



**Notice of meeting of
Decision Session - Cabinet Member for Corporate Services**

To: Councillor Gunnell
Date: Tuesday, 19 July 2011
Time: 4.30 pm
Venue: The Guildhall

AGENDA

Notice to Members – Calling In

Members are reminded that, should they wish to call in any item on this agenda, notice must be given to Democracy Support Group by:

10.00 am on Monday 18 July 2011 if an item is called in before a decision is taken, or

4.00pm on Thursday 21 July 2011 if an item is called in after a decision has been taken.

Items called in will be considered by the Scrutiny Management Committee.

Any written representations in respect of the items on the agenda should be submitted to Democratic Services by **5.00pm on Friday 15 July 2011**.

1. Declarations of Interest

At this point Members are asked to declare any personal or prejudicial interests they may have in the business on the agenda.

- 2. Minutes** (Pages 3 - 4)
To approve and sign the minutes of the Decision Session of the Executive Member for Corporate Services held on 19 April 2011.

- 3. Public Participation**
At this point in the meeting, members of the public who have registered their wish to speak at the meeting can do so. The deadline for registering is **5.00pm on Monday 18 July 2011**.

Members of the public may register to speak on:-

- An item on the agenda
- An issue within the Cabinet Member's remit
- An item that has been published on the Information Log since the last session.

- 4. Exclusion of Press and Public**
To consider excluding the press and public from the meeting during consideration of Annex B of agenda item 5 "Bad Debt Write Off Report – Period April to June 2011" on the grounds that it contains information which is likely to reveal the identity of an individual and relating to the financial or business affairs of any particular person. This information is classed as exempt under Paragraphs 2 and 3 of the Schedule 12A to Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006.

- 5. Bad Debt Write Off Report - Period April to June 2011** (Pages 5 - 16)
This report presents to the Cabinet Member for Corporate Services the irrecoverable accounts in respect of Council Tax (CT), National Non-Domestic Rates (NDR), Sundry Debtors and Housing Benefit overpayment for write-off covering the period 1 April 2011 to 30 June 2011.

- 6. Yorkshire Purchasing Association (YPO) Management Agreement** (Pages 17 - 36)
The purpose of the report is to obtain approval to the proposed new provisions of the Management Agreement for the Founder Members of Yorkshire Purchasing Organisation (YPO).

7. Urgent Business

Any other business which the Chair considers urgent under the Local Government Act 1972.

Information Log

No items have been published on the Information Log since the last Decision Session.

Democracy Officer:

Name: Jayne Carr

Contact Details:

Telephone – (01904) 552030

Email – jayne.carr@york.gov.uk

For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting Jayne Carr
Democracy Officer

- Registering to speak
- Written Representations
- Business of the meeting
- Any special arrangements
- Copies of reports

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Would you like to speak at this meeting?

If you would, you will need to:

- register by contacting the Democracy Officer (whose name and contact details can be found on the agenda for the meeting) **no later than 5.00 pm** on the last working day before the meeting;
- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
- find out about the rules for public speaking from the Democracy Officer.

A leaflet on public participation is available on the Council's website or from Democratic Services by telephoning York (01904) 551088

Further information about what's being discussed at this meeting

All the reports which Members will be considering are available for viewing online on the Council's website. Alternatively, copies of individual reports or the full agenda are available from Democratic Services. Contact the Democracy Officer whose name and contact details are given on the agenda for the meeting. **Please note a small charge may be made for full copies of the agenda requested to cover administration costs.**

Access Arrangements

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If you have any further access requirements such as parking close-by or a sign language interpreter then please let us know. Contact the Democracy Officer whose name and contact details are given on the order of business for the meeting.

Every effort will also be made to make information available in another language, either by providing translated information or an

interpreter providing sufficient advance notice is given. Telephone York (01904) 551550 for this service.

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Holding the Cabinet to Account

The majority of councillors are not appointed to the Cabinet (39 out of 47). Any 3 non-Cabinet councillors can 'call-in' an item of business from a published Cabinet (or Cabinet Member Decision Session) agenda. The Cabinet will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Cabinet meeting in the following week, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

Who Gets Agenda and Reports for our Meetings?

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City of York Council

Committee Minutes

MEETING	DECISION SESSION - EXECUTIVE MEMBER FOR CORPORATE SERVICES
DATE	19 APRIL 2011
PRESENT	COUNCILLOR MOORE (EXECUTIVE MEMBER)

22. DECLARATIONS OF INTEREST

The Executive Member was invited to declare at this point in the meeting any personal or prejudicial interests he might have in the business on the agenda. None were declared.

23. MINUTES

RESOLVED: That the minutes of the Decision Session held on 1 February 2011 be approved and signed by the Executive Member as a correct record.

24. PUBLIC PARTICIPATION

It was reported that there were no registrations to speak under the council's Public Participation Scheme.

25. EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That the press and public be excluded from the meeting during consideration of Annex B of agenda item 5 "Bad Debt Write Off Report – Period January to March 2011" on the grounds that it contains information which is likely to reveal the identity of an individual and relating to the financial or business affairs of any particular person. This information is classed as exempt under Paragraphs 2 and 3 of the Schedule 12A to Section 100A of the Local Government Act 1972, as amended by the

Local Government (Access to Information)
(Variation) Order 2006.

26. BAD DEBT WRITE OFF REPORT - PERIOD JANUARY TO MARCH 2011

The Executive Member received a report that presented the irrecoverable accounts in respect of Council Tax (CT), National Non-Domestic Rates (NNDR), Sundry Debtors and Housing Benefit overpayment for write-off covering the period 1 January 2011 to 31 March 2011.

The Executive Member was asked to consider whether to write-off the over £5k accounts in line with the council's Financial Regulations, or to leave the accounts on the council's accounts.

The Executive Member stated that he was pleased to note that the fact that a debt had been written off did not mean that the council would not, where possible, try to recover it at a later date. In this quarter, in excess of £9k of debt had been written back onto the accounts.

RESOLVED: That the write off of bad debt, as set out at Table 1 of the report and in Annex B of the report, be approved.

REASON: To remove irrecoverable bad debt from the council's accounts in accordance with accountancy best practice.

27. EXECUTIVE MEMBER'S REMARKS

The Executive Member stated that, as this would be his final Decision Session, he wished to place on record his thanks to officers within the Directorate of Customer and Business Support Services for their hard work. The reports that had been considered at the Decision Sessions had been very well presented and this had contributed significantly to the smooth running of the meetings.

Executive Member

[The meeting started at 4.15 pm and finished at 4.20 pm].



Decision Session - Cabinet Member for Corporate Services

19 July 2011

Report of the Assistant Director of Customer & Business Support Services (Head of Financial Services)

Bad Debt Write Off Report – Period April to June 2011**Summary**

- 1 This report presents to the Cabinet Member for Corporate Services the irrecoverable accounts in respect of Council Tax (CT), National Non-Domestic Rates (NNDR), Sundry Debtors and Housing Benefit overpayment for write-off covering the period 1 April 2011 to 30 June 2011. The last write-off report was presented to the former Executive Member for Corporate Services on 19 April 2011 for the period 1 January 2011 to 31 March 2011.

Background

- 2 The council's Constitution and supporting Financial Regulations delegate the responsibility for writing-off all individual debts up to and including £5k to Chief Officers in consultation with the Chief Financial Officer (CFO) under the officer scheme of delegation. Above this threshold debts are written-off in consultation with the Cabinet Member for Corporate Services. Any exceptional debts with an individual value above £200k may only be written off on the authority of the Cabinet.
- 3 The council only writes off debt where it is irrecoverable for example where a customer has died and has no assets, or a business is bankrupt and has no assets. As part of the process undertaken before a debt is written off in respect of a limited company in liquidation checks are undertaken to ensure the company is a registered limited company and a charge registered in respect of the outstanding debt. This process includes reference to the Companies House website which can also show if the company has registered at a

new address. The only exception to this is where a debt is not cost effective to recover.

- 4 There are occasions where case law means the council is unable to pursue a debt following discharge from bankruptcy where Housing or Council Tax Benefit is involved. The precedent for this was set by the Court of Appeal (Balding CO/7636/2006).
- 5 The council's in year collection rate for CT (2010/11) was 97.9% compared to 97.5% (2009/10) and placed York above the national Unitary average of 97.2% and regional average of 96.7. There was a 98.3% collection rate in 2010/11 for NNDR which placed York above the national Unitary average of 97.7% and regional average of 97.6%.
- 6 The council is prudent in managing bad debt and makes provision for them in its annual statement of accounts. This ensures that the writing off of bad debt has no detrimental affect on service provision or the council taxpayer. In the case of NNDR the Government meets the cost of writing off bad debt as this is taken from the value collected before it is passed on to central Government ensuring no cost to the local taxpayer.

Debt to be written off 1 April 2011- 30 June 2011

- 7 Details of accounts with individual values above £5k in respect of Housing Benefit Overpayment, NNDR and Sundry Debtors are set out at Annex A excluding any personal data, and in detail in confidential Annex B of this report respectively. The total value of the accounts to be written off this period is £242,690.14 and Table 1 below shows the value of accounts by each area of debt.

Table 1

Debt Write -Off Summary 1 April 2011 - 30 June 2011			
Fund	Over £5K	Under & Inc £5K	Total
National Non-Domestic Rates	67,633.60	9,730.37	77,363.97
Council Tax	5,280.80	94,531.46	99,812.26
Housing Benefit Overpayment	0.00	23,503.80	23,503.80
Sundry Debtors	6,576.85	35,433.26	42,010.11
Grand Total	79,491.25	163,198.89	242,690.14

- 8 The figures alone do not reflect the overall performance of the recovery teams. This can be more clearly demonstrated when the figures are compared to the value of debts raised. A more detailed breakdown of the debt write off relating to each year from 2002/03, compared to the respective value of accounts raised is set out at Annex C.
- 9 The council is continuing to develop and improve the efficiency of its income collection and will be working during 2011/12 to further improve its performance in the collection of both in year and prior year debt across all of the council's income streams.

