

Better value, delivered.



Forward thinking, outward looking

Annual Report 2015



Contents

p.4	Chairman's statement
p.6	Managing Director's statement
p.8	Forward thinking, outward looking
p.10	Achievements of 2015
p.12	Public Value Champion – Wendy Clarke
p.14	'Customer connected'
p.16	Delivering efficiencies to online ordering in schools
p.18	Our driving force behind local economic development
p.20	Public Value Champion – Gaynor Elliot
p.22	Immersive learning with innovative technology
p.24	Delivering better quality to our customers
p.26	Bringing together procurement decision-makers
p.28	Home-grown talent continues to shine
p.30	Public Value Champion – Howard Stevenson
p.32	Strengthening our partnerships for shared benefits
p.34	Rewarding our customers
p.36	Reaching new heights
p.38	Our plans for the future
p.40	Our Board of Directors
p.42	Financial summary

Better value, delivered

At YPO we're committed to delivering better value in everything we do. Ultimately our aim is to help our customers make financial savings to meet their demanding efficiency targets.

Whether we're reviewing an everyday product to appear in one of our catalogues or tendering for a multi-million pound service contract, we want to achieve the best possible price while maintaining the highest standards of quality.

Chairman's statement

On behalf of the YPO Management Committee, I'm delighted to introduce the YPO Annual Report and Financial Summary 2015-16.

As we conclude the first year of a brand new three-year strategy, I've been proud to be part of the journey in delivering growth, innovation and quality, right into the core of public services. With extremely challenging targets to meet, YPO has made exceptional progress by focusing on achieving objectives and keeping the customer at the heart of everything we do.

YPO continues to deliver dividend directly back to the public purse, at a time when local authorities and public services are working with significantly reduced budgets and high pressure challenges. YPO strives to add value to these services and invests directly back into the sector, while ensuring it continues to operate as a commercial business.

The marketplace is always changing. The introduction of multi-academy trusts (MATs) sees an evolutionary shift from local authority control to business management, with interesting implications starting to surface.

The development of the Limited Company arms YPO with the ability to grow and develop in this competitive landscape, and sustains and supports the core vision of the business that 'every single public organisation achieves the best possible value for money when procuring its goods and services'.

I've had the pleasure of working with a strong leadership team that feeds right through to strong teams across the business. YPO's people have demonstrated an increasing ability to change, grow and develop key functions within technology and the warehouse, and they adapt by changing the way we procure to support our customers with the challenges they face.

Partnership and collaboration remains essential to the business. Most recently we've welcomed another group of associate members to the ranks, and we look forward to working together in future.

With a positive start to this new three-year strategy period, I'm confident the objectives will continue to be achieved and challenges will be tackled as effectively as possible.

**Councillor Les Shaw,
Wakefield Council**



“YPO’s people have demonstrated an increasing ability to change, grow and develop key functions within technology and the warehouse.”

Managing Director's statement

2015 has seen another successful period for YPO in the first year of our new three-year strategy, entitled 'Forward thinking, outward looking'.

This title reflects the organisation's drive for future success through active engagement in a dynamic and competitive marketplace. It also reflects our desire to follow best practice and learn from the best in whatever we do.

The operating environment for our commercial activity has continued to be extremely challenging, with further reductions in local authority funding and ongoing pressure to find efficiency and value for money in every part of the public sector. This provides both challenge and opportunity for YPO as a totally self-funded commercial organisation, delivering a public service and producing a surplus which is returned to the public purse.

Market share data we receive shows that we're continuing to outperform the market, enabling us to deliver our highest ever dividend to our members at a time of greatest need. At the same time, we've continued to invest to build a robust, sustainable organisation for the future, with significant investments, particularly in ITC infrastructure. This will provide both resilience and operational efficiencies.

Our strategy reinforces that we'll continue to grow both the education supplies and procurement services elements of our business. However, recent developments, particularly in the education sector will see increasing levels of crossover between the two offerings as schools and academies become more financially independent from local authorities.

Key highlights of 2015 include:

- Continued growth in our associate membership, with the total reaching 41 in addition to our 13 founder members. This reinforces YPO's position as a truly national player, sharing the commercial benefits of its activities across a broad spectrum of local authorities, including the biggest cities in the country.
- Introduction of major new framework contracts for fleet vehicles, insurance, and HR solutions.
- Collaborative working with a number of local authorities, including several London Boroughs, to help and encourage schools to buy more effectively.
- Reaching the milestone of 20 years of CPD (Continuing Professional Development) provision for teachers. For most of this period, this has taken place at our Wakefield headquarters, but we're starting to branch out into nationwide provision, engaging with teaching staff across the country.
- Further investment in YPO's quality assurance function to ensure that quality remains a high priority alongside price and customer service.
- Achieving a place in the Sunday Times 100 Best Companies to Work For (not-for-profit), demonstrating our commitment to our current workforce and our wish to be an employer of choice.
- Ranking third in the annual ICS (Institute of Customer Service) survey, alongside some of the biggest household names in the retail industry.

These are just a few of the achievements produced by our dedicated workforce and I'm confident that we'll continue to be similarly successful in the coming year.

**Simon Hill,
Managing Director**



“We’re continuing to outperform the market, enabling us to deliver our highest ever dividend to our members at a time of greatest need.”

Forward thinking, outward looking

A lot has changed at YPO since our first three-year strategy period.

We've put a number of building blocks in place to make improvements to our structures, processes and systems, whilst also ensuring we minimise risk through investment, helping to increase efficiencies.

Financial projections included in the 2012 to 2015 strategy have been exceeded, with profit overachieved by more than £3 million. Our major rebrand in 2013 substantiated our commitment and drive to become a truly national operator in the public sector marketplace and attracted new customers and associate members.

Deeper relationships have been developed with local authority procurement teams who see us more as a colleague than as a supplier. Collaborating with strategic partners was also a sign of our success, as we accessed greater purchasing powers and achieved better commercial solutions for our members and customers.

The formation of our Limited Company in 2014, for the first time, opened up trading with organisations or individuals, not covered by the Local Authority Goods and Service Act. This was another significant step taken to increase turnover growth, during high pressure times in public sector expenditure.

