

If you require any further information to support our application to become an associate member of YPO, please contact me.

Yours sincerely



Richard Rout

Head of Procurement and Efficiency
Halton Borough Council

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of Part 1 of Schedule 12A of the Local Government Act 1972.

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