Consultation

- 10 No consultation was necessary in the production of this report.

Options

- 11 There are two options for the Cabinet Member for Corporate Services to consider in relation to this report. These are:
 - a) to write off the over £5k accounts totalling £79,491.25 in line with the council's Financial Regulations;
 - b) to leave the accounts on the council's accounts, but acknowledging the risk of doing so as laid down in paragraph 15 below.

Analysis

- 12 All analysis is contained in the annexes to this report.

Corporate Priorities

- 13 The effective and efficient management of income collection directly supports the corporate strategy objective of delivering an Effective Organisation. Improved income to the council also provides cross-cutting financial support in delivering all eight corporate objectives.

Implications

- 14 (a)**Financial** – The Assistant Director of Customer & Business Support Services (Corporate Finance) has

been consulted in relation to this report and has confirmed that there is adequate provision to meet the value of the accounts to be written off.

(b) **Human Resources (HR)** - There are no implications

(c) **Equalities** - There are no implications

(d) **Legal** - There are no implications

(e) **Crime and Disorder** - There are no implications

(f) **Information Technology (IT)** - There are no implications

(g) **Property** - There are no implications

Risk Management

- 15 If proper debt management and accounting procedures are not followed in the management and writing off of debt then the council could be criticised by the external auditor.

Recommendations

- 16 The Cabinet Member for Corporate Services is asked to:
- a) approve the write off of bad debt as set out at Table 1 above and in the confidential annexe B attached to this report.

Reason

To remove irrecoverable bad debt from the council's accounts in accordance with accountancy best practice.

Contact Details

Author:

David Walker
Head of Financial
Procedures
Phone No 01904 552261

Chief Officer Responsible for the report:

Keith Best
Assistant Director of Financial Services
Customer and Business Support Services

**Report
Approved**



Date 8 July 2011

Specialist Implications Officer(s) Not applicable

Wards Affected Not applicable

All

For further information please contact the author of the report

Background Papers

Write off Report April 2011

Non-Confidential Annexes

Annex A - Accounts to be written off over £5k excluding personal data

Annex C - Debt Write off by year account raised

Confidential Annexes

Annex B - Accounts to be written off over £5k including personal data

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Over £5000 Write Offs**NNDR - Over £5k****Annex A**

ACCOUNT NO.	Year	W-Off AMOUNT (£)	Reason	Total
401034182	2009/10	£1,428.09	Insolvency	
401037434	2009/10	£172.45	Insolvency	
401037434	2010/11	£1,801.87	Insolvency	
401037823	2008/09	£141.76	Insolvency	
401037823	2009/10	£171.51	Insolvency	
401038021	2010/11	£553.75	Insolvency	
401034062	2007/08	£1,935.22	Insolvency	
401034062	2008/09	£2,108.56	Insolvency	
401038155	2009/10	£2,382.24	Insolvency	
401038207	2008/09	£313.27	Insolvency	
401038207	2009/10	£2,023.48	Insolvency	
401038163	2010/11	£1,808.22	Insolvency	
400019057	2007/08	£7,648.79	Insolvency	
400019057	2008/09	£977.29	Insolvency	
401037555	2009/10	£3,357.02	Insolvency	
401037555	2010/11	£21,213.52	Insolvency	
			Insolvency Total	£48,037.04
401032088	2009/10	£1,000.00	Bankrupt	
401032088	2010/11	£4,586.44	Bankrupt	
			Bankrupt Total	£5,586.44
400034089	2006/07	£1,634.59	Unable to Trace	
400034089	2007/08	£5,301.50	Unable to Trace	
400034089	2008/09	£1,817.76	Unable to Trace	
400033168	2003/04	£1,337.45	Unable to Trace	
400033168	2004/05	£1,805.60	Unable to Trace	
400033168	2005/06	£1,738.00	Unable to Trace	
400033168	2006/07	£375.22	Unable to Trace	
			Unable to Trace Total	£14,010.12
			Total	£67,633.60

CT - Over £5K

ACCOUNT NO.	Year	W-Off AMOUNT (£)	Reason	Total
882045152	2007	884.45	Bankrupt	
882045152	2008	1,419.73	Bankrupt	
882045152	2009	1,533.35	Bankrupt	
882045152	2010	1,443.27	Bankrupt	
			Bankrupt Total	5,280.80
			Total	5,280.80