Our 'inward looking' approach for the last three years was necessary to address internal issues and tackle marketplace challenges, in a structured and controlled way.

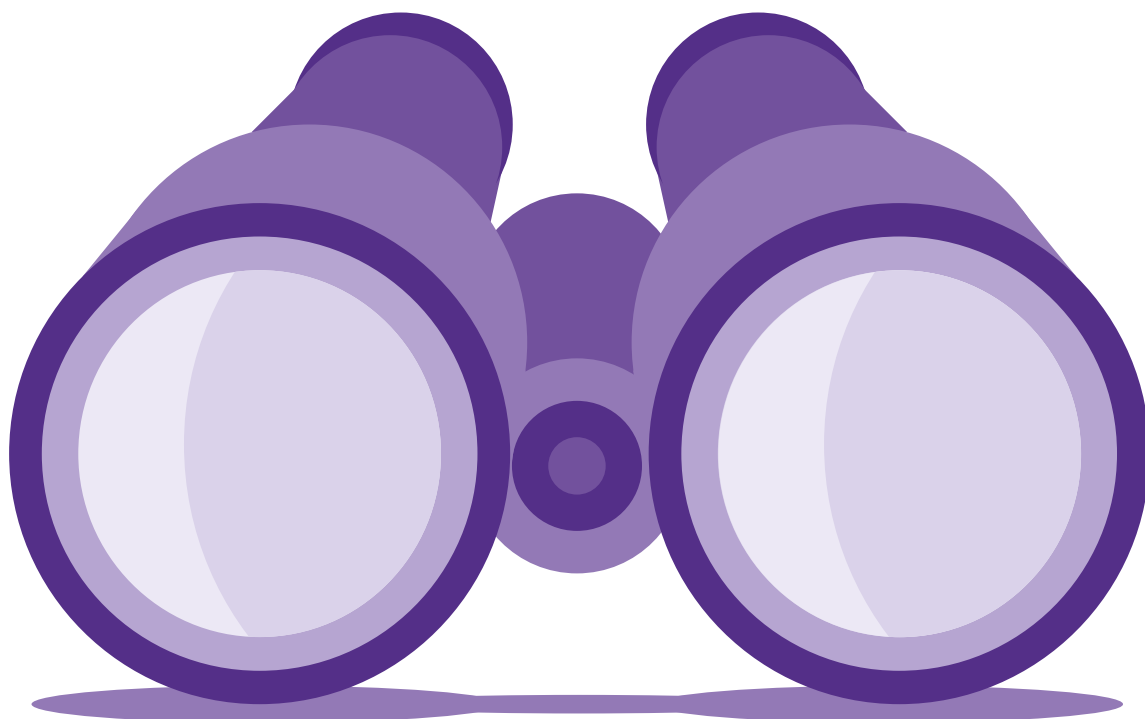
With the building blocks in place, we headed into 2015 with a new found confidence, ready to adopt a new 'outward looking' approach. Switching our attention to an external environment, our second three-year strategy is aptly titled 'Forward thinking, outward looking'.

The focus of our new three-year strategy is on external benchmarking, customer insight research, best practice development, market trend analysis and a general openness to customer input across all areas of our activities. We're also making sure that we're clear about how the organisation 'behaves'.

Establishing a cultural identity will reinforce our brand and underpin our growth plans through improved customer perceptions. We want to be customer focused, innovative, ambitious, values-driven, high performing, willing to take calculated commercial risks and recognised as a benchmark in all aspects of our activities.

Our mission remains the same – 'to be the UK's number one public sector buying organisation' – not only in terms of turnover and membership, but also in relation to our aspirations for outstanding customer service and flexibility to market conditions.

“We headed into 2015 with a new found confidence, ready to adopt a new ‘outward looking’ approach. Switching our attention to an external environment, our second three-year strategy is aptly titled ‘Forward thinking, outward looking’.”



Achievements of 2015

February

In February, we were recognised for our excellence in workplace engagement by the 'Sunday Times 100 Best Companies to Work For 2015.' Ranking 71st in a shortlist of 100 not-for-profit companies across the country, the results are derived directly from the views of employees. In our first year of entry to this prestigious list, over 40% of staff responded to the survey providing feedback on areas such as leadership, work-life balance and opportunities for personal growth.

March

Our procurement service continued its journey in 2015 to fully establish itself as a viable influencer on the national stage. Fuelling the growth of the organisation to more than double in four years, our frameworks and contracts are customer driven and responsive to marketplace demands. Specific success stories come in the form of energy solutions, Dynamic Purchasing Systems and postal services.

April

Following on from the launch of our new website in 2014, we dipped our toes into the intriguing world of blogging, opening up a fresh new channel of communication with our customers. Tapping into the vast knowledge and experience of our in-house experts - our buyers, category managers, marketing gurus and not forgetting our directors - now have a way to share their know-how, wisdom and valued insight into our range of products and services. They keep it current by discussing relevant industry news and providing solutions for customers that may be facing challenges.

May

In May, executive director Paul Smith was invited by the European Commission to join a brainstorming session in Brussels, on the role of central purchasing bodies (CPBs) in Europe. As YPO is one of the largest purchasing organisations in the UK, Paul was asked to share advice and tips with the other European member states that may be looking to establish their own CPBs. His advice for creating successful and sustainable CPBs? Meeting the needs of customers.

July

One of our most successful Category Council meetings to date took place in July at the Low Carbon Centre at Barnsley College. Over 60 of our energy customers, and suppliers such as British Gas and Npower, gathered to share best practice and listen to exciting news and updates from the Energy category framework team. Attendees left with a lasting impression after being treated to a tour of the centre.

October

In our bid to position ourselves as curriculum specialists, we unveiled a brand new publication in October titled 'Everything Curriculum'. We identified an opportunity to provide knowledge-led support to teachers facing challenges with the newly introduced curriculum. Teachers subscribe to the magazine, presenting us with valuable data and the means to follow up the magazine with an email, containing video content and exclusive features. We now have over 2,000 subscribers.

