



YPO
MANAGEMENT COMMITTEE
TO BE HELD ON
22ND JULY 2022

TITLE: YPO GOVERNANCE REVIEW

REPORT OF: MANAGING DIRECTOR

1. PURPOSE OF REPORT

- 1.1 To request members' agreement to recommend proposed changes to the YPO governance structure for approval by the Founder member authorities and associated changes to the YPO Management Agreement.

2. BACKGROUND

- 2.1 YPO has operated as a Joint Committee since its inception in 1974 and under the governance structure in the current Management Agreement since 2010. The Management Agreement, and any changes to it, requires the agreement of each member authority through a formal resolution in their own council, along with a resolution to delegate contracting authority to the functional role of Managing Director of YPO.
- 2.2 The increasingly commercial nature of the daily operation of YPO and the experience of the planned acquisition of a major competitor, has caused officers within YPO and the Lead Authority to consider a review of the governance structure and operating practices of YPO to ensure that they are fit for purpose to deliver the recently approved 3-5 Year Strategy and to optimise benefits for member authorities in the future.
- 2.3 Members agreed at the Management Committee on 29th November 2021 to appoint a working group of Founder Member strategic officers to review current governance structures and documents and, in conjunction with officers from YPO and the Lead Authority, to submit proposed changes for consideration by members. This group met a number of times and proposed a number of changes to operating practices and to governance structures and the associated documents in which they are specified.
- 2.4 The resulting proposals were submitted to the March 2022 Management Committee for consideration and discussion prior to requesting formal approval. Members were also requested to consult within their own authorities to ensure that any final request for approval captured both the discussion in the March Management Committee and the wider views of the Founder Members. The discussion in March suggested just one minor change and no subsequent requests or suggestions were received from the Founder Members. The proposals in the following section are, therefore largely as

considered and discussed by members in the March Management Committee.

3. PROPOSALS

- 3.1 The purpose of the proposals is to achieve a more focussed, commercial governance structure, fit for purpose to deliver the ambitious growth plans contained in the 3-5 Year Strategy. It should be stressed that the intention is not to diminish levels of governance, oversight or control, but, in many cases, to strengthen governance by making the control mechanisms more explicit and transparent.
- 3.2 Alongside the proposed changes to the formal structure are plans to increase regular engagement with founder member authorities, including a Finance Directors Forum, Heads of Procurement Forum and regular meetings with member Chief Executives.
- 3.3 The officer working group considered possible changes in 3 distinct tiers as follows:
 - i. Operating procedures which are custom and practice and within the gift of members and officers to change at will;
 - ii. Operating procedures which are specified within the current management Agreement and would require amendments to the agreement through a two-thirds majority vote by Founder Members;
 - iii. Fundamental changes to the constitution of YPO, potentially moving away from a Joint Committee to a more commercial legal entity.
- 3.4 The proposals for consideration in this paper focus on the first two tiers of these options. Addleshaw Goddard were commissioned to carry out a high level review of potential alternative legal structures. Their initial draft report was submitted to the March Management Committee. The final report was considered by the Officer Working Group which concluded that there is not currently a compelling case for change. However, it was acknowledged that this situation should be kept under review, particularly in light of forthcoming changes to UK Procurement Regulations in 2023 and the experience gained under the proposals contained in this paper, which may require further adjustment in the future. It is therefore suggested that the constitutional arrangements are reviewed again at some point after the 2023 Annual General Meeting.
- 3.5 The detail of the proposed changes is contained in the attached portfolio of governance documents which comprise the controls for each of the key functions of YPO. However, for ease of discussion, the key changes for members to consider are as follows:
 - i. A reduction of elected members from two per founder member to one, with substitutes permitted. This will produce a more focused core of members with greater familiarity with the strategic challenges facing the organisation;
 - ii. A reduction in the number of Management Committee and Sub-Committee meetings from three per year to a minimum of two per year. This will enable members to focus on the key strategic issues facing YPO and to take decisions at key points in the annual business cycle (the recommendation to specify a “minimum” number, allowing scope to call additional meetings if required for business reasons, resulted from discussion in the March Management Committee);
 - iii. The removal of the Executive Sub-Committee. This body largely duplicates the function of the Management Committee and has no separate delegated powers for specific decisions;
 - iv. The renaming of the Audit & Scrutiny Sub-Committee to Audit & Governance with a remit to consider all items of risk and governance on behalf of member authorities.
 - v. A revision to the Terms of Reference of the Audit & Governance Sub-Committee,

emphasising the role of this body in scrutinising risk and governance issues, holding the Executive Officers to account and reporting back to the full Management Committee;

- vi. Revisions to the Scheme of Delegation, emphasising the requirement to consider political and reputational implications for members before the powers contained are exercised and reinforcing the role of the Executive Director, Finance in reporting directly to the S151 Officer in the Lead Authority in the case of any suspected breach;
- vii. Revisions to the Financial Procedure Rules to reflect the commercial nature of YPO's activities as distinct from Local Government requirements
- viii. The continuation of the role of Independent Director to give elected members a level of independent assurance on the operational decision-making carried out by the Executive Board and to provide commercial advice to elected members as and when required.

3.6 It should also be noted that, in addition to the formal structures described, it is important in a commercial environment to retain the ability to take rapid decisions in a controlled manner. The continued use on an adhoc basis of consultation jointly with the Chair, Vice-Chair, Chair of Audit & Governance, Independent Director, S151 and Monitoring Officer should remain a key element of decision-making by the Executive Board.

3.7 Some of the changes (once ratified by Management Committee) will require changes to the Management Agreement which will need to be approved in each Founder Member Authority. However, as the changes have been discussed with Members at the Management Committee itself and with Strategic Officers it is proposed to operate to the new arrangements once ratified by the Committee even though this will run ahead of each founder Member approving an update to the Management Agreement.

4. RECOMMENDATION

4.1 That Members should:

- i. Agree to the proposed changes to YPO's governance arrangements and recommend that the required changes to the YPO Management Agreement be approved by the Founder Member authorities; and
- ii. Agree to review the constitutional structure of YPO again at some point after the 2023 Annual General Meeting.

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APPENDICES

Appendix 1: Financial Procedure Rules
Appendix 2: Contract Standing Orders
Appendix 3: Management Agreement

Appendix 4: Scheme of Delegation

Appendix 5: YPO Standing Orders

Appendix 6: Proposed Agendas 2022 – 2023

Appendix 7: Proposed Governance Schedule 2022 – 2023

Appendix 8 Proposed Terms of Reference

Finance Procedure Rules – Redraft March 2022

Purpose of the Financial Procedure Rules

Financial Procedure Rules are a key element of YPO's governance arrangements. They make a clear, understandable, and transparent statement that aims to promote the highest standards in financial management and activity, ensuring probity, integrity, accountability, and impartiality.

Financial Procedure Rules apply to everyone and failure to comply with them may lead to disciplinary action.

In circumstances arising from an emergency it is permitted to set aside or waive some Financial Procedure Rules. When this occurs the MD / ED-F must inform the CFO at the earliest opportunity and provide a written report to the next Management Committee.

Responsibility For Observance

In accordance with the Local Government Act 1972 (Section 151) and the Accounts & Audit Regulations, YPO's Lead Authority must appoint a suitably qualified Responsible Financial Officer. As Lead Authority, Wakefield Council has appointed the Chief Finance Officer (CFO) to this role. CFO is responsible for the proper administration of YPO's finances, maintaining and updating FPRs, and reporting any breaches to the Management Committee.

Delegated Authority

The day-to-day management of YPO's financial arrangements is delegated to YPO's Managing Director (MD) or Executive Director – Finance (ED-F), as set out in the Scheme of Delegation.

The Scheme of Delegation sets out the delegation from our Management Committee to our Lead Authority and Chief Finance Officer, and then through to the MD and ED-F at YPO.

All financial reporting and decisions are reported back to the Management Committee through the agreed Committee cycle where their approval of any recommendations is agreed and recorded.

Core Responsibilities of the YPO MD, ED-F and Finance team

To maintain and review all accounting records, to ensure these records are accurate and up to date to present a true and fair view of the Organisation's financial performance and position.

These records include all invoices, cash transactions, accounting adjustments and payroll information.

To ensure the safeguarding of all assets by ensuring accurate and up to date registers are in place and maintained, these include: -

- Goods held for resale
- Non-Current Assets inc. Land and Buildings
- Assets held not for resale
- Debtors, Cash and Creditor balances

Ensure adequate policies and procedures are in place to prevent fraudulent and other irregular activities. This includes the segregation of duties across all invoice and payment processing activities.

All employees are expected to always act in accordance with YPO's Anti-Bribery Policy

Financial reporting and decision making

In line with the agreed reporting cycles, periodic reports will be submitted to Member Committees, the Chief Finance Officer of the Lead Authority and YPO Board covering: -

- Financial Performance, KPI analysis and Annual Accounts
- Budget setting and Business Planning

- Ad hoc financial reports for decision making purposes

All reports will include recommendations for members to approve.

The draft and audited Statement of Accounts will be prepared and reported annually to the Audit & Governance Committee and to the Management Committee.

Authorised signatures and limits

The ED-F will maintain a list of authorised signatories and authorisation levels for orders

The ED-F will maintain a list of authorised signatories and authorisation levels for invoices.

The ED-F will maintain a policy that sets out the responsibilities of authorising officers. All authorising officers will familiarise themselves with the policy and their responsibilities.

The MD will authorise several officers as Procurement Card holders. Card holders must comply with Finance Procedure Rules, Contract Procedure Rules and the Payment Card Manual.