Sundry Debtors - Over 5K

ACCOUNT NO.	Year	W-Off AMOUNT (£)	Reason	Total
DR02751205	2008/09	2,829.72	Bankrupt	
9100272373	2009/10	3,747.13	Bankrupt	
			Bankrupt Total	6,576.85
			Total	6,576.85
			Grand Total	79,491.25

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Annex C

Year & Fund	Total Charges Raised	Total Value Written off this period	Total Value Written off To Date **	Percentage Written off
<u>NNDR</u>				
2011/12	£91,529,470	£0	£0	0.00%
2010/11	£84,304,338	£38,296	£67,255	0.08%
2009/10	£83,817,174	£12,238	£150,342	0.18%
2008/09	£81,598,658	-£5,217	£301,866	0.37%
2007/08	£76,665,146	£19,153	£340,349	0.44%
2006/07	£72,709,037	£3,729	£207,383	0.29%
2005/06	£66,793,585	£1,738	£188,059	0.28%
2004/05	£65,292,579	£1,806	£402,445	0.62%
2003/04	£63,102,660	£2,926	£549,689	0.87%
2002/03	£61,850,351	£2,697	£403,416	0.65%
<u>Sundry Debtors</u>				
2011/12	£15,731,276	£399	£399	0.00%
2010/11	£45,544,388	£14,110	£31,691	0.07%
2009/10	£53,874,242	£11,016	£93,817	0.17%
2008/09	£52,093,892	£7,971	£119,531	0.23%
2007/08	£47,608,847	£3,549	£89,119	0.19%
2006/07	£52,876,432	£165	£109,156	0.21%
2005/06	£52,330,126	£3,648	£176,411	0.34%
2004/05	£36,986,021	£1,151	£351,163	0.95%
2003/04	£41,656,971	£0	£81,348	0.20%
2002/03	£34,543,460	£0	£134,476	0.39%
<u>Council Tax</u>				
2011/12	£82,533,716	£173	£173	0.00%
2010/11	£81,514,649	£37,591	£103,035	0.13%
2009/10	£79,243,148	£21,672	£204,944	0.26%
2008/09	£77,115,361	£6,205	£282,497	0.37%
2007/08	£73,149,211	£6,106	£280,792	0.38%
2006/07	£69,508,184	£5,688	£324,221	0.47%
2005/06	£65,661,542	£8,912	£318,528	0.49%
2004/05	£62,171,239	£4,935	£259,641	0.42%
2003/04	£56,427,886	£4,600	£557,016	0.99%
2002/03	£51,300,730	£2,687	£512,591	1.00%
<u>HB Overpayment</u>				
2011/12	£575,000	£2,901	£2,901	0.50%
2010/11	£1,516,424	£11,505	£30,947	2.04%
2009/10	£1,285,711	£1,845	£49,923	3.88%
2008/09	£1,496,654	£1,924	£65,501	4.38%
2007/08	£1,081,152	£2,684	£49,898	4.62%
2006/07	£841,495	£743	£61,152	7.27%
2005/06	£1,653,350	£850	£93,952	5.68%
2004/05	£725,982	£436	£131,762	18.15%
2003/04	£665,271	£615	£127,151	19.11%
2002/03	£516,204	£0	£144,088	27.91%
<u>Category Totals</u>				
NNDR	£747,662,998		£2,610,806	0.35%
Sundry Debtors	£433,245,654		£1,187,111	0.27%
Council Tax	£698,625,668		£2,843,438	0.41%
HB Overpayments	£10,357,243		£757,274	7.31%
Grand Total	£1,889,891,563		£7,398,628	0.39%

** the totals shown include the values in this write off cycle
Figures prefixed - represent debt written back on

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**Decision Session – Cabinet Member for
Corporate Services****19 July 2011**

Report of the Assistant Director of Governance and ICT

YPO Management Agreement**Summary**

- 1 The purpose of the report is to obtain approval to the proposed new provisions of the Management Agreement for the Founder Members of Yorkshire Purchasing Organisation (YPO).

Background

2. YPO was founded in 1974 as a Joint Committee of its constituent local authorities to generate buying efficiencies. The City of York is one of thirteen founder Members. The lead authority is currently Wakefield Council. YPO has undertaken a comprehensive review to determine the future direction of YPO, improve its governance arrangements, update its code of corporate governance, and update its dividend distribution arrangements.
3. Since then there has been considerable work undertaken to update the existing Management Agreement and consensus has been reached on the provisions of a new management agreement, attached as Annex 1. This has been approved by the Management Committee of YPO subject to fine legal tuning and lawyers representing the founder members have subsequently finalised the detail.
- 4 Key changes brought about by the new agreement include:
 - (i) changes to the status and purpose of YPO now require a two thirds majority of members. Previously no figure was quoted.
 - (ii) powers to trade have been refined;
 - (iii) the role of the lead Authority has been clarified;
 - (iv) a greater emphasis has been placed on the need to keep governance arrangements under review

5. It is also recommended that the Corporate Director of YPO be authorised to enter into contractual agreements on behalf of the Council. The Joint Committee can delegate to an officer and this delegation will assist in dealing in the day to day business of YPO.