October

October saw the launch of the much anticipated e-procurement system, Capita Finance Management System (FMS). Designed to make ordering school supplies and equipment quicker and easier, the Capita FMS cleverly links the school's existing ordering system to the YPO website. By linking the two systems together, the number of steps required to make an order with YPO are considerably reduced, and the school's internal authorisation process is improved. A win-win all round.

November

In early 2015, next day delivery was piloted following customer feedback. The pilot lasted a matter of months until being fully implemented across our whole stock range. While fulfilling the orders wasn't a problem, the management and route planning for the YPO fleet had to change working practices to fit with the customer demand. All of which is now part of everyday working life for the team. In order to fulfil the varying delivery schedules, staff within operations have been supported to change the way in which customer orders are picked, packed and delivered.

Public Value Champion

Wendy Clarke

North West Procurement Business Partner

Specialist areas of expertise:

Procurement, Finance, Accounts Payable and Exchequer Services

Wendy's career began 32 years ago at Merseyside County Council, to then continue at one of YPO's founding member authorities, Knowsley Council. She's also worked in various roles at local authorities, the University sector and the NHS, helping her to build incredibly broad knowledge and experience.

Wendy's experience means that she's often worked in very similar roles to those of the procurement professionals she deals with. She therefore understands all the issues of budget and resource reductions that many face, and the increased pressure to achieve savings.

If you attend supplier events, or one of our own Category Council events, you're likely to find Wendy enthusiastically telling everyone all about YPO, especially our e-tendering system, enjoying her favourite aspect of the job – travelling around the North West and meeting people.



'Customer connected'

Enhancing our customer experience

Our reputation for strong customer loyalty has preceded us for some time, which of course is not something we take for granted. What has been identified during our last three-year strategy period is a need to broaden our customer's experience - so they feel connected.

Major improvements were made in order to protect existing business, particularly as pressure continues to build on our customers' budgets.

During 2015, we rolled out our 'Customer Connected' strategy across the entire organisation to fully embed and enhance customer service as a vital part of all our roles.

Customer Connected was developed to support and take forward key business areas:

- Our commitment to develop our very loyal workforce to help them become flexible, adaptable and resilient, to meet the needs of changing customer expectations
- Developing an integrated ICT infrastructure is a major priority for YPO and essential to support our business strategy. This year, we launched a personalised CRM system, along with a new Microsoft Sharepoint site to improve systems for staff
- The physical infrastructure of YPO was seen as an urgent area for investment, making sure that we continue to be a safe and healthy place to work, compliant with legislative requirements and using technology which allows us to be competitive in the current market

Our commitment to delivering excellent customer services continues to strengthen, as we further enhance our organisation-wide Institute of Customer Service (ICS) training programme. At the heart of our core customer service offering, the programme is responsible for significant service improvements and empowering staff to discuss ideas and change current practices.

As one of the only public organisations to be registered with the ICS, we're able to measure progress and achievements to meet national best practice standards. Our membership means we're able to benchmark our activity against some of the leading organisations for customer service in the UK, public and private.

Since joining the ICS, we now have a set of eight internal trainers, supported by 10 coaches, accredited to deliver the 'First Impressions' course to staff. We've developed a roll-out plan suitable to our organisation as we firmly believe a top-down approach is allowing the change we want to embed.



To date, all our board and senior management team have completed the service management training and 79 line managers have completed the First Impressions session with over a third of our remaining workforce opting in to complete the course. The outcome of such has been 205 service improvement ideas being created across the business including:

- Introducing driver's devices for collecting feedback at the point of delivery
- Breathing life into ICT through better communication across the business

Furthermore, National Customer Service Week has now become an annual fixture in the calendar for the organisation to highlight the importance of customer service to all staff. First celebrated at YPO in October 2013, a number of activities take place to reinforce our customer focus, including staff quizzes, job shadowing, customer surveying, 'back to the floor' sessions for senior managers and the capture of customer feedback. In 2015, a staff working group was formed to plan the week and additional activities, making sure employees felt fully involved.

YPO vs UKCSI Overall	YPO	UKCSI Overall	Retail (Non Food)
Reputation of the organisation	9.0	7.6	8.2
Product/service quality	8.9	7.8	8.3
Quality of information/advice	8.7	7.7	8.0
Ease of doing business	9.1	7.8	8.4
Cares about their customers	8.9	7.5	7.9
Open and transparent	9.0	7.6	8.0

95%
of our managers
completed the
'Leading Change'
training.

20%
of our staff have completed
our **'Y Change'** training
within the first
four weeks.

75%
believe YPO offers
them ways to learn
and develop.

70%
of staff receive
the learning and
development they need
to do their job well.

In 2015 all our drivers
participated in customer
complaint training personalised
to their roles.

'A Driver Idea':
To send out a feedback
form with the invoice to get
customers' feedback on their
order and the delivery.

Delivering efficiencies to online ordering in schools

As the administrative burden facing schools continues to grow, an increasing number of schools are looking for new ways to deliver efficiencies and reduce the amount of time spent on essential but time-consuming admin tasks.

With this in mind, we spent some time working with Our Lady & St Edwards Primary School in Preston to introduce a new finance management system designed to make ordering school supplies and equipment quicker and easier.

The Capita Finance Management System links the YPO website with the school's existing ordering system. By linking the two together, the number of steps required to make an order with YPO are considerably reduced, and the school's internal authorisation process is improved – saving time and speeding up the ordering process. The system reduces paperwork but provides a full electronic paper trail on all orders and enables schools to take full advantage of YPO's online promotions.

“We purchased our school resources from YPO for many years so it made sense to improve our ordering process. The benefits were immediately noticeable. Our ordering system is now more efficient, which saves on staff time and means that our orders are processed and delivered quickly. The team at YPO has provided support throughout the process.”