Banking and Treasury Management

The CFO will make arrangements for the negotiation of banking terms, the opening and operation of YPO bank accounts.

Day-to-day banking transactions will be managed by YPO, with regular engagement held with the Bank's Relationship Manager.

A Bank Mandate will be maintained and updated where needed which confirms authorisation levels.

The MD / ED-F will ensure that all treasury management transactions are made in accordance with the Treasury Management Policy. Formal arrangements may be entered into with the Lead Authority with the approval of the CFO and ED-F.

Reserves

The MD / ED-F will maintain approved procedures and records for creating a reserve, that include the purpose of the reserve. Reserve creation must be reviewed by the CFO and approved by the Management Committee prior to use.

Once approved inclusion of the reserve gives the MD / ED-F authority to incur expenditure.

Change of use of a reserve must be reviewed in advance by the CFO and approved by Management Committee.

Investments

The MD / ED-F will maintain approved procedures and records for investment proposals including funding and borrowing in accordance with the Capital Policy, and ongoing revenue implications. Investment proposals must be reviewed by the CFO and approved by the Management Committee prior to expenditure.

Once approved, inclusion in the investment proposal gives the MD / ED-F authority to incur expenditure.

Progress of investment proposals, including attainment of milestones and any overspends, must be reported to Management Committee at least annually.

Accounting, Statutory Returns and Taxation

The ED-F will ensure that all required statutory returns are published and submitted on time

The ED-F will ensure compliance with HMRC requirements including VAT, and ensure all payments are made on time.

Risk, Insurance, Assurance and Audit

The MD will maintain an appropriate Risk Management Framework, Strategy and Policy.

The MD / ED-F will maintain arrangements to effectively manage credit risk and control.

The MD / ED-F will ensure YPO has effective insurance arrangements in place to meet legal requirements and to transfer risk, where appropriate.

The CFO will review YPO's insurance arrangements at least annually.

The CFO will enable the provision of an Internal Audit function, acting in accordance with relevant standards (currently Public Sector Internal Audit Standards) to provide assurance and make recommendations for improvements in risk mitigation and internal control.

The CFO and / or their IA representative retains the right of access at all reasonable times to YPO premises; documents, records and correspondence; stocks and assets; employees; information and explanation.

The MD / ED-F will ensure that all suspected and actual irregularities are reported to the CFO / Internal Audit, and where appropriate, the Police.

The MD / ED-F will ensure that an appropriate External Auditor is appointed and that they are given the right of access at all reasonable times to YPO premises; documents, records and correspondence; stocks and assets; employees; information and explanation.

Appendix 1 Definitions for Financial Procedure Rule and Standing Orders for Contracts

“Organisation” means the consortium of local authorities known as Yorkshire Purchasing Organisation (YPO)

“Managing Director” means the current Managing Director of the Yorkshire Purchasing Organisation or an officer designated by him/her.

“Executive Director - Finance” means the current Executive Director – Finance of the Yorkshire Purchasing Organisation or an officer designated by him/her.

“Chief Financial Officer” means the current Director of Finance of the Lead Authority responsible to the Management Committee of the Organisation for providing financial advice to the Organisation (other than the financial services performed by the Managing Director or other officers designated by him/her). In fulfilling this role the Chief Financial Officer will be able to rely on the Managing Director of the Organisation to keep him/her informed on all aspects of his/her role relating to the Organisation under Section 151 of the Local Government Act 1972, including compliance with the rules forming the Financial Procedure Rules and Standing Orders relating to Contracts of the Organisation.

“Management Committee” means the elected members of the Organisation constituting its Management Committee and any of its Sub Committees.

“Lead Authority” is the member authority chosen by the Management Committee to provide support services to the Organisation.

Appendix 2 Authorisation Limits for Finance Procedure Rules

These appendices set out the limits to be used in conjunction with the *Financial Procedure Rules*

Bank Mandate

Approval of cheque payments – Up to £5,000 one signature required
Above £5,000 two signatures required

Setting up of Direct Debit payments – 2 signatures required

General Ledger Expense Approval Limits

Head of Department – up to £5,000
Director – Above £5,000

Better value, delivered.



**Standing Orders for Contracts
and
Financial Procedure Rules**

www.ypo.co.uk

Document Control Page

Document Type	Standing Orders
Document Ownership	Corporate Governance
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Controlled By	Head of Finance Finance Director
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Approved By	Board of Directors
Submitted for approval to	Management Committee
Approved	
Maintained By	Head of Finance / Contracting Manager
Publication Date	
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Current Version	4.10
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Replaces Document	Standing Orders for Contracts and Financial Procedure Rules 2016 <u>Standing Orders for Contracts and Financial Procedure Rules 2019</u>

Commented [RR1]: Ultimate governance needs to come from the board, due to changes it makes sense for JH to own the document although MH and RR to continue to be responsible for maintenance of the SO. Changes or annual updated should be brought to the Board agenda by JH

Commented [RR2]: Propose likely to be Sep/Oct 2022- we will have a better view of the regulatory framework by then hopefully if the Gov publish their procurement white paper early to mid next year.

YORKSHIRE PURCHASING ORGANISATION

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Section 2 ~~Financial Procedure Rules~~

This section of the document has been replaced by separate Financial Procedure Rules agreed by the YPO Board in January 2018.

Commented [RR3]: As the FPR were replaced by a separate document 3 years ago, there is no longer need for the SO's to refer to them as having moved since they are well embedded at time of writing.

1 DEFINITIONS

1.1 “**Organisation**” means the consortium of local authorities known as the Yorkshire Purchasing Organisation.

1.2 “**Managing Director**” means the current Managing Director of the Yorkshire Purchasing Organisation or an officer designated by him/her.

~~1.3 “**Monitoring Officer**” means an officer designated by Lead Authority responsible to the Management Committee of the Organisation who will secure legal and administrative services for the Organisation (other than the administrative services performed by the Managing Director or other officer designated by him/her)~~

1.4 “**Chief Financial Officer**” means the current Director of Finance of the Lead Authority responsible to the Management Committee of the Organisation for providing financial advice to the Organisation (other than the financial services performed by the Managing Director or other officers designated by him/her). In fulfilling this role the Chief Financial Officer will be able to rely on the Managing Director of the Organisation to keep him/her informed on all aspects of his/her role relating to the Organisation under Section 151 of the Local Government Act 1972, including compliance with the rules forming the Financial Procedure Rules and Standing Orders relating to Contracts of the Organisation.

1.5 “**Management Committee**” means the elected members of the Organisation constituting its Management Committee and any of its Sub Committees.

1.6 “**Lead Authority**” is the member authority chosen by the Management Committee to provide support services to the Organisation.

1.7 “**Chairperson**” means the current Chairperson of the Management Committee.

1.8 “**Framework**” means an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price, quality and where appropriate the quantity envisaged.

1.9 “**Contract**” means an agreement made by the Organisation with another party creating a legal relationship enforceable by law.

1.10 “**Goods**” includes all supplies and materials that the Organisation purchases or obtains.

1.11 “**Services**” includes all services, which the Organisation purchases or obtains including but not limited to advice, consultancy, agency staff, third party logistics etc.

1.12 “**Works**” includes the construction of new buildings and works, restoring and common repairs.

1.13 “**Whole Life Costs**” means the whole costs of the provision of the works, goods and/or services **from inception to disposal** including any annual maintenance costs or annual fees (i.e. software licences)

~~1.14 “**FTS**” means the Find a Tender Service hosted by the Cabinet Office for Her~~

Commented [RR4]: Final doc- these will be switched around to alphabetical referencing and re-numbered correctly.

Commented [RR5]: Monitoring officer was included in relation to the financial procedural rules and are not once mentioned within the SO otherwise, so the definition is removed without any change or impact on the document.

Majesty's Government on .gov and through which the Organisation publishes Tendering opportunities.

1.15 **"Procurement Officer"** means the individual or individuals at the Organisation designated as Buyers, Category Managers or Business Managers responsible for delivering Contracts, Frameworks and assessing Goods, Services and Works in accordance with the Contracts Standing Orders.

Commented [RR6]: Procurement Officers are mentioned in the SO but not defined anywhere. So added in for clarity

1.16 **"Tender Plan"** means the written record used and signed by the Procurement Officer to document the intended route to market for any procurement including planned evaluation criteria, market considerations, exceptions to the Contracts Standing Orders and planned delivery dates.

Commented [RR7]: Is mentioned in the SO, but not defined- so added in for clarity.

1.17 **"Tender Recommendation Form"** means the written record used and signed by the Procurement Officer to document the outcome of any tender or procurement exercise including the process used, issues faced, outcome reached and the proposed intent as a result of the exercise including the award of Contracts or Frameworks where appropriate.

1.14 **"OJEU"** means the Official Journal of the European Union.

Commented [RR8]: We no longer use this platform having left the European Union, instead we have FTS which replaces this term throughout

2. INTRODUCTION

2.1 ~~YPO's Standing Orders for Contracts aim to promote the highest standards in procurement activity ensuring probity, integrity, accountability and impartiality in making a clear, understandable, transparent and fair selection of suppliers by the Organisation, and form part of the governance arrangements of the Organisation.~~ Standing Orders for Contracts set out the procedures that must be followed by the Organisation for the procurement of all Contracts and Frameworks, subject to the the Management Agreement and the Managing Director's Scheme of Delegation and the laws of England

1.1. **2.2** ~~YPO's Standing Orders for Contracts also promote the delivery of value for money and the required levels of quality and performance in all contracts that are let. The Organisation is committed to the overall principles that:~~ The Organisation is committed to the following overall principles:

a) All purchases will be based on the ~~most economically advantageous~~ tender.- Unless agreed by the Managing Director.