Options

6. Option 1 is to accept the new Agreement which has been negotiated over many months and which has been approved by the Management Committee, the Strategic Officers Advisory Group and lawyers for all thirteen Founder Member authorities.
7. Option 2 is not to approve the new Agreement – and the consequences of this would be that the new Agreement will not come into being as under the current agreement all Founder Members need to approve changes to the Management Agreement.

Consultation

8. The draft Agreement has been consulted on within the Founder Authorities over a number of months and staff at YPO have also been consulted. Elected Members of the Management Committee have been consulted, as have strategic officer leads and the Council's Solicitor.

Implications

9. **Financial** – The new agreement means that this Council remains a Founder Member and so participates in setting the level of the dividend as per Clause 10.
10. **Legal** – These are contained within the report.
11. **Equalities** – There are no implications for the Council.
12. **Human Resource** – There are no implications for the Council.
13. **Risk Management** – As outlined in the Report, if the revised Management Agreement is not approved, YPO would continue under its current governance arrangements, which are now outdated.

Recommendations

That the Cabinet Member

- (i) approves the proposed Management Agreement at Annex 1 regarding the delegation of Executive Powers to the Joint Committee
- (ii) authorise the Corporate Director at YPO to enter into contractual agreements on behalf of the Council.

Reasons

14. The proposal continues the Joint Committee and brings its governance arrangements into a more modern era. The 1974 partnership model continues to bring significant benefits for the Council and it is intended that this should continue.

Contact Details

Author:		Chief Officer Responsible for the report:			
Andrew Docherty Assistant Director of Governance and ICT		Andrew Docherty Assistant Director of Governance and ICT			
		Report Approved	✓	Date	02/07/11
Specialist Implications Officers :					
Legal Implications: Andy Docherty Assistant Director Governance and ICT 01904 551004					
Wards Affected:	All				
For further information please contact the author of the report					

Annexes:

Annex 1 - Management Agreement

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Final Draft

THIS AGREEMENT is made on theday of 2010
BETWEEN: BARNSELY METROPOLITAN BOROUGH COUNCIL of the first
part; THE BOROUGH COUNCIL OF BOLTON of the second part; THE CITY
OF BRADFORD METROPOLITAN DISTRICT COUNCIL of the third part;
THE BOROUGH COUNCIL OF CALDERDALE of the fourth part;
DONCASTER METROPOLITAN BOROUGH COUNCIL of the fifth part; THE
COUNCIL OF THE BOROUGH OF KIRKLEES of the sixth part; KNOWSLEY
METROPOLITAN BOROUGH COUNCIL of the seventh part; NORTH
YORKSHIRE COUNTY COUNCIL of the eighth part; the ROTHERHAM
BOROUGH COUNCIL of the ninth part; ST HELENS BOROUGH COUNCIL
of the tenth part; THE COUNCIL OF THE CITY OF WAKEFIELD of the
eleventh part; WIGAN BOROUGH COUNCIL of the twelfth part; THE
COUNCIL OF THE CITY OF YORK of the thirteenth part.

WHEREAS:

- (1) The above parties are referred to in this Agreement as ‘the Founder Member Authorities’ collectively and as ‘Founder Member Authority’ individually, irrespective of whether they were founding members on formation of the Yorkshire Purchasing Organisation in 1974 or became members thereafter
- (2) The Yorkshire Purchasing Organisation (referred to in this agreement as YPO) was established in 1974 to maintain effective, efficient and economical arrangements for the supply of goods, materials and services.
- (3) This agreement replaces an earlier agreement agreed in 2001, relating to the governance of YPO, and will govern the operation of YPO from

[Date to be inserted when all authorities have made their decision to agree to this]

IT IS HEREBY AGREED AS FOLLOWS:

1. OBJECTIVES AND PURPOSE OF YPO

(1) YPO shall be a procurement organisation, maintaining effective, efficient and economical arrangements for the supply of goods, materials, works and services, by providing excellent quality, service and competitive prices, whilst optimising the profits available for distribution to its members and customers.

(2) YPO shall (unless agreed otherwise by at least two thirds of the Founder Member Authorities) be a public sector organisation committed to professional, open, sustainable, caring relationships with its members, customers, staff and suppliers, and in doing so shall help the UK public sector by delivering a high quality service which saves them time and money.

(3) In conducting its business, YPO shall:

- (i) Provide all the general supplies and services required by local government and other public/third sector bodies, as permitted under legislation;
- (ii) Optimise profitability by delivering cost effective services that contribute to customers' efficiency;
- (iii) Ensure through periodic reviews that the effectiveness, efficiency and profitability of YPO is at least comparable with that of other similar organisations;
- (iv) Utilise profits to support business investment, to reward membership and to incentivise usage;

- (v) Be informed by, and be consistent with, the innovation and efficiency plans of the Founder Member Authorities and those of regional bodies;
- (vi) Play a constructive role in helping to shape, and benefit from, developments in the national procurement agenda.