Nicky Kippax,

Business Support Officer at Our Lady & St Edwards Primary School



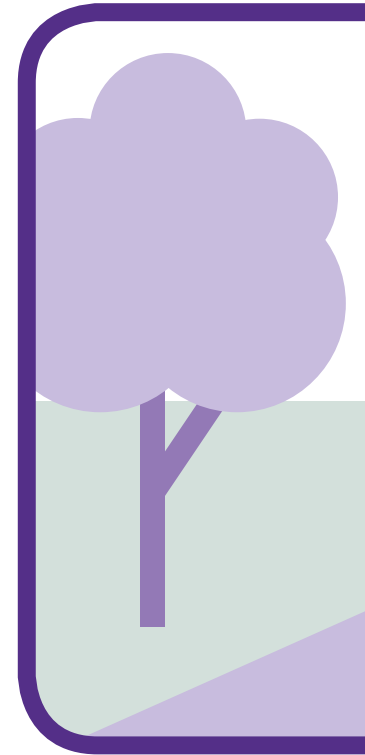
WWW.

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Our driving force behind local economic development

The supply chain



Since our work in 2013 with the Centre for Local Economic Strategies (CLES), we're continuing to invest in our ability to demonstrate and measure our impact in local and regional economies, through the effectiveness of our supply chain.

Exploring the geographic and demographic profile of our suppliers, and their economic, social and environmental influence, is fundamental in our mission to support local authorities with procurement efficiencies.

In the past twelve months, we used a total of 1,153 suppliers across the UK and a large amount of spend was directly with organisations defined as small to medium enterprises (SMEs). Our customers are spending more and more with SMEs through YPO frameworks – the cherry on the cake.

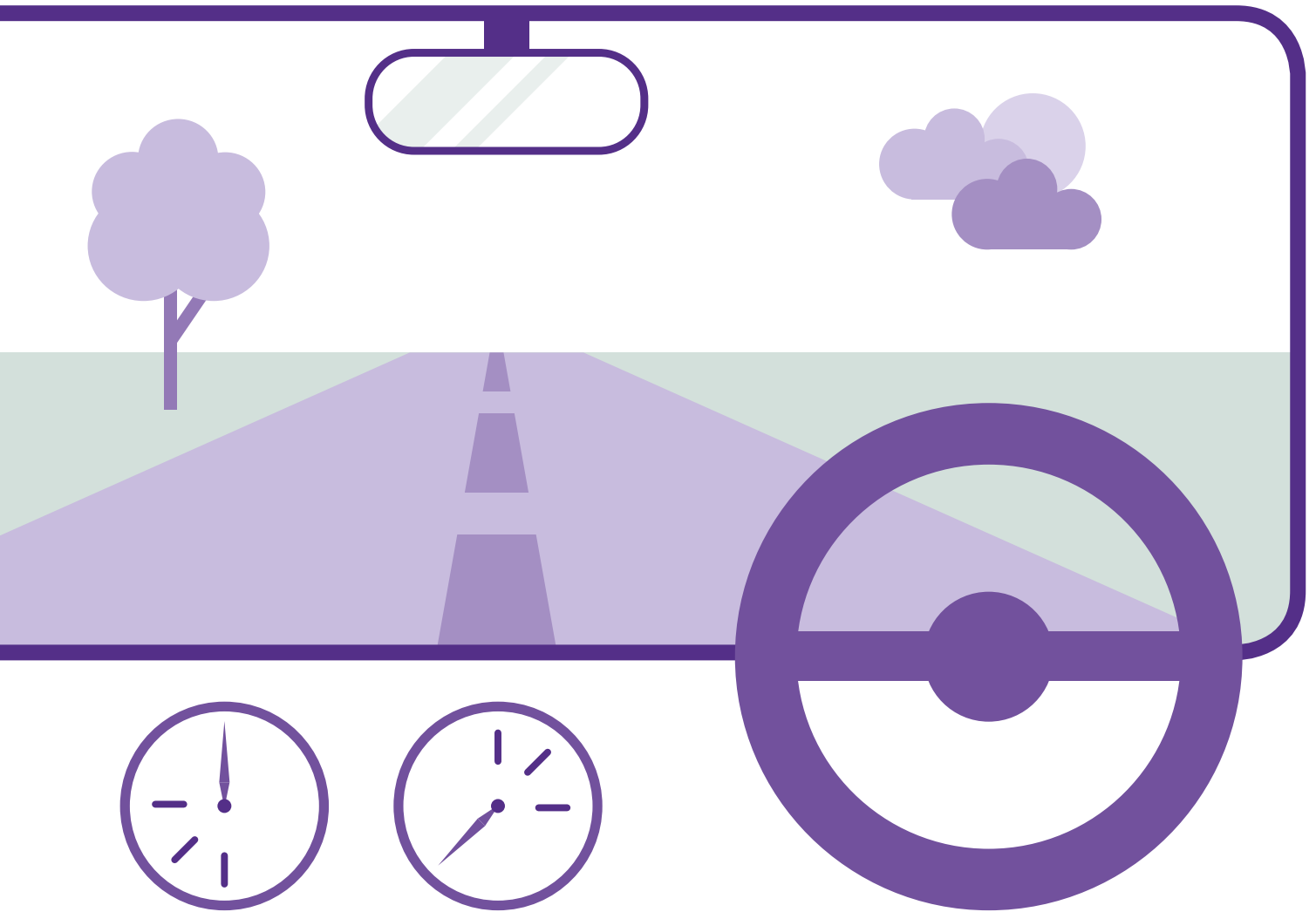
YPO is working with the Social Value Portal as an early adopter and implementing across our supply chain. This work helps us meet our Social Value Mission statement which is:

“To reflect the (social) purpose of our member organisations by putting social value at the centre of everything we do and to enable our local suppliers to develop socially, environmentally and economically.”

We measure our impact across three broad themes, these are:

- Supporting jobs and growth
- Supporting active, healthy and resilient communities
- Promoting cleaner and greener environment

This work forms part of our Project SEED which also includes further work on supplier communication and engagement and making YPO easy to do business with.



“YPO is working with the Social Value Portal as an early adopter and implementing across our supply chain.”

Public Value Champion

Gaynor Elliot

National Account Manager

Specialist areas of expertise:

*Early Years and Primary
Education*

Gaynor began her 40-year career with 13 years as a Nursery Nurse, before moving into educational services and supplies.