Commented [RR9]: In preparation for the procurement reform, MAT not MEAT to help focus more on government procurement agenda.

~~a) b) Goods and services will be acquired by fair, objective and transparent competition. The Organisation shall treat all tenderers and suppliers equally and without discrimination and shall act with integrity and in a transparent manner in carrying out its duties.~~

Commented [RR10]: In line with the upcoming PCR updated principles required by the GPA as a minimum.

c) Social Value impact and outcomes will be a core, demonstrable consideration in all purchasing decisions made under these Standing Orders for Contracts.

Commented [RR11]: YPO exists solely to deliver this 'value' to our members and customers. It is a developing area in terms of monitoring and visualisation but it would be prudent to instil it as a core principle within our activities as it promotes the notion of value beyond the MEAT as per a)- so its not just about what is best value for YPO its about what is best value for society as a whole. Note: this is a departure in YPO principles from Government principles but it will help embed new processes aimed at SV into our future works and also works well in tandem with recent developments in public procurement.

2.3 ~~YPO's Standing Orders for Contracts also aim to deliver competitive procedures and the avoidance of practices which may restrict, prevent or distort competition.~~

Commented [RR12]: Narrative, does not add any intrinsic value to the CSO.

2.4 ~~Procurement will be carried out in compliance with the legal and ethical requirements referred to in these Standing Orders for Contracts, and taking into account the Organisation's commitment to continuous improvement, quality and environmental issues.~~

Commented [RR13]: This element is covered further down, not necessary to repeat more than once plus unnecessary narrative is included.

2.5 These Standing Orders for Contracts apply to all Contracts for Goods, Services and Works.

2.6 All values referred to in these Standing Orders for Contracts are exclusive of VAT.

2.7 Any dispute regarding interpretation of these Standing Orders for Contracts shall be referred to the Managing Director or his/her nominated officer.

2.8 The Managing Director or his/her nominated officer shall undertake a formal review of these Standing Orders for Contracts on an annual basis.

3. Responsibility for Observance

3.1 ~~The Management Committee is responsible for regulating and controlling the contractual arrangements of the Organisation.~~

3.2 ~~The Managing Director shall operate in accordance with these Standing Orders for Contracts, the Organisation's Financial Procedure Rules and the Managing Director's Scheme of Delegation and the law of the land with respect to all matters relating to contracts.~~

Commented [RR14]: This para doesn't add any additional detail- the JC is automatically vis the MA responsible for this, it doesn't need explicitly stating and the MD as an employee of YPO has to comply with these CSO its unnecessary to state it separately.

4. Conduct of Members and Employees

4.1 ~~In dealing with matters referred to in these Standing Orders for Contracts employees shall abide by the provisions of the Organisation's Code of Conduct Policy (particularly Sections: (7) Outside Commitments; (8) Personal Interests; (10) Separation of Roles During Tendering and (11) Corruption, Fraud, Bribery and Theft) and the rules contained in these Standing Orders for Contracts and the Organisation's Financial Procedure Rules.~~

Commented [RR15]: Similar to the above- employees must act within code already regardless of it being included here in the SCO, so not adding additional value here.

4.2 So far as possible, the election to the Management Committee of anyone with a significant involvement in any way with any firm likely to be employed by the Organisation, or the employment of any officer with a similar involvement, should be avoided.

4.3 Members and employees of the Organisation shall not sell any goods or services to the Organisation.

4.4 No contractor, supplier or service provider in which a member or officer has a pecuniary interest may be chosen or appointed, other than by following the procedures laid down in these Standing Orders for Contracts, the Organisation's Code of Conduct Policy and without having disclosed his/her interest by completing a Declaration of Interest Form in accordance with statutory requirements and the Organisations Register of Employee Interests Policy.

5. Propriety

5.1 ~~The Organisation shall conduct all its operations with the utmost propriety. With this in mind the Managing Director~~ **Board of Directors** shall have direct access to

Commented [RR16]: Disaster management, should be possible for someone other than the MD to manage the business in their absence.

the Secretary, the Chief Financial Officer or the Chairperson of the Organisation, in matters touching on the propriety of purchasing arrangements. The Managing Director shall provide information and advice as necessary, but where circumstances clearly require a completely impartial approach, initial decisions shall be taken by the Secretary, the Chief Financial Officer or the Chairperson, as appropriate. All such matters must be referred to the Management Committee either for decision or, where action has already been taken, for confirmation.

Commented [RR17]: As defined in the document.

6. Compliance

6.1 Contracts entered into on behalf of the Organisation shall be made in accordance with ~~these Standing Orders for Contracts~~, all relevant ~~EU and UK~~ legislation requirements and applicable government guidance~~timescales~~, ~~including case law~~.

Commented [RR18]: For obvious reasons. Other references to EU law have been removed without further comment.

Commented [RR19]: Added in to include the NPPS requirements which isn't a law but is mandated by the cabinet office.

6.2 Where an appropriate standard or code of practice issued by the UK Government~~European Union is current at the date of the tender~~, every contract subject to these Standing Orders for Contracts shall require that all goods and materials, used or supplied, and all workmanship provided shall be in accordance with that standard.

Commented [RR20]: This is usually in the form of PPNs which we receive and adopt regularly although this may change with the gov white paper on proc reform next year.

6.3 The Contracts Team and all other officers with budget responsibilities within the Yorkshire Purchasing Organisation are responsible for ensuring that processes adopted are compliant with these Standing Orders for Contracts.

6.4 The Procurement route should take into account instances where Goods, Services and Works can be obtained via appropriate, existing, approved and enabled arrangements.

These include:

6.4.1 The use of a Member Authority's in-house services such as payroll, legal, vehicle maintenance etc.

6.4.2 Nationally negotiated contracts such as those arranged by any Public Sector Body or Public Buying Organisations such as Eastern Shires Purchasing Organisation and the Crown Commercial Service.

7. Exceptions

7.1 Exceptions from any of the provisions of these Standing Orders for Contracts shall only be made by decision of the Management Committee or in compliance with the terms of the Managing Director's Scheme of Delegation and a written record signed by the Managing Director in the form of an Exception Report will be kept centrally in an electronic file held by the Contracts Team

7.2 Subject to statutory requirements tenders need not be invited in accordance with these Standing Orders for Contracts in the following cases:

a) Goods and Services which are obtainable from one contractor only and for which there is clear recorded evidence that no satisfactory alternative is available.

b) The execution of Works of a specialised nature where there is clear

recorded evidence that they may only be carried out by one contractor.

- c) Goods of a nature entrusted to a particular public utility, local authority (or similar) or other statutory undertaker.
- d) The purchase of Goods and Services from a central or local government purchasing organisation where YPO is satisfied that the procurement has been undertaken in accordance with legislation and any specific Call Off procedure is followed.
- e) The purchase of Goods and Services where prices of the goods are wholly controlled by trade organisations or government order and no reasonably satisfactory alternative is available.
- f) The purchase of Goods and Services in response to emergency.

g) ~~Where an Exception Report has been properly signed by the Managing Director.~~

~~8. Freedom of Information~~

~~8.1 The Freedom of Information Act 2000 (FOIA) & Environmental Information Regulations 2004 provide the right of public access to information held by public authorities such as YPO.~~

~~8.2 All requests received by the Organisation under FOIA in respect of tenders and contracts should be channelled through YPO's Risk, Audit and Assurance Officer immediately upon receipt to enable the Organisation to comply with its Access to Information Policy.~~

~~8.3 The FOIA includes potential exemptions on the basis of commercially confidential information. However, tenderers will be made aware of the implications of the Act at the tender stage.~~

~~9. Equality and Diversity~~

~~9.1 The Organisations Frameworks and Contracts must include protections to ensure cContractors, suppliers and service providers will not unlawfully discriminate within the meaning and scope of any law, enactment, order or regulation relating to discrimination (whether in race, gender, religion, disability, sexual orientation, age or otherwise) in employment.~~

~~9.2 Contractors, suppliers and service provider's will be required to take all reasonable steps to secure the observance of YPO's framework agreement / Contract by all servants, employees or agents of their organisations or those of their suppliers and sub-contractors employed in the execution of the Framework Agreement / Contract.~~

~~10. Terms and Conditions~~

~~10.1 Contracts and Framework Agreements will use YPO's standard terms and conditions.- Variations from the standard format must be approved by YPO's Contracting Manager and if necessary legal advice sought.- ~~Terms and~~~~

Commented [RR21]: This is for clarity- 7.1 says that the MD can approve within the scheme of delegation 'general exceptions' but the most common exception is deviations from a procurement process. 7.2 sets out specifically where a tender process is not required- which should include where the exception report has been executed as a clear, valid ground for not following the SO. This ties in nicely for clearing up that an exception report needs executing BEFORE the award of a contract not tendered, not at any time before or after or else this clause 7.2 would be breached and an explanation sought- it should give more control to the Board to see potential deviations before they happen if it is followed.

Commented [RR22]: Not required for the CSO, FOIA is dealt within a separate and wider policy document no added benefit to including here as a result.

Commented [RR23]: There's no point saying that third parties won't do a thing- the onus is on YPO to ensure it doesn't happen and it can do this through minimum contracting requirements in all its contracts. If this is breached, the supplier and affected contract arrangement should be terminable.

Commented [RR24]: Not a beneficial inclusion, bearing in mind we can't force a supplier to act in accordance with our own CSO not can we show it is monitored effectively.