2. POWERS OF YPO

In conducting its business as defined in paragraph 1 above, YPO shall at all times

- (i) act within the powers conferred to it by law including but not limited to the Local Authorities (Goods and Services) Act 1970, Sections 101 and 102 of the Local Government Act 1972 and The Local Authorities (Arrangements for the Discharge of Functions)(England) Regulations 2000 (in relation to to the joint discharge of functions) together with Section 111 of the Local Government Act 1972 and to the extent it confers specific power to enter into Contracts Section 1 of the Local Government (Contracts) Act 1997, and Regulation 22 of the Public Contract Regulations 2006 (all as amended from time to time) and
- (ii) comply with all other relevant law.

3. MEMBERSHIP OF YPO

- (1) There shall be three types of YPO membership – a Founder Member Authority; an Associate Member Authority and an Ordinary Member
- (2) Founder Member Authorities shall participate in YPO under a joint committee arrangement established in exercise of the Founder Member Authorities powers under Sections 101 and 102 of the Local Government Act 1972 and The Local Authorities (Arrangements for the Discharge of Functions)(England) Regulations 2000

- (3) No further 'Founder Member Authorities' shall be permitted under this Agreement or otherwise
- (4) Each Founder Member Authority shall appoint annually two of its elected members as members of YPO (who may also act as a substitute for each other) and each Founder Member Authority shall also be entitled to appoint two additional substitute members. A substitute Member may attend meetings (including sub-committee meetings) of YPO in place of an appointed member who is unable to attend. It shall be the responsibility of each Founder Member Authority to arrange such a substitution on their own behalf.
- (5) Each Founder Member Authority shall have one vote at Management Committee meetings of YPO, and these votes shall be of equal standing
- (6) The Founder Member Authorities shall select by majority vote in the Management Committee one of their number to act as Lead Authority, with the role and functions specified in SECTION 4 of this agreement.
- (7) A vote to replace the Lead Authority shall take place at the written request of the Lead Authority or at the written request of at least one third of the Founder Member Authorities, setting out their reasons for requesting a vote to take place.
- (8) With the agreement of two thirds of the Founder Member Authorities, via a resolution of the Management Committee, YPO may grant Associate Membership, in accordance with SECTION 8 of this agreement.
- (9) All individual customer account holders shall be Ordinary Members of YPO, in accordance with SECTION 9 of this Agreement.

4. ROLE OF THE LEAD AUTHORITY

The Lead Authority for the time being is the Council of the City of Wakefield, which shall perform the following functions on behalf of the Founder Member Authorities:

- (1) Provide the Management Committee with appropriately qualified staff to carry out the roles of Section 151 Officer and Monitoring Officer in relation to YPO;
- (2) Act as employer for all staff of the Management Committee, including the Board of Directors, and to provide such Human Resources input as the Lead Authority considers necessary for the effective discharge of this responsibility;
- (3) Provide an effective internal audit service at a level agreed between the Section 151 Officer and the Audit Sub-Committee of the Management Committee, including such attendance by Auditors at the Audit Sub-Committee as is necessary to properly discharge this responsibility;
- (4) Provide effective Committee Administration services to the Management Committee and appropriate sub-committees, at a level considered necessary by the Monitoring Officer;
- (5) Provide effective banking and resource management services on behalf of YPO;
- (6) Consult Founder Member Authorities on changes to Financial Procedure Rules, Standing Orders, Delegation Schemes and this Agreement, and make recommendations to the Management Committee;
- (7) Chair the Strategic Officers Advisory Group;

- (8) Assist the Management Committee to monitor the performance of the Managing Director;
- (9) Have the authority to defer any proposal to incur expenditure or let any contract by the Board of Directors, pending the outcome of a report to the Management Committee or the Executive Sub-Committee of YPO as appropriate

and shall charge the cost of such services to the Management Committee.

The performance of the Lead Authority will be considered by the Strategic Officers Advisory Group annually and formally reviewed at least every five years.

5. PROCEDURE RULES AND SCHEMES OF DELEGATION

- (1) The Management Committee and Board of Directors shall operate at all times in accordance with approved:
 - (i) Financial Procedure Rules;
 - (ii) Standing Orders;
 - (iii) Contract Standing Orders;
 - (iv) Officer Delegation Scheme.
- (2) Any proposed amendments to the documents in 5(1) shall be subject to:
 - (i) A period of at least 8 weeks prior consultation with Founder Member Authorities by the Monitoring Officer;
 - (ii) A report to the Management Committee by the Monitoring Officer setting out the results of the consultation, and making recommendations;

- (iii) The agreement of at least two thirds of the total membership of the Management Committee.