Her background means she can really relate to customers and the challenges they face. She works closely with Head Teachers, School Business Managers, Nursery Chain Owners and Managers, Advisors and other school staff, so knows their world inside out.

She's now been with YPO for 9 years, working across the whole educational spectrum, continuing to capitalise on her particular expertise in early years and primary education.

As a key face of YPO, Gaynor is on the front line – always on hand to offer support and advice to customers on anything from new product innovations to purchasing procedures and financial arrangements. She also plans and organises many of our exhibitions and events, so you'll often find her there, presenting our products and services.



Immersive learning with innovative technology

Preparing children for primary school is a responsibility that many early years settings take very seriously.

In most cases, there's an emphasis on helping young children develop the educational and social skills required for primary school. In line with changes to the national curriculum, there's now also a growing emphasis on helping children to develop ICT skills and an understanding of technology.

Bright Beginnings Nursery in Stockport took the decision to invest in an interactive screen to help prepare young children for using touchscreen technology at primary school. The nursery chose Clevertouch, an interactive flat panel, which is considered to be the updated technological alternative to interactive whiteboard and projector solutions.

“Young children are exposed to the internet and touchscreen technology from a very young age so it's important that they develop an understanding of how to properly use the technology and gain an awareness of safe internet use.”

“YPO not only offered the best deal but the added extras such as Bluetooth and free training really helped us to make the most of the technology. The screen is regularly used by children of all ages so it's been a worthwhile investment.”

Beth Breddy,
Manager at Bright Beginnings



Delivering better quality to our customers



Doing what's best for our customers means making sure they don't have to contact us because something has gone wrong. By doing it right first time, we save YPO and our customers time and effort and provide all-round better value. It really is a joint effort.

We're constantly striving to make sure that the feedback we receive through the Customer Care Team is effectively communicated to operational managers and those responsible for products.

During 2015, the Quality Team put in place a process to enable and encourage any member of staff to report areas for improvement. We also recruited a continuous improvement manager within operations, to look at streamlining business processes and on-going practical training of staff.

We seek to develop our culture of quality improvement and customer focus through a programme of activity that includes the Institute of Customer Service (ICS) First Impressions training and Team Talks which act as a focus for improvement ideas.

We've run events and activities during Customer Service Week and on World Quality Day to raise awareness of the links between quality improvement and the customer experience. 2015 was the first year in which quality objectives were promoted through business planning and appraisals.

Compliance

Year after year, we continue our effort to maintain the highest standards of product safety and compliance with all applicable standards. At the heart of this is the Quality Team, which works diligently to ensure that every product sold by YPO meets strict guidelines. New products undergo stringent checks to determine which legal requirements apply and ensure that they're certified to the relevant standards prior to launch.

We maintain a log of legislation applying to our wide range of products and work with suppliers to make sure that they understand and comply with any requirements that apply to the items they supply to us.

We're constantly improving our new product process, making it easier for suppliers to do business with us and giving colleagues across the organisation the information they need to identify opportunities for further development of our product ranges.

During the summer months, we can be approving 30 products per day, so good communication between our buyers and suppliers, and an effective process for ordering and receipt, means that exciting new products are available when our customers need them.

Food

Everything we do is driven by our customers, and, in response to customer demand, this year we achieved Soil Association accreditation for our Flanshaw Warehouse. This involved increasing awareness of the principles of supplying organic food and training all our food staff in identification and checking of organic products. We also upgraded our food vehicles to make deliveries safer and made sure that customers received the items they ordered on time and in full by reducing the likelihood of items being damaged in transit.



Bringing together procurement decision-makers

Every year, we run many 'Category Councils' – a unique event, bringing together local authorities and key industry suppliers, to share ideas, discuss frameworks and encourage opportunity for effective partnerships.

This year we held our biggest Category Council for energy customers at the Low Carbon Centre in Bamsley. Presentations were given by key suppliers British Gas and Npower, as well as key members from the YPO energy team - providing industry insight and updates. Suppliers were on hand to answer any customer questions and queries and share best practice.

Attendees were treated to a tour of the Low Carbon Centre, which utilises a number of modern and energy efficient technologies including solar and biomass.





Home-grown talent continues to shine

Between 2011 and 2015 we recruited 39 young people to take up roles across the business, as part of our popular apprenticeship programme.

The positive impact that the programme has on individuals and the organisation is invaluable – and we're extremely proud of it.

With the cost of education rising, young people are seeking alternative routes into employment and apprenticeship schemes provide exciting opportunities. At YPO, we take great pride in recruiting hard-working, motivated and ambitious people who are committed to delivering excellent

customer service, which is why we're dedicated to continued investment into our apprentices, creating desirable opportunities for permanent employment.

The programme involves a combination of education and work placements. Some accomplished apprentices have moved out of the area of the business in which they did their apprenticeship, with their transferable skills, drive and strong initiative helping them to secure roles in other areas of the business.

21

apprentices have secured permanent employment with YPO.

4

ex-apprentices have gone into promoted posts after getting their first permanent role.

4

leavers out of 39 apprentices. They've all secured posts outside of YPO and believe our apprenticeship programme gave them the transferable skills and experience to move on.

1

ex-apprentice from our 2011 intake is in a management position in our Contracts team.

“I joined YPO as an apprentice in 2012. The scheme gave me the opportunity to combine further education with workplace learning. Through my time at YPO, I’ve secured employment in different teams which has aided my transferable skills and knowledge of different business areas. I’m now in my final year of my degree (BA) Hons Business and Management and I wouldn’t have got this far without the apprenticeship scheme, providing key learning with real life business experience. ”

Rhian Binns,
Communications Officer (former apprentice)



Public Value Champion

Howard Stevenson

Supply Chain Manager

Specialist areas of expertise:

Complex Supply Chains, Inventory Management and Far-East Purchasing

Despite graduating with a degree in microbiology, Howard soon realised that a life in a laboratory was not for him. His change in career began as a forecast analyst for Johnson and Johnson, including a number of years in America and Europe. Here, he gained great experience in complex supply chains and global manufacturing.

He then moved to Hallmark cards, gaining invaluable experience of purchasing in China, inventory management and global freight movement.