~~conditions will be included with tender documents and issued to suppliers as part of the invitation to tender.~~

10.2 Tenderers are expected to accept YPO's Terms and Conditions held within the Framework Agreement or Contract without qualification. Acceptance of qualified terms and conditions will only be made at the Contracting Manager's discretion and written assessment should be made of its implications and held on a central file within the Contracts Team. ~~YPO is not obliged to accept any variation to terms and conditions and in general, any such relaxation will only be granted if it is considered reasonable under the circumstances, provides a commercial advantage to YPO, the level of risk is assessed as acceptable and it does not distort competition between the tenderers~~

Commented [RR25]: These are all tender practicalities and not wholly necessary for a governing document, instead, these will fit better in the procurement manual.

10.3 The tender documents should give tenderers the opportunity to raise any queries in relation to the terms and conditions during the "Clarification Question" stage of the process to allow for all queries to be addressed and a response (if required) can be circulated to all tenderers. ~~Any legal queries raised during the tender process should be referred to the Contracting Manager.~~

~~10.4 The tender documents should also state that any legal queries raised after the deadline for submission of tenders or any included in a tenderers bid submission will not be considered.~~

10.5 Contracts for the execution of Works or the purchase of Goods or Services where urgency is too great to permit the making of a contract in writing will be confirmed in writing at the earliest opportunity.

11. Tendering Process

11.1 Yorkshire Purchasing Organisation's preferred route is to utilise an electronic tendering system (ETS) for all tendering activity. Any exception to this process must be agreed on a case by case basis with the Contracts Team with full details of the reason for change retained in writing on file.

11.2 The ETS provider is sourced, administered and managed by the Contracts Team

11.3 User training is provided by the Contracts Team

11.4 Cost may be evaluated through an e-auction where appropriate.

~~11.5 When commencing the procurement of Goods, Services or Works for contracts within each band the procurer must complete and return to the Contracts Team the New Business Detail Requirement Form which will form the basis of the initial ETS set up for the procurement.~~

11.6 Gateway sign off stages for contracts within each band will be dependent on the monetary, complexity and risk value of the contract and will be confirmed by the Contracts Team at the time of tendering.

Commented [RR26]: At the moment- the gateways just capture the procurement process in these SO, but in future, we will create a handbook including gateways in conjunction with services and trading that encapsulates the entire procurement process. As its not in place yet- this will require updating for 2023.

~~11.7 Any exception to the procurement processes detailed in this document will be at the Managing Director's discretion as detailed above at point 7. A written record documenting the reasons for the exception authorised and signed by the Managing Director, will be retained on an electronic central file held by the Contracts Team.~~

Commented [RR27]: Exception process is already set out above, we are repeating terms already shared.

~~12~~ **Sample Process**

- ~~12.1~~ Where samples are requested they must be provided in accordance with the instructions in the tender document by the set deadline.
- ~~12.2~~ They should be sent to the front reception of YPO site 41 FAO The Contracts Team.
- ~~12.3~~ Samples are then required to be held in the sample room until the tender deadline has passed when they will then be passed to the relevant buyer in order to be evaluated.
- ~~12.4~~ Samples from successful suppliers shall be stored in the warehouse for the life of the contract.
- ~~12.5~~ Samples from unsuccessful suppliers are to be returned to the supplier wherever possible
- ~~12.6~~ If the unsuccessful supplier is unable to arrange collection, or does not require the samples to be returned. A list of these products should be submitted to the Asset Management Team who will log this on their "Unsalable Items" Spread Sheet. Items will be used internally, donated to charity or disposed of.
- ~~12.7~~ Samples from unsuccessful suppliers should be returned or passed to the Asset Management Team within one (1) month of the award of the contract

13 **Tender Information Obligation**

- 13.1 As part of the Local Government Transparency Code the Organisation has an obligation to publish information on a monthly/quarterly basis in relation to invitations to quote and invitation to tender for all contracts to provide goods and/or services that exceed £25,000. ~~However, Central Government later issued guidance stating that where contracting authorities already had a limit e.g. £25,000 in their internal governance procedures this would be sufficient for the purposes of the Code.~~
- 13.2 The information to be published is reference number; title; description of goods/services; start, end and review dates; title of agreement; supplier name and details; sum to be paid over the length of the contract; the process used; whether or not the supplier is a small/medium enterprise and/or a voluntary or community sector organisation and the department responsible for the procurement.

14. **Contracts / Frameworks under £25,000**

- 14.1 This includes any procurement activity (internal or trading spend) involving an estimated aggregate Whole Life Costs value up to £25,000
- 14.2 The procurer may use any reasonable means to source supplier options but the tendering procedure and outcome must be managed and a written record must be retained. If requested to do so a copy must be provided to the Contracts Team on conclusion.

Commented [RR28]: No benefit to having the samples process embedded in our CSO. It would fit much better in our procurement manual.

Commented [RR29]: Note for board- this is still the case, but will most likely be changing under the new regime in terms of the amount and form of publication and will also include pipeline information which is already being encouraged by the Cabinet Office. This will require further amendment in 2022 but changed for now just to get rid of the narrative elements which are unnecessary.

15. Contracts / Frameworks between £25,000 and UK Government Thresholds £75,000

- 15.1 This includes any procurement activity (internal or trading spend) involving an estimated aggregate Whole Life Costs value between £25,000 and £75,000
- 15.2 There must be a minimum of three written quotes from selected suppliers unless agreed otherwise by the Contracts Team in exceptional circumstances.
- 15.3 The procedure must be carried out electronically via the ETS with a written record of the specification, the quotations, the evaluation process and notification of award and rejection. This written record must be retained.

~~**16. Contracts / Frameworks between £75,000 and EU Thresholds for Goods, Services & Works**~~

- ~~16.1 This includes any procurement activity (internal or trading spend) involving an estimated aggregate Whole Life Costs value between £75,000 and the EU Threshold for Goods, Services and Works.~~
- ~~16.2 The procurement activity must be advertised on Contracts Finder and awarded by the Contracts Team unless agreed otherwise by the Contracting Manager.~~
- ~~16.3 The entire process will be overseen and signed off by the Contracts Team.~~
- ~~16.4 The procedure must be carried out electronically via the ETS with a written record of the specification, the quotations, the evaluation process and notification of award and rejection. This written record must be retained.~~

17. Contracts / Frameworks above UK Government EU Thresholds for Goods, Services & Works

- 17.1 Procurement activity with an estimated aggregated Whole Life Costs value above UK Government EU Thresholds for Goods, Services and Works will be overseen conducted by the Contracts Team or Procurement Services Department. To ensure compliance with EU rules and regulations the Contracts Team will oversee all tendering processes, ensuring a segregation of duties and a consistent approach.
- 17.2 All tenders must be advertised on Contracts Finder and advertised and Awarded on Contracts Finder and the Find a Tender Service in the OJEU.
- 17.3 Procurements must be processed via the ETS unless otherwise agreed by the Contracts Team. In the case of tenders for Goods or Services, the relevant officers should consider whether the contract will be of benefit to other public sector bodies.
- 17.4 The selection and award criteria, sub-criteria and weightings to be used in the evaluation process must be clearly communicated to all tenderers in the FTSOJEU entry and; in the Invitation to tender, and on the ETS. These criteria must be followed during the evaluation process. Under no circumstances may any of the criteria be changed or new criteria introduced from those published.
- 17.5 Before commencing any tendering exercise an assessment of risk pertaining to the specific tender exercise will be undertaken. This will allocate the required

Commented [RR30]: Recommend getting rid of this mid-tier - it's difficult to justify or enforce and it puts an unreasonable burden on the teams to go above and beyond the minimum expectations in the legislation in a way that does not add any obvious benefits to YPO - instead have a minimum process up to the thresholds and the process over which then follows legal standards. This is similar to some of the members CSO's but research has shown they often themselves have multiple tiers but removing it here should make us a little more flexible if contracts let up to threshold have already had budgetary approval.

sign off levels / stages which must be adhered to.

17.6 All legally required time limits must be followed as minimum

17.7 ~~Social Value sustainability~~ considerations must be included in the criteria for award in the ~~ETSQJEU~~ notice and tender documentation, ~~when pertinent to the contract.~~

~~17.8 The Social Value Act/added value must be considered within the tender plan and documentation if found to be pertinent to the services contract/framework.~~

17.9 In every instance detailed records will be held (electronically) of all stages of the process.

18. Receipt and Opening of Tenders

18.1 The receipt and opening of tenders will be undertaken using the ETS unless otherwise agreed by the Contracts Team.

18.2 The Contracts Team are responsible for receipting and opening all tenders unless otherwise agreed by the Contracting Manager.

18.3 Late tenders may be considered at the discretion of the Contracting Manager, if the Contracting Manager is satisfied that there was reasonable cause for the delay and fair competition has not been compromised. A record of this decision will be held centrally by the Contracts Team.

~~18.4 Using the ETS the Contracts Team will confirm the submissions received are against the correct tender.~~

19. Examination of Tenders

19.1 Tenders submitted in competition shall not be considered if:

- a) The tender is in some way uncertain in its terms and it is unclear what the submission is offering,
- b) There is evidence that the tender document has been altered without consent.

19.2 If a tender requires clarification on a technical or contractual matter all necessary communication must be properly recorded and remain confidential. Such clarification may only be undertaken when the process remains fair to all Tenderers and does not distort competition in any way.