6. JOINT COMMITTEE ARRANGEMENTS

- (1) The democratic management of YPO shall be vested in the Joint Committee, which shall be known as the Management Committee of YPO.
- (2) The Management Committee shall meet at least 3 times per year in March, June (AGM) and November, and such other times as agreed from time to time by the Chair of the Committee. Each meeting shall have a duration of a maximum of 2 hours unless otherwise agreed by a majority of the Management Committee.
- (3) Quorum and substitution arrangements for the Management Committee shall be as set out in this document and the approved Standing Orders of YPO.
- (4) The remit of the Management Committee shall be that agreed by YPO Management Committee held on 25 September 2009 – minute 23 (4), and be subject to a review at each Annual General Meeting of the Management Committee.
- (5) The Management Committee shall appoint annually from its membership those sub-committees that it considers necessary to discharge its duties and responsibilities under this Agreement, and shall include at least an Executive Sub-Committee and an Audit Sub-Committee and a Scrutiny Sub-Committee.
- (6) Prior to each Management Committee meeting, the Lead Authority shall convene a meeting of officers, drawn from the Founder Member Authorities, to be known as a ' Strategic Officers Advisory Group', with a

remit to examine draft reports to the Management Committee, raise issues of concern relating to YPO business and to facilitate the pre-briefing of members. It shall be the responsibility of each Founder Member Authority to make available, wherever possible, an officer of director or appropriate status to attend such meetings.

7. CODE OF CORPORATE GOVERNANCE

- (1) The Management Committee shall keep under review its code of corporate governance and associated documents, including the register of corporate risk, following recommendations by the Audit Sub-Committee.
- (2) YPO managers and such other officers as may be required shall agree to attend on request the scrutiny committees of the Founder Member Authorities to assist in their assessment of the effectiveness of YPO operations and assurance procedures.

8. ASSOCIATE MEMBERSHIP

- (1) At the time of this Agreement, Associate Membership is granted to Leeds City Council and the Metropolitan Borough of Bury.
- (2) Associate Members will be entitled to a share of dividend payments under SECTION 10(3)(ii) of this Agreement for annual levels of usage in excess of the usage level in the full calendar year immediately prior to Associate Membership being granted, in accordance with a scheme to be drawn up annually by the Management Committee.
- (3) Associate Members shall not receive a vote, or be entitled to attend 'in confidence' parts of Management Committee meetings.
- (4) Associate Members will be invited to attend an annual meeting with the Executive Sub-Committee, or participate in such other means of

discussion as are agreed by the Management Committee, and a report on the outcome of such discussions shall be presented to each Annual General Meeting of the Management Committee.

9. ORDINARY MEMBERSHIP

- (1) All individual customer account holders shall be Ordinary Members of YPO.
- (2) Ordinary Members shall be entitled to a share of dividend payments under SECTION 10(3)(iii) of this Agreement in accordance with a scheme to be drawn up annually by the Management Committee.
- (3) Ordinary Members shall not receive a vote, or be entitled to attend 'in confidence' parts of Management Committee meetings.

10. PAYMENT OF DIVIDENDS

- (1) In March of each year, upon receipt of the pre-audit accounts for the previous year the Management Committee shall determine the level of dividend to be paid (if any) but any dividend so determined will not be paid until the accounts have been completed and approved by the s151 Officer.
- (2) The overall dividend sum to be distributed (if any) shall be drawn from accumulated reserves, after deducting a sum which takes account of known risks, to ensure that YPO remains a going concern during the forthcoming year, and after deducting the cost of any development proposals agreed by the Management Committee.
- (3) The distribution formula shall contain the following elements:
 - (i) A cash sum to be divided equally between the Founder Member Authorities to reflect their risk of ownership;

- (ii) A cash sum to reward usage of YPO products and services in all modes of supply (including framework contracts) by the Founder Member Authorities and Associate Members with the weightings between types of membership and modes of supply being determined by the Management Committee;
 - (iii) A sum to reward usage of Ordinary Members in the form of a credit voucher against future purchases.
- (4) The weightings attached to 3(i) to 3(iii) above shall be agreed annually by the Management Committee.

11. APPOINTMENT OF STAFF

- (1) 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.
- (2) 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.
- (3) 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 that its HR policies and procedures are in accordance with best practice.
- (4) All staff shall be employed by the Lead Authority on behalf of YPO on terms and conditions agreed by the Lead Authority, subject to SECTION 11(1) of this Agreement.

- (5) The Board of Directors shall make such arrangements with Trades Unions to facilitate effective employee relations, through the periodic Joint Consultative Committee, and the Lead Authority shall be entitled to attend meetings of the Committee as it sees fit.

12. ASSETS

- (1) All existing and future assets shall vest in the Lead Authority in trust for the Founder Member Authorities on terms to be agreed by the Management Committee.