Howard's current role here at YPO is managing inbound stock. With a peak stock holding of £13.6 million, this is no small task. We have around 500 suppliers, supplying approximately 12,500 different products from the UK and worldwide.

Howard's unique experience guarantees consistently excellent service; ensuring we always have what our customers need, when they need it.



Strengthening our partnerships for shared benefits

Our membership structure has seen some significant growth in the last few years and 2015 was no different. By strengthening our ties with key customers, we've been able to deliver further value to our members (both new and old).

We welcomed seven new associate members including Fylde Council, Halton Council, Lancaster City Council, Lancashire Police Service, Liverpool City Council, Merseyside Fire and Rescue Service and Wyre Council, bringing the total to 41.

Including our 13 member authorities, YPO is the largest formally constituted public sector buying organisation in the UK with 54 member organisations. We expect these numbers to keep rising in 2016, as we support our key strategic objectives to develop and grow our membership base, and in particular in the Midlands and London.

A highlight of 2015 saw the launch of the new Public Sector Buying Organisation (PBO) Forum, which draws together a number of public sector organisations - including CBC, CCS, ESPO, LGA, NEPO, NPS Wales and Scotland Excel - to share knowledge and best practice, support the delivery of the National Procurement Strategy and identify potential areas of collaboration, to continue to deliver better value outcomes for our customers.

We've also partnered with the iNetwork group in the North West to support the development of a cross sector 'Connected Procurement' network in the region building relationships, sharing knowledge and establishing a clear mechanism for collaborations.

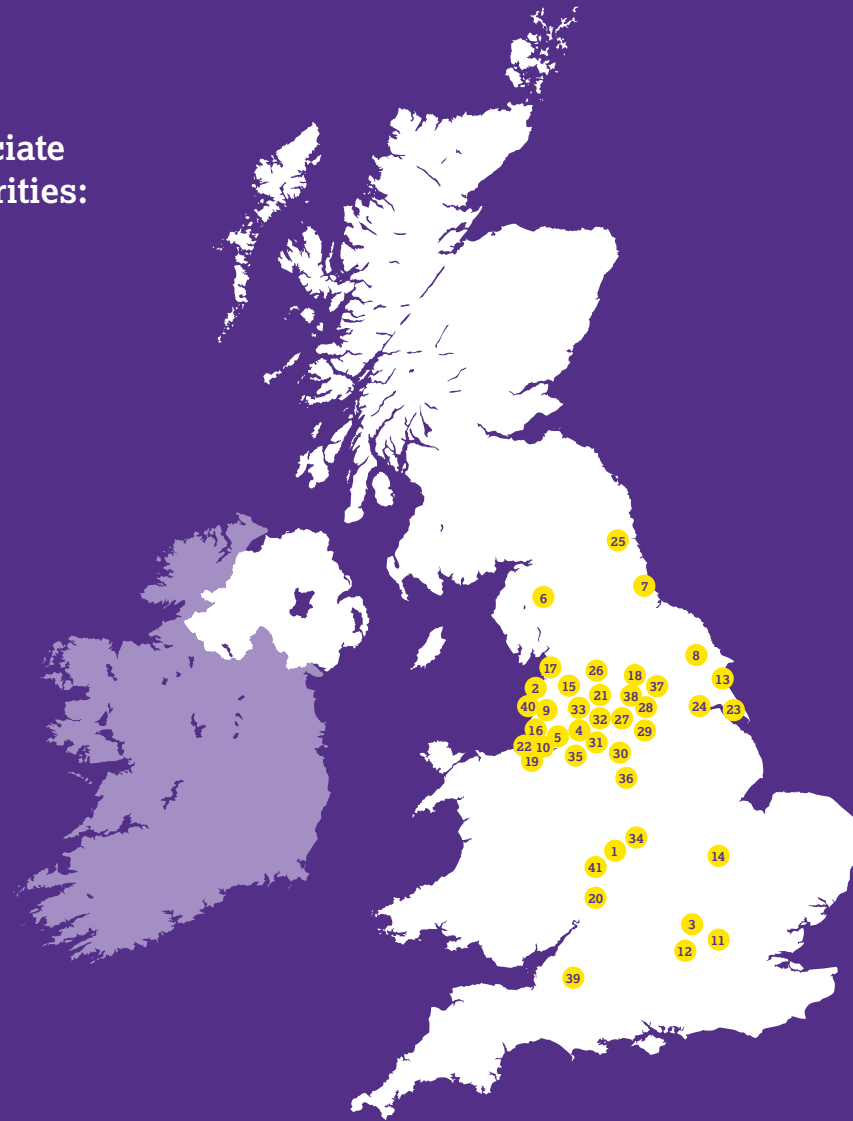
Customer spend under management, on collaborative framework solutions, has grown to around £600 million. We've made significant progress in our key geographic areas – Yorkshire and Humber, London, North West and the Midlands and we're also introducing new procurement business partners to cover these areas.

As we round up year one of our three-year strategy period, we continue to build on the successes of previous years and retain our position as a leader in public sector procurement.

Our 2015 member authorities:



Our 2015 associate member authorities:



- | | | | | | |
|--|--|--|--|--|--|
| 1  | 2  | 3  | 4  | 5  | 6  |
| 7  | 8  | 9  | 10  | 11  | 12  |
| 13  | 14  | 15  | 16  | 17  | 18  |
| 19  | 20  | 21  | 22  | 23  | 24  |
| 25  | 26  | 27  | 28  | 29  | 30  |
| 31  | 32  | 33  | 34  | 35  | 36  |
| 37  | 38  | 39  | 40  | 41  | |

Rewarding loyal customers

Since its introduction in 2011, our unique Share of Profits Loyalty Scheme has given back over £10 million to YPO customers in the public sector.

Thousands of schools across the country have benefited from this welcome boost, as purse strings continue to be tightened and spending decisions become even more painstaking.

The scheme sees a share of YPO's profits given back to its public sector customers based on how much they spend on resources with us each year. The largest amount to be given back so far to a single school is in excess of £7,400. The scheme helps us to deliver added value and enables funds to be reinvested where they're most needed – at the front line of education.

Harlesden Primary School in Brent is just one of the schools benefiting this year.

“The scheme has been really fantastic for our school. We’ve recently worked with YPO to improve our classrooms and learning spaces. The share of profits really benefits our school, helping us to reinvest in resources for the school in the future.”

Sarah Wawn,
Deputy Head, Harlesden Primary



This year, YPO, as a not-for-profit organisation, will return a dividend to its members totalling almost £7 million. This is a substantial injection, back into the heart of public services.

Reaching new heights

Twenty years of Continuing Professional Development

We reached a momentous milestone in the history of our Continuing Professional Development (CPD) programme this year, as CPD turned 20 years old.

Back in 1995, YPO launched its CPD programme providing high quality professional training to teachers. At the time, the courses were free-of-charge with just four courses to choose from.

Since then, the programme has grown significantly year-on-year and now offers up to 80 different courses. Courses cover all primary core curriculum, non-core curriculum, early years, head teachers and senior management team. The programme is delivered by well-known, highly-qualified and credible tutors - including some of the biggest names in primary education such as Sue Palmer, Chris Quigley and Gervase Phinn.

Not only great value for delegates – as courses cost just £120 and each attendee receives a £95 voucher to spend with YPO – but also for us, as the voucher spend goes back into YPO and some suppliers run courses for us free-of-charge.

After 20 years in business, we decided it was time to reward our loyal CPD customers by launching an exciting incentive campaign. The campaign - also

used to encourage new customer bookings and give us a competitive edge – centred around a ‘golden ticket’, which was issued inside the CPD guide to be used in exchange for one free place on a course. The guide itself was new and improved with handy pull-out sheets for each course making it easier to find what you’re looking for and share amongst colleagues.

We continue to listen to our customers and take advantage of the insight that they provide, by offering courses that reflect the ever-changing environment and challenges they face.

Over the last two years, we set our sights further afield and extended our CPD reach to locations in London and Birmingham. Traditionally located at our Wakefield HQ, the new destinations didn’t exactly take off. Ever the optimist, we’re gearing up again to look at renewed options across the country for packing up our well-oiled machine and delivering the CPD programme to customers closer to home. We’re also exploring ideas around offering full school inset training.



A ‘golden ticket’ was issued inside the CPD guide to be used in exchange for one free place on a course.



1408
available places

42
new courses
in 2015

80%
0 courses are
brand new

“Excellent course, thought-provoking and useful. Lots of ideas provided for immediate use in the school and classroom.”

Pamela Clarke,
Gawthorpe Academy

48%
of tutors are
new faces

756
different premises
attended a CPD in
the last four years

“A good day that really made a lot of misunderstandings clear. The leader = excellent subject knowledge.”


Joanne Murphy,
Calverley Parkside Primary School

Our plans for the future



Our current operational strategy sets out goals and objectives for the next two years that focus on utilising resources available to us from our external environment.

Our benchmarking approach will be fine-tuned as we set out to ensure our prices remain not only competitive, but consistent and robust when compared to rival public and private sector organisations. A mastered balancing act keeps check on our prices never going so low that our margins and profits are sacrificed.



We'll work harder to strengthen the connection with our customers to uncover invaluable insight, and invest in enriched data and research to help us reach the right people at the right time with the right messages. We'll refocus our efforts geographically, carefully constructing our offering with a strategic set of activities to open up new opportunities and reach further afield and ultimately achieve results.

Customer input and feedback will be gathered in a more correlated way so we make improvements to our process and enhance their experiences. We'll be implementing online customer review platform 'Feefo' to gather invaluable feedback and display our responses publicly, further highlighting our growing confidence and enriching the customer's journey.

In the education sector, we're supporting awareness-based partnerships to highlight our association with brands like the Roald Dahl Estate, by sponsoring its 100th birthday celebration of the much-love author. We're also partnering with an initiative called FundEd – a social enterprise providing schools with a service to access options and advice for fundraising.

We'll continue to look at options for a smarter delivery service, giving customers more choice around delivery dates and times, better meeting their needs.

Our procurement services business will continue to grow and develop to meet the increasing needs of our core customers in local government, education and emergency services. We'll continue to develop an increasing range of collaborative frameworks that will deliver best value to our customers.



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 Simon has 10 years public sector experience and 20 years commercial experience.



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 20 years. She leads the organisation's commercial and trading functions including sales and marketing, quality, trading, customer experience and employee development. Jo is the board strategic lead for customer service and is also a vice president with the Institute of Customer Service.



Paul Smith Executive Director

Paul joined YPO as a Director in November 2010 having previous senior roles with Aviva, Capita, RM and Ford. He leads the organisation's finance, procurement, business change and IT functions. Paul currently represents YPO with our key procurement partners including Society of Procurement Officers, Crown Commercial Service, Local Government Association, other public purchasing organisations and the EU.



Julie Wray Assistant Director

Julie originally joined YPO as Head of HR in September 2010 bringing with her over 20 years' HR experience within both the public and private sector including roles at Wakefield Council and Barclays Bank. Julie's remit at YPO has grown considerably and she now leads the organisation's Human Resources, Business Support Services, Health and Safety, Warehousing and Logistics functions.



Dennis Heywood Independent Director

Dennis was appointed in October 2014 to provide independent guidance to the organisation as a member of our Board of Directors. He has over 30 years of experience in the board room in both private and public companies, and in organisations where governance and risk management has been a priority. He is currently Vice Chairman of Mid Staffordshire NHS Foundation Trust, Independent Non-Executive Director of the Royal Institution of Chartered Surveyors (RICS) and Chairman of a growing chain of high street giftware stores.



Financial summary

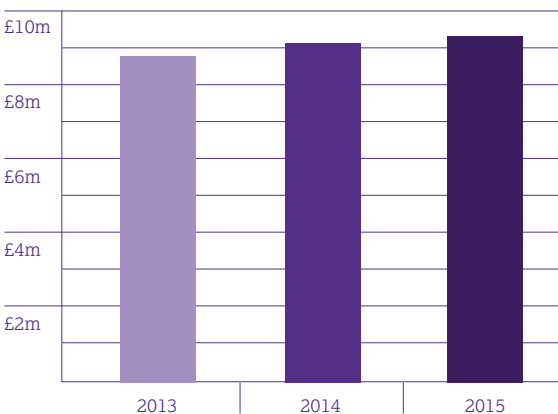
Dividend paid back to the public sector

Dividend paid back to the public sector	2013	2014	2015
	£8,803,000	£9,139,000	£9,230,000

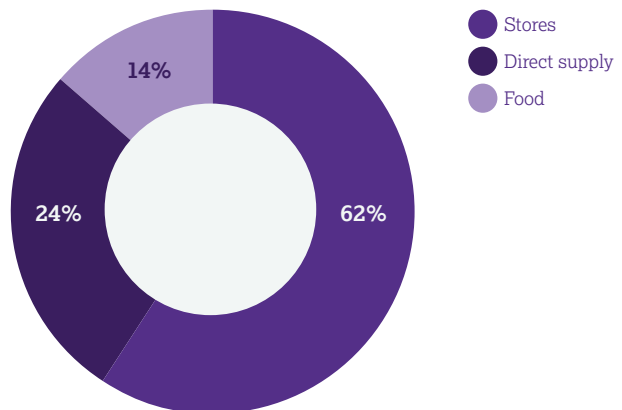
Turnover by category (£000s)

Turnover by category	2014	2015
Stores	71,827	72,448
Direct Supply	32, 835	28,510
Food	16,322	16,445

Dividend paid back to the public sector



Turnover by category 2015



Income and expenditure account (£000s)

Income and expenditure account	2014	2015
Invoiced turnover	120,985	117,404
Cost of sales	(90,510)	(86,673)
Gross margin	30,475	30,731
Discounts	226	199
Rebates	5,365	4,902
Other income	2,195	2,310
Gross surplus	38,261	38,142
Operating expenses		
Employees	(14,279)	(16,766)
Premises	(1,027)	(1,078)
Supplies and services	(4,787)	(6,037)
Transport	(6,270)	(4,725)
S.L.A Costs	(164)	(179)
Financial and Miscellaneous	(1,064)	1,057
Depreciation and revaluation increase/(decrease)	(835)	(1,048)
Pension service gain (cost) net of charges made to the general fund	(801)	(1,051)
	(29,227)	(29,827)
Surplus/(deficit) on trading operations	9,034	8,315

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

Financial Summary

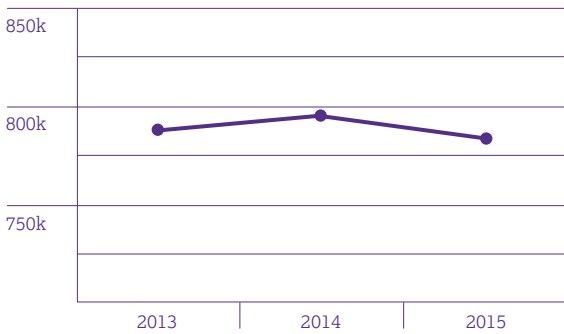
Sales invoice production

	2013	2014	2015
	786,103	795,901	777,685

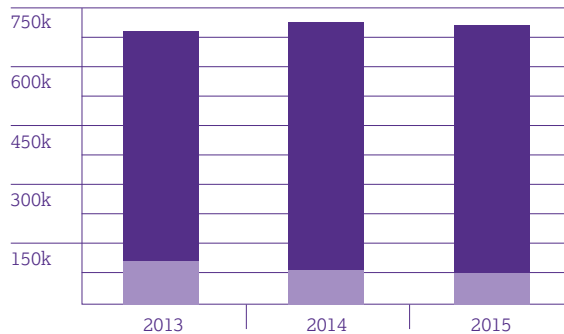
Number of sales invoices by payment type

	2013	2014	2015
Invoices	690,524	716,926	703,363
Direct Debits	95,579	78,975	74,322

Sales invoice production



Number of sales invoices by payment type



- Invoices
- Direct Debits

Overhead spend analysis (£million)

	2014	2015
Employees	14.2	16.8
Premises	1	1.1
Supplies and services	4.8	6
Transport	6.3	4.7
Other	1.2	1.2

Number of purchase invoices processed

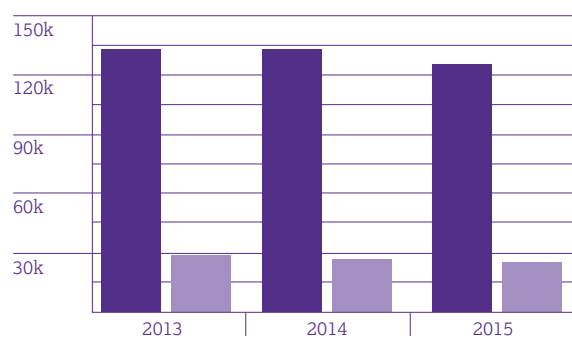
	2013	2014	2015
Direct Shipment Suppliers	132,943	133,228	128,870
Stock Suppliers	28,636	26,573	26,875

Overhead spend analysis



● 2015
● 2014

Number of purchase invoices processed



● Direct Shipment Suppliers
● Stock Suppliers

Employee Data

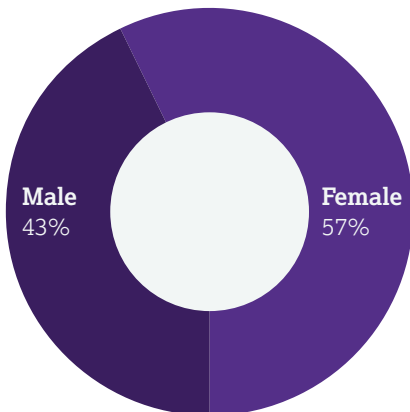
Employees by age

	2014	2015
< 21	22	22
21-30	83	82
31-40	90	93
41-50	158	155
51-60	140	141
>60	23	25
Total	516	518

Employees by gender

	2014	2015
Male	294	223
Female	222	295
Total	516	518

Employees by gender
(2015)



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