19.3 During the period between the closing for the receipt of a tender and award, Tenderers may not seek to amend prices in any way, other than a genuine and obvious error. Such circumstances must be properly recorded on file and competition must not be distorted in any way. Evidence should always be provided that can be tracked back to the original quote.

19.4 If variations to specifications are to be examined and considered, tenderers must have been made aware in the invitation to tender document.

20. Acceptance of Tenders

Commented [RR31]: The push for gov and local authorities is for social value to become an integral part of the procurement process. As proposed earlier- SV should be a guiding principle and so, it is also not appropriate for us to consider SV as ever not relevant. Also, Social Value over Sustainability, because SV is overarching and sustainability sits within it, as sustainable solutions promotes social value.

20.1 The designated Procurement Officer(s) shall evaluate the tenders and make a recommended contract award based on the ~~most economically~~ advantageous tender to the sign off panel.

20.2 ~~In the case of 2 or more tenders being equal, environmental considerations (transport, packaging and the company's environmental standing and performance) may be used to determine the successful bid. If all aspects are still equal the Managing Director shall decide and record the decision.~~

20.3 The proposed award would then be signed off by the tender team and a Tender Recommendation Form and a Regulation 84 Report shall be completed

20.4 The relevant company credit checks and any other necessary checks will be carried out by an agreed member of the tender team prior to contract award and copies of any searches and documents retained.

20.5 Signed letters of proposed acceptance and rejection shall be sent to Tenderers in the format provided by the Contracts Team initiating a mandatory standstill period before final contract award.

20.6 ~~In the event of a request for a de-brief by an unsuccessful tenderer during the standstill period, the de-brief will be organised by a member of the Contracts Team in line with YPO's internal best practice. A full record must be kept on file. Meetings will always involve a minimum of two members of YPO's staff including a member of the Contracts Team. The Contracts Team will advise on how to de-brief organisations for under threshold tenders.~~

20.7 If ~~the de-brief is not carried out to the satisfaction of the unsuccessful tenderer who then initiates a legal challenge, or if a legal challenge is received without de-brief~~ and during the standstill period, the Contracts Officer shall meet with the tender team and the Contracting Manager will be informed and legal advice will be sought ~~where required from the Lead Authority.~~

20.8 The acceptance of tenders and related communication will be undertaken using YPO's preferred route of the ETSe tendering system.

21. **Claims from Contractors, Suppliers and/or Service Providers**

21.1 Any claim from a contractor, supplier or service provider shall be referred to the Contracting Manager, ~~The Board of Directors~~Managing Director, Secretary and to the Chief Financial Officer for advice before any settlement is made.

22. **Purchasing**

22.1 After the award of the Contract / Framework to the successful providers the Contract / Framework agreement must be signed and returned to YPO immediately ~~(subject to point 10.1).~~

22.2 Upon receipt of the above the Managing Director or his/her nominated officer must sign the framework agreement on behalf of YPO in accordance with the levels set out in appendix 1.

22.3 ~~Contained within the framework agreement is the Call off Order Form. Before any procurement of the Goods, Services or Works can commence the call off order form must be filled in and issued to the supplier. This activates the Call off~~

Commented [RR32]: We do not take legal advice for all challenges and are likely to only do this in the event that a challenge is likely to proceed to court. A register of all challenges is kept to monitor this and the need for legal counsel is discussed and at the discretion of the Board and otherwise subject to the terms of the Mangement Agreement.

Commented [RR33]: These Levels have been reviewed- I propose some changes to this section to allow for some frameworks to be signed by myself or the Finance Director down to the sheer volume we receive and the underlying fact that frameworks are not themselves binding on YPO or the members because they do not have the sufficient elements to be considered contracts. This is a recommendation that requires review.

Terms and Conditions

~~22.4 If included within the Invitation to Tender documents the Supply Chain Agreement must be signed and returned to YPO.~~

~~22.5 Any variations to the framework agreement including any specification amendments must be discussed with the Contracts Team to ensure that the variation is not a material change to the contract scope.~~

~~22.6 Once agreed between the parties the variation form must be completed by either side and signed off by both YPO and the successful supplier. A variation to the framework must be assessed for risk and verified by the Contracts Team before YPO enter into negotiation to vary the framework agreement/ contract.~~

~~22.7 The Management Information must be provided to YPO by all successful suppliers as part of the framework agreement.~~

~~22.8 Signatures are required on the Retrospective Payment Certificate to be returned to YPO.~~

22.9 Orders, despatched electronically or on official stationery, should state the quantity (where applicable), an adequate description, the price or the basis of the price, an official purchase order number, delivery date and place and all other relevant conditions.

22.10 Verbal orders shall be kept to a minimum and shall be confirmed with an official order marked appropriately as soon as practicable, but in a period of no longer than two (2) working days.

22.11 Orders shall be individually identified, sequentially numbered, initiated and issued by the Managing Director or a member of staff specifically authorised for that purpose.

22.12 ~~The authorisation of an order will indicate the following:-~~

~~a) That the Goods or Services are necessary for the discharge of the policies and responsibilities of the Organisation.~~

~~b) That where the Goods or Services are for direct use by the Organisation there is a provision for the cost within the estimates or it is covered by special financial provision.~~

~~e) Compliance with the Organisation's Financial Procedure Rules and Standing Orders for Contracts.~~

Commented [RR34]: Removed as more operational elements fitting better in the procurement manual moving forwards. Doesn't need to be in the governance documents directly.

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Commented [RR35]: Removed as these are all implied terms anyway.

23 Further Competition

~~23.1 All further competitions should be carried out via the ETS with all Users contacting the Contracts Team prior to commencing any further competition.~~

~~23.2 The Contracts Team will advise as to the appropriate process.~~

Commented [RR36]: The other CSO terms apply to the further competition in full, doesn't need a separate section as a result.

24. Post Contract Award

24.1 Following Contract award the ~~Buyer/Procurement Officer~~ or where appropriate their ~~line manager/Category Manager~~ will be responsible for monitoring delivery of the Framework / Contract including any and all reviews to take place between YPO and the contractor, supplier or service provider.- All reviews should be carried out on a regular basis, documented and a copy of the Review undertaken retained for YPO's records.

Commented [RR37]: For consistency in the SO and the definitions.

24.2 ~~If any problems are experienced and the contractor, supplier or service provider are failing to comply with the Framework / Contract terms and conditions then the following steps should be taken with the assistance of the Contracts Team:-~~

Commented [RR38]: These terms are already included in the TC's directly, no obvious benefit to including again in the CSO.

~~(a) Written records must be kept of all correspondence between both parties, the Buyer/Category Manager shall liaise with the contractor, supplier or service provider to ascertain the root cause of the problem.~~

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~~(b) The contractor, supplier or service provider should be invited to attend a performance review. At the performance review a list of actions should be agreed between the parties to monitor the future provision of the goods/services. A copy of the minutes of this meeting should be agreed by both parties and a date set for a follow up meeting.~~

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~~(c) If contract performance has failed to improve then the Buyer/Category Manager should seek advice from the Contracts Team who will provide advice as to the best remedy and action to be taken.~~

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24.3 **UNDER NO CIRCUMSTANCES** should a Framework Agreement / Contract be terminated without advice from the Contracts Team and the Contractsing Manager.

Section 2 Financial Procedure Rules

~~This section of the document has been replaced by separate Financial Procedure Rules agreed by the YPO Board in January 2018.~~

APPENDIX 1

YPO

These appendices set out the limits to be used in conjunction with the *Financial Procedure Rules and Standing Orders for Contracts Section 18s*.

Standing Orders for Contracts

Section 21.2

Delegated officer	Maximum limit for signing off a execution of a contract	Maximum limit for signing off execution of a framework agreement
Assistant Buyer	up to £0.5 million	
Buyer / category manager Procurement Officer	up to £1 million 50,000	
Contracting Manager/SMT member*	up to £500,000 2 million	up to £10,000,000 million
Director other than the Managing Director	up to £1,000,000	Up to £10,000,000
Managing Director*	greater than £2 million All Contracts as permitted within the Scheme of Delegation.	greater than £10 million All Frameworks as permitted within the Scheme of Delegation.

*The authorities listed in this table should not be delegated below the specified levels.

Financial Procedure Rules

This section of the document has been replaced by separate *Financial Procedure Rules* agreed by the YPO Board in January 2018.

Commented [RR39]: This wording is amended because it is confusing. Signing off a framework or contract is different to signing an actual contract. One suggests approving the process, the other, actual legal execution. Under the current management agreement, Scheme of Delegation, only the MD has the power to execute contracts that have the power of binding the members in terms of YPO assets, however the MD also has the powers to delegate that authority, although all such actions carried out under such delegation are carried out in the MD's name who will ultimately remain responsible which is important when considering the appropriateness of these levels- like an assistant being able to execute a £500k contract. Such delegation is being approved in these SO so these levels need to be appropriate and is the basis for my amendments.

It is also worth bearing in mind that this delegated authority is also subject still to the financial procedural rules, and the MA itself- so although this sets a level for contractual execution, it does not come without financial protections in place.

Commented [RR40]: This should be reflective of common order values for high end stock- some large bulk orders for peak *could* peak this figure but it is unlikely. Failure to agree a figure here will require the business to revisit the order process we use via ERP

Commented [RR41]: This has 2 points to consider- theres no clear indication for contract values, what is an appropriate level for sign off by an SMT member, Board must take a view on it. Also, it may be appropriate to remove contracts manager from this level as not largely having any accountability for delivery for most contracts, although it would still be appropriate for the role to include the execution of frameworks.