13. WITHDRAWAL OF MEMBERS

- (1) A Founder Member Authority wishing to withdraw from membership of YPO shall give to the Lead Authority at least 12 months' written notice expiring on the 31 December. A Founder Member Authority withdrawing shall be responsible for an equal share of any deficit that is held in the accounts in the financial year of withdrawal, but shall not be entitled to any dividend payment under SECTION 10(3)(i) of this Agreement, or a share of any assets held in trust by the Lead Authority under SECTION 12(1) of this Agreement.
- (2) Associate Members under SECTION 8 of this Agreement can do so in writing without a notice period, but will not be entitled to any dividend payment under SECTION 10(3)(ii) of this Agreement for the financial year in which the withdrawal takes place.

14. TERMINATION

Notwithstanding the provisions of SECTION 13(1) of this Agreement, if two thirds of the Founder Member Authorities agree, following a resolution by the Management Committee, this Agreement may be terminated on the 31 December in any year.

- (1) The terms of termination shall require:
 - (i) The payment of any outstanding dividend to Associate Members under SECTION 10(3)(ii) of this Agreement which would have been paid out had the termination not taken place;
 - (ii) Any accumulated deficit to be borne by the Founder Member Authorities equally;
 - (iii) Any accumulated surplus in the YPO accounts, and the realised value of any assets held in trust by the Lead Authority under SECTION 12(1) of this Agreement, to be shared equally between the Founder Member Authorities.

15. AMENDMENT

- (1) If two thirds of the Founder Member Authorities agree, following a resolution by the Management Committee, this Agreement may be amended at any time upon terms agreed by the Founder Member Authorities.

16. LITIGATION

- (1) The institution and defence of necessary litigation by YPO arising out of the exercise of its responsibilities shall be undertaken in a representative capacity by the Lead Authority, or such other Founder Member Authority as appointed by the Lead Authority.
- (2) The Lead Authority, or such other Founder Member Authority undertaking the litigation, shall be indemnified by the Founder Member Authorities.

17. INTERPRETATION AND ARBITRATION

- (1) In applying the terms of this Agreement, all parties shall act reasonably

- (2) Where a fraction of Membership is referred to in this Agreement, this should be rounded up to the nearest whole number.
- (3) If at any time any dispute or difference shall arise between the Founder Member Authorities or any of them respecting any matters arising out of this Agreement or the meaning or effect of this Agreement or anything herein contained or the rights or liabilities of any of the Founder Member Authorities the dispute or difference shall be referred to and settled by a single arbiter to be appointed by the Founder Member Authorities but if they cannot agree to be nominated by the Local Government Association.

THE COMMON SEAL OF BARNESLEY)
METROPOLITAN BOROUGH COUNCIL)
was hereunto affixed in the presence of:)

THE COMMON SEAL OF THE BOROUGH)
COUNCIL OF BOLTON)
was hereunto affixed in the presence of:)

THE COMMON SEAL OF THE CITY OF)
BRADFORD METROPOLITAN DISTRICT COUNCIL)
was hereunto affixed in the presence of:)

THE COMMON SEAL OF THE)
BOROUGH COUNCIL OF CALDERDALE)
was hereunto affixed in the presence of:)

THE COMMON SEAL OF DONCASTER)
METROPOLITAN BOROUGH COUNCIL)
was hereunto affixed in the presence of:)

THE COMMON SEAL OF THE COUNCIL)
OF THE BOROUGH OF KIRKLEES)
was hereunto affixed in the presence of:)

THE COMMON SEAL OF THE COUNCIL)
OF THE KNOWSLEY METROPOLITAN)
BOROUGH COUNCIL)
was hereunto affixed in the presence of:)

THE COMMON SEAL OF NORTH YORKSHIRE)
COUNTY COUNCIL)
was hereunto affixed in the presence of:)

THE COMMON SEAL OF ROTHERHAM)
BOROUGH COUNCIL)
was hereunto affixed in the presence of:)

THE COMMON SEAL OF ST HELENS)
BOROUGH COUNCIL)
was hereunto affixed in the presence of:)

THE COMMON SEAL OF THE COUNCIL)
OF THE CITY OF WAKEFIELD)
was hereunto affixed in the presence of:)

THE COMMON SEAL OF WIGAN)
BOROUGH COUNCIL)
was hereunto affixed in the presence of:)

THE COMMON SEAL OF THE)
COUNCIL OF THE CITY OF YORK)
was hereunto affixed in the presence of:)

Dated

2010

The Councils of the County of North Yorkshire and the Districts of Barnsley,
Bolton, Calderdale, Doncaster, Kirklees, Knowsley, Rotherham,
St Helens, Wigan and the Cities of Bradford, Wakefield and York

A G R E E M E N T

Management Agreement – Yorkshire Purchasing Organisation

Service Director Legal
And Democratic Services
County Hall
WAKEFIELD
WF1 2QW