Note here also, the level for framework execution is high but remember, signing a framework is not binding YPO at point of signature- goods/services/works also have to be ordered, at which point it becomes a contract and the lower figure is used instead.

Commented [RR42]: A new level inserted for the board to allow MD to delegate most contracts YPO will ever execute down to the board member responsible. Also note FW level the same as for SMT- its unlikely anyone other than the MD or SMT/CM will realistically need to execute a framework but included just for transparency to reflect their responsibility as a board member as at minimum, equal to that of the SMT level.

Commented [RR43]: "greater than" implied that the MD only signs when the value is over this figure- but it jars with the scheme of delegation with the way it is drafted, MD should be able to execute any contract or framework within the framework of the scheme of delegation controlled by the Management Committee.

THIS AGREEMENT is made on the 8th day of September 2011 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 2010, relating to the governance of YPO, and will govern the operation of YPO from

.....

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 ~~two~~^{three} types of YPO membership – a Founder Member Authority ~~and~~; 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

Commented [GM1]: Ordinary Member carries No status and is not relevant to governance

- (3) No further 'Founder Member Authorities' shall be permitted under this Agreement or otherwise
- (4) Each Founder Member Authority shall appoint annually ~~two~~one of its elected members as a members of the YPO Joint Committee (~~who may also act as a substitute for each other~~) and each Founder Member Authority shall also be entitled to appoint ~~two~~one 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.

Commented [GM2]: This clause attempts to require a higher level of majority than the simple majority required by general law. Arguably it cannot override the law.

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 and Scrutiny Risk~~ Sub-Committee of the Management Committee, including such attendance by Auditors at the Audit and ~~Scrutiny Risk~~ Sub-Committee as is necessary to properly discharge this responsibility;

Commented [GM3]: Names the – could be Audit and Governance?

- ~~(4) Provide effective Committee Administration services to the Management Committee and appropriate sub-committees, at a level considered necessary by the Monitoring Officer;~~

Commented [GM4]: Provided by YPO

- ~~(5)~~(4) Provide effective banking and resource management services on behalf of YPO;

(5A) Shall operate the goods vehicles required for the business of YPO under the Lead Authority's own Operator's Licence and shall control and authorise decision making about the use of such goods vehicles¹.

Commented [GM5]: Reflects VOAS position but arguably this could be held by the Ltd company

~~(6)~~(5) 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)~~(6) Chair the Strategic Officers Advisory Group; Ensure appropriate arrangements are made to brief relevant officers in each Founder member authority.

Commented [GM6]: Although we will have briefing meetings and groups there is no reason to include this requirement

~~(8)~~(7) Assist the ~~Management Committee~~Chair to monitor the performance of the Managing Director;

(8) 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.

Commented [GM7]: Who will do this? Other Founder members?

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;

¹ Inserted by Management Committee on 29th November 2013

- (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.

Commented [GM8]: Another eg of departing from simple majority

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 ~~twice~~^{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.~~

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(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.

Commented [GM9]: We should append this

(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 and ~~Scrutiny Risk~~ 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 and ~~Scrutiny Risk~~ 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)~~(1) 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)~~(2) 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 has adequate cashflow provision and remains a going concern during the forthcoming year, and after deducting the cost of any business development proposals required in consideration of the agreed strategic objectives of the business 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.

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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.

Commented [GM10]: Not currently treated as a standing committee

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.

Commented [GM11]: Need to provide for conflict of interest eg flanshaw.

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.

Commented [GM12]: Special majority

- (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.

Commented [GM13]: Special majority

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 2011

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

AGREEMENT

Management Agreement – Yorkshire Purchasing Organisation

Service Director
Legal & Governance
County Hall
WAKEFIELD
WF1 2QW

YPO SCHEME OF DELEGATION

POWERS DELEGATED TO THE MANAGING DIRECTOR BY LOCAL AUTHORITY MEMBERS OF THE JOINT COMMITTEE AND REPORTING RESPONSIBILITIES OF SENIOR MANAGERS WITHIN YPO

- 1 The Managing Director of Yorkshire Purchasing Organisation (YPO) has authority over all other Officers of YPO so far as is necessary for the efficient management and carrying out of YPO's functions and specifically for the delivery of the strategy and business plans currently approved by members.
- 2 The Managing Director is empowered to take decisions in the name of YPO in all matters where he/she has professional or managerial responsibility and accountability, with the exception of any matters specifically reserved to the Management Committee or Sub-Committees subject to compliance with following:
 - (i) the terms of the Management Agreement in respect of the operation and management of Yorkshire Purchasing Organisation, the Standing Orders of the organisation, these delegated powers, the Standing Orders for Contracts and the Financial Procedure Rules.
 - (ii) all relevant legislation
 - (iii) any direction of the S151 Officer or Monitoring Officer, where he/she makes that direction in order to ensure that no unlawful action is taken, or that no unlawful expenditure is incurred or that no significant expenditure is incurred for which there is no budget provision.
- 3 The Managing Director is empowered to take decisions in cases of emergency in consultation with the Chairman and/or Deputy Chairman of YPO and, where appropriate, the Statutory Officers of the Lead Authority, where these would normally be reserved for the Management Committee or Sub-Committee and where it is not reasonable to require compliance with Standing Orders and other procedural requirements, although this does not authorise unlawful acts. Any such decision shall be reported to the next meeting of the Management Committee, or if no Committee meeting is scheduled within the following 28 days shall advise all members of the Management Committee of the decision taken and the background information and reasons for the decision.
- 4 The Managing Director may authorise officers of YPO to exercise powers delegated under these arrangements where the delegations fall within the scope of their job specification and they have appropriate seniority and experience. However, actions and decisions taken under his/her authority must be taken in the name of the Managing Director and remain his or her responsibility. Such officers are required to act in accordance with the general requirements of these delegation arrangements.
- 5 The Managing Director shall ensure that a formal written record and proper evidence is kept of any decision taken that may directly or indirectly materially affect the costs, income, surpluses, or overall financial position of the Organisation. Such decisions shall be deemed to be significant decisions and records should be made available to the Members of Management Committee and the Statutory Officers of the Servicing Authority as appropriate. Copies of the records shall be made available to Member Authorities of YPO on request.
- 6 The Managing Director shall use whatever lawful means he/she considers appropriate to discharge YPO's functions in an efficient and effective manner, including incurring expenditure, engaging staff, managing and deploying staff, deployment of other resources within his/her control and the procurement of other resources necessary, whether within or outside YPO. Where a YPO policy exists, the Managing Director shall comply with that policy other than in exceptional circumstances and where it is necessary to depart from such policy, he/she shall have particular regard to paragraph 8 of these delegation arrangements before taking any action.

- 7 In deciding whether or not, or how, to exercise his/her delegated powers the Managing Director shall have regard to the desirability of consulting appropriate members of the YPO and he/she shall refer matters to the Management Committee or Executive Sub-Committee for decision where he/she considers it necessary or expedient to do so. This consideration should particularly apply to any business activity which, while falling within the Managing Director's delegated powers, may have reputational or political implications for member authorities. The Managing Director shall keep the Statutory Officers of the Lead Authority informed as appropriate.
- 8 Where statutory licences, necessary to carry out YPO's commercial activities are held by the Lead Authority, day to day operational decisions under these licences shall be delegated to the Managing Director of YPO.
- 9 If there is any disagreement between the Managing Director and the S151 Officer or the Monitoring Officer, the Chief Executive of the Lead Authority shall make a recommendation to Management Committee of the proper way to deal with the disagreement and may call a special meeting of Management Committee, where he/she deems this necessary after consultation with the Chair of the Management Committee.
- 10 Changes to the Managing Director's terms and conditions (including his/her salary) shall be approved by the Chief Executive of the Lead Authority in consultation with the Chair of Management Committee or be referred to Management Committee for approval at the Chief Executive's discretion, following consultation with the Chair.
- 11 Reporting responsibilities of Senior Managers within YPO:
 - (i) The Executive Director, Finance has responsibility for reporting to the S151 officer of the Lead Authority any actual or suspected financial impropriety and any occasions where he/she believes that the actual or predicted annual outturn is not/may not be in line with the budget or there are any significant changes in predicted income or expenditure for the year or any significant risk of such changes. It is acknowledged that the Executive Director, Finance will meet regularly with the S151 officer or his/her nominee to discuss financial matters relating to YPO and that the Executive Director, Finance is required to provide to him/her any information that he/she reasonably requires to enable him/her to have oversight of the financial position of YPO.
 - (ii) All members of the Board and the Senior Leadership Team have responsibility for reporting to the Section 151 Officer or the Monitoring Officer of the Lead Authority any actual or suspected unlawful activity or breach or threatened breach of YPO's Rules and Procedures, if he/she considers that this is not being addressed by the Managing Director. Where a member of the Board or an officer of the Senior Leadership Team considers that such action may threaten his/her employment within YPO, he/she may ask that his/her disclosure be treated in confidence so far as this is consistent with the Lead Authority dealing with the issue that is the subject of the disclosure. The Section 151 Officer or the Monitoring Officer shall have the authority to arrange for any allegations to be investigated and the Managing Director may not take any action to discipline the Board member or officer making the disclosure or take any other steps that would affect that officer's tenure and rights within the organisation without the agreement of the Statutory Officer. If either Statutory Officer determines that the allegation is ill-founded and made in bad faith, he/she may decline to investigate the allegations or to have any further involvement in the matter.

STANDING ORDERS OF THE YORKSHIRE PURCHASING ORGANISATION

1 ANNUAL MEETING OF THE MANAGEMENT COMMITTEE

1.1 Timing and Business

The Annual Meeting will take place on a date agreed

by the Management Committee

~~in June~~. The Annual Meeting will:

- (i) Elect a person to preside as Chair and Vice Chair of the Management Committee until the next Annual Meeting;
- (ii) Approve the minutes of the previous meeting;
- (iii) Receive any declarations of interest;
- (iv) Receive any announcements from the Chair;
- (v) Approve a programme of ordinary meetings of the Management Committee for the ensuing year;
- (vi) Receive the Annual Report of the Managing Director of the Yorkshire Purchasing Organisation;
- (vii) Deal with appointment of Members to any sub-committees;
- (viii) Consider the distribution of trading profits;
- (ix) Approve the Statement of Accounts of the Yorkshire Purchasing Organisation (subject to any amendments in regard to (vii) above);
- (x) Consider any other business set out in the notice convening the meeting.

2 ORDINARY MEETINGS OF THE MANAGEMENT COMMITTEE

2.1 Timing and Business

Ordinary meetings will take place in accordance with the programme determined by the Annual Meeting. There will be no fewer than one other three ordinary meetings unless otherwise determined by the Annual Meeting or a Special Meeting is convened.

Ordinary meetings will:

- (i) Elect a person to preside if the Chair and Vice Chair are not present;
- (ii) Approve the minutes of the previous meeting and note the minutes of any Sub-Committees referred to the Management Committee;
- (iii) Receive any declarations of interests;
- (iv) Receive any announcements from the Chair;
- (v) Receive reports from the Managing Director of the Yorkshire Purchasing Organisation and relevant officers of the Lead Authority and District Auditor;
- (vi) Consider any item requested by a Founder member with the consent of the Chair or by at least 3 Founder members acting together motions; and
- (vii) Consider any other business set out in the notice convening the meeting.

3 SPECIAL MEETINGS

3.1 Calling Special Meetings

Those listed below may request the Secretary to the Joint Committee to convene a special meeting of the Management Committee:

- (i) Chair;
- (ii) One Member Authority ~~by~~with a ~~written~~ request signed by the respective Chief Executive and addressed to the Secretary of the Joint Committee;
- (iii) The Monitoring Officer or ~~at the request of~~ the S151 Officer.

3.2 The notice of the Special Meeting will set out the business to be considered and no other business other than the items set out in Paragraph 2(ii) – (v) will be considered, unless there are any urgent matters that will not wait until the next scheduled meeting.

4 CHAIR OF MEETING

At any meeting of the Management Committee the Chair will preside. If the Chair is absent then the Vice Chair will preside. If both the Chair and Vice Chair are absent such Member as the Members present choose will preside. The person presiding at the meeting will exercise any power or duty of the Chair.

5 QUORUM

The quorum of a meeting will be one third of the whole number of the Member Authorities of the Management Committee. If during any meeting it appears that there may not be a quorum present the Secretary of the Joint Committee shall call out the names of the Member Authorities of the Management Committee and if it should so appear the Chair shall declare the meeting at an end and the names of those who are present and of those absent will be recorded in the minutes.

6 SUB-COMMITTEES

6.1 The terms of reference of any Sub-Committees will be determined by the Management Committee or delegated to the first meeting of each Sub-Committee.

6.2 Appointments of a Chair and Vice-Chair to any Sub-Committees will be made by the Management Committee.

6.3 Sub-Committees will determine their own programme of meetings but a Special Meeting of any Sub-Committee may be convened at any time on request by the Chair, by a Member Authority joint with a request signed by the respective Chief Executives and addressed to the Secretary of the Joint Committee or by the Monitoring Officer or S151 Officer. The notice of the Special Meeting will set out the business to be considered and no other business other than the items set out in Paragraph 2(ii) – (v) will be considered, unless there are any urgent matters that will not wait until the next scheduled meeting.

6.4 One quarter of the whole number of Member Authorities of a Sub-Committee will form a quorum unless a quorum is agreed by Management Committee. In all cases a quorum will comprise not less than two Member Authorities.

6.5 The Chair and Vice-Chair of the Management Committee will be ex officio members of any Sub-Committee, except the Audit Sub-Committee.

7 QUESTIONS BY MEMBERS

7.1 A Member may ask any question without notice concerning an item of business when that item is being received or under consideration by the Management Committee.

7.2 An answer may take the form of:

- (i) A direct oral answer;
- (ii) Where the desired information is in a publication, a reference to that publication; or
- (iii) Where a reply cannot conveniently be given orally, a written answer circulated later to the questioner and to the other members of the Committee.

8 MOTIONS OF NOTICE

~~8.1 Except for motions which can be moved without notice under Paragraph 9, written notice of every motion, signed by one or more of the Member Authorities, must be delivered to the Secretary of the Joint Committee not later than seven clear working days before the date of the meeting.~~

~~8.2 Motions for which notice has been given will be listed on the agenda of the Management Committee in the order in which notice has been received, unless the Member Authority or Member Authorities giving notice state, in writing, that it is proposed to move it to a later meeting or withdraw it.~~

~~8.3 Motions must be about matters for which the Management Committee has a responsibility.~~

9 MOTIONS WITHOUT NOTICE

9.1 The following motions may be moved without notice:

- (i) To appoint a Chair of the meeting at which the motion is moved;
- (ii) In relation to the accuracy of the minutes;
- (iii) To change the order of business on the agenda;
- (iv) To refer something to an appropriate body or individual;
- (v) To appoint a Sub-Committee arising from an item considered at a Management Committee Meeting;
- (vi) To withdraw a motion;
- (vii) To amend a motion;
- (viii) To proceed to the next business;
- (ix) That the question be now put;
- (x) To adjourn a debate;
- (xi) To adjourn a meeting;
- (xii) To suspend a particular Standing Order;
- (xiii) To exclude the public and press in accordance with the Access to Information requirements set out in Paragraph 18.

10 RULES OF DEBATE

10.1 No speeches may be made after the mover has moved a proposal and explained the purpose of it until the motion has been seconded.

10.2 Unless notice of the motion has already been given, the Chair may require it to be written down and handed to him/her before it is discussed.

10.3 When seconding a motion or amendment, a Member may reserve their speech until later in the debate.

~~10.4 Speeches must be directed to the question under discussion or to a personal explanation or point of order. No speech may exceed five minutes without the consent of the Chair.~~

~~10.5 A Member who has spoken on a motion may not speak again whilst it is the subject of debate, except:~~

- ~~(a) To speak once on an amendment moved by another member;~~
- ~~(b) To move a further amendment if the motion has been amended since he/she last spoke;~~
- ~~(c) If his/her first speech was on an amendment moved by another member, to speak on the main issue (whether or not the amendment on which he/she spoke was carried);~~
- ~~(d) In exercise of a right of reply;~~
- ~~(e) On a point of order; and~~
- ~~(f) By way of personal explanation.~~

~~10.6 (a) An amendment to a motion must be relevant to the motion and will either be:~~

- ~~(i) To refer the matter to an appropriate body or individual for consideration or reconsideration;~~
- ~~(ii) To leave out words;~~
- ~~(iii) To leave out words and insert or add others; or~~
- ~~(iv) To insert or add words.~~

~~As long as the effect of (ii) to (iv) is not to negate the motion.~~

- ~~(b) Only one amendment may be moved and discussed at any one time. No further amendment may be moved until the amendment under discussion has been disposed of.~~
- ~~(c) If an amendment is not carried, other amendments to the original motion may be moved.~~
- ~~(d) If an amendment is carried, the motion as amended takes the place of the original motion. This becomes the substantive motion to which any further amendments are moved.~~
- ~~(e) After an amendment has been carried, the Chair or an officer nominated by the Chair will read out the amended motion before accepting any further amendments, or if there are none, put it to the vote.~~

~~10.7 (a) A Member may alter a motion of which he/she has given notice with the consent of the meeting. The meeting's consent will be signified without discussion.~~

~~(b) A Member may alter a motion which he/she has moved without notice with the consent of both the meeting and the seconder. The meeting's consent will be signified without discussion.~~

~~(c) Only alterations which could be made as an amendment may be made.~~

~~10.8 A Member may withdraw a motion which he/she has moved with the consent of both the meeting and the seconder. The meeting's consent will be signified without discussion. No Member may speak on the motion after the mover has asked permission to withdraw it unless permission is refused.~~

~~10.9 (a) The mover of a motion has a right to reply at the end of the debate on the motion, immediately before it is put to the vote.~~

~~(b) If an amendment is moved, the mover of the original motion has the right of reply at the close of the debate on the amendment, but may not otherwise speak on it.~~

~~(c) The mover of the amendment has no right of reply to the debate on his/her amendment.~~

~~10.10 When a motion is under debate, no other motion may be moved except the following procedural motions:~~

~~(a) To withdraw a motion;~~

~~(b) To amend a motion;~~

~~(c) To proceed to the next business;~~

~~(d) That the question be now put;~~

~~(e) To adjourn a debate;~~

~~(f) To adjourn a meeting;~~

~~(g) To exclude the public and press in accordance with the Access to Information requirements set out in Paragraph 18.~~

~~10.11 (a) A Member may move, without comment, the following motions at the end of a speech of another member:~~

~~(i) To proceed to the next business;~~

~~(ii) That the question be now put;~~

~~(iii) To adjourn a debate; or~~

~~(iv) To adjourn a meeting;~~

~~(b) If a motion to proceed to next business is seconded and the Chair thinks the item has been sufficiently discussed, he/she will give the mover of the original motion a right of reply and then put the procedural motion to the vote.~~

~~(c) If a motion that the question be now put is seconded and the Chair thinks the item has been sufficiently discussed, he/she will put the procedural motion to the vote. If it is passed he/she will give the mover of the original motion a right of reply before putting his/her motion to the vote.~~

~~(d) If a motion to adjourn the debate or to adjourn the meeting is seconded and the Chair thinks the item has not been sufficiently discussed and cannot reasonably be so discussed on that occasion, he/she will put the procedural motion to the vote without given the mover of the original motion the right to reply.~~

~~10.12 A Member may raise a point of order at any time. The Chair will hear him/her immediately. A point of order may only relate to an alleged breach of the Standing Orders or the Law. The Member must indicate the Standing Order or law~~

~~and the way in which he/she considers it has been broken. The ruling of the Chair on the matter will be final.~~

~~10.13 A member may make a personal explanation at any time. A personal explanation may only relate to some material part of an earlier speech by the Member which may appear to have been misunderstood in the present debate. The ruling of the Chair on the admissibility of a personal explanation will be final.~~

~~10.14 Subject to the right of the statutory officers to speak on matters relating to their duties Members may determine at any meeting whether or not officers shall be entitled to speak and the extent to which they may speak.~~

418 PREVIOUS DECISIONS AND MOTIONS

~~41.18.1~~ A ~~proposal~~~~motion or amendment~~ to rescind a decision made at a meeting of the Management Committee within the past six months cannot be moved unless the notice of motion is signed by at least three Member Authorities.

~~41.28.2~~ A ~~proposal~~~~motion or amendment~~ in similar terms to one that has been rejected at a meeting of the Management Committee in the past six months cannot be moved unless the notice of motion or amendment is signed by at least three Member Authorities. Once the motion or amendment is dealt with, no one can propose a similar motion or amendment for six months.

429 VOTING

~~42.19.1~~ Unless otherwise provided by these Standing Orders any matter will be decided by a simple majority of those Members voting and present in the room at the time the question was put. Member Authorities are entitled to one vote each.

~~42.29.2~~ If there are equal numbers of votes for and against, the Chair will have a second or casting vote. There will be no restriction on how the Chair chooses to exercise a casting vote.

~~42.39.3~~ Subject to Standing Order 12.4 and 12.5 the Chair will take the vote by show of hands, or if there is no dissent, by the affirmation of the meeting.

~~42.49.4~~ The vote will take place by ballot if two Member Authorities present at the meeting demand it. The Chair will announce the numerical result of the ballot immediately the result is known.

~~42.59.5~~ If three Member Authorities present at that meeting demand it, the names for and against the motion or amendment or abstaining from voting will be taken down in writing and entered into the minutes. A demand for a recorded vote will override a demand for a ballot.

~~42.69.6~~ Where any Member Authority requests it immediately after the vote is taken, their vote will be so recorded in the minutes to show whether they voted for or against the motion or abstained from voting.

~~42.79.7~~ If there are more than two Members nominated for any position to be filled and there is not a clear majority of votes in favour of one Member, then the name of the Member with the least number of votes will be taken off the list and a new vote taken. The process will continue until there is a majority of votes for one person.

4310 MINUTES

~~43.110.1~~ The Chair will sign the minutes of the proceedings at the next suitable meeting. The Chair will move that the minutes of the previous meeting be signed as a correct record.

43.210.2 Minutes will contain all motions and amendments in the exact form and order the Chair put them.

4411 RECORD OF ATTENDANCE

44.411.1 All Members present during the whole or part of a meeting must sign their names on the attendance sheets before the conclusion of every meeting to assist with the record of attendance.

44.211.2 All Officers present during the whole or part of a meeting must sign their names on the attendance sheets before the conclusion of every meeting to assist with the record of attendance.

4512 EXCLUSION OF PUBLIC

45.412.1 The public and press may only be excluded in accordance with the Access to Information requirements in Paragraph 158 of these Standing Orders or in the event of disturbance in the conduct of the meeting.

4613 SUSPENSION AND AMENDMENT OF STANDING ORDERS

46.413.1 Any of these Standing Orders except Standing Order 158 may be suspended by motion on notice or without notice if at least one half of the whole number of the Member Authorities of the Management Committee are present. Suspension can only be for the duration of the meeting.

46.213.2 Any motion to add to, vary or revoke these Standing Orders will, when proposed and seconded stand adjourned, without discussion to the next ordering meeting of the Management Committee.

4714 APPLICATION TO SUB-COMMITTEES

47.414.1 These Standing Orders will apply as appropriate to meetings of Sub-Committees.

4815 ACCESS TO INFORMATION STANDING ORDERS

48.415.1 SCOPE

These provisions shall apply to all meetings of the Management Committee and Sub-Committees as appropriate.

48.215.2 ADDITIONAL RIGHTS TO INFORMATION

These provisions do not affect any more specific rights to information provided by legislation or common law.

48.315.3 RIGHTS TO ATTEND MEETINGS

The public and press may attend all meetings of the Management Committee subject only to the exceptions in these Standing Orders.

48.415.4 NOTICES OF MEETINGS

The Management Committee will give at least five clear days' notice of any meeting by posting details of the meeting at County Hall, Bond Street, Wakefield and each Member Authority will receive a copy of that notice.

48.515.5 ACCESS TO AGENDA AND REPORTS BEFORE THE MEETING

The Secretary to the Joint Committee will make copies of the agenda and reports open to the public available for inspection at County Hall, Bond Street, Wakefield at least five clear days before the meeting. If an item is added to the agenda later, the revised agenda (where reports are prepared after the summons has been sent out) will be open to inspection from the time the item was added to the agenda and the Secretary to the Management Committee shall make each such report available to the public as soon as the report is completed and sent to Members.

48.615.6 SUPPLY OF COPIES

The Secretary to the Management Committee will supply copies of:

- (a) Any agenda and reports which are open to public inspection;
- (b) Any further statements or particulars necessary to indicate the nature of the items in the agenda; and
- (c) If the Secretary to the Management Committee thinks fit, copies of any other documents supplied to Members in connection with an item to any person on payment of a charge for postage and any other costs.

48.715.7 ACCESS TO MINUTES, ETC AFTER THE MEETING

The Management Committee will make available copies of the following for six years after a meeting:

- (a) The minutes of the meeting or records of decisions taken, excluding any part of the minutes of proceedings when the meeting was not open to the public or which disclose exempt or confidential information;
- (b) A summary of any proceedings not open to the public where the minutes open to inspection would not provide a reasonably fair and coherent record;
- (c) The agenda for the meeting; and
- (d) Reports relating to items when the meeting was open to the public.

48.815.8 EXCLUSION OF ACCESS

48.915.9 Where the Management Committee are considering matters which can be regarded as confidential or exempt information then the Management Committee will be required to consider the need to exclude the public and the press.

48.1015.10 The public and press must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.

48.1115.11 The public and the press may be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed. Where the meeting will determine any person's civil rights or obligations, Article 6 of the Human Rights Act 1998 establishes a presumption that the meeting will be held in public and the press be admitted unless a private hearing is necessary for one of the reasons specified in Article 6.

48-1215.12 Confidential information means information given to the Management Committee by a Government Department on terms which forbid its public disclosure or information which cannot be publicly disclosed by Court Order.

48-1315.13 Exempt information means information falling within the following seven categories (subject to any condition):

Category	Condition
1 Information relating to any individual	Information is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information
2 Information which is likely to reveal the identity of an individual	Information is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information
3 Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Information is not exempt information if it is required to be registered under:- (a) The Companies Act 1985; (b) The Friendly Societies Act 1974; (c) The Friendly Societies Act 1992; (d) The Industrial and Provident Societies Act 1965 to 1978; (e) The Building Societies Act 1986; or (f) The Charities Act 1993 Information is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information
4 Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the Authority or a Minister of the Crown and employees of, or office holders under, the Authority	Information is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information
5 Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings	Information is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information

6 Information which reveals that the Authority proposes:- (a) To give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) To make an order or direction under any enactment	Information is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information
7 Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime	Information is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information

~~18.44~~~~15.14~~ Information is not exempt information if it relates to proposed development for which the local planning authority may grant itself planning permission pursuant to Regulation 3 of the Town and Country Planning General Regulations 1992.

~~18.45~~~~15.15~~ Information which falls within any of Paragraphs 1 to 7 above is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information (The "Public Interest Test").

~~19~~~~16~~ ASSOCIATE MEMBERS

~~19.116.1~~ Standing Orders 1, 2, 7, 10, 13, 14 and 18 will apply to Associate Members except that in relation to Standing Orders 2 and 10 a Member representing an Associate Member cannot move or second a motion.

Commented [GM1]: Cross referencing to be updated

~~20~~ COMMITTEE REPORTS

~~20.1~~ Committee Reports shall be in Font Size 12 as a minimum and contain the following information in clearly marked paragraphs:

- ~~Background information~~
- ~~Recommendations~~
- ~~Reasons for recommendations~~
- ~~Options appraisal if appropriate~~
- ~~Strategic implications~~
- ~~Consultation (if appropriate)~~
- ~~Resources implications~~

~~17~~ A formal written record shall be kept of significant delegated decisions made by officers.

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~~21~~~~18~~ 22 INTERPRETATION

22.1 The decision of the Chair of the meeting on the construction of any Standing Order or any question of an Order not provided for by the Standing Order shall be final.

22.2 The reference in these Standing Orders to Member/Members is a reference to the appointed representatives of the member Authorities of the Yorkshire Purchasing Organisation.

22.3 For 'Associate Members' see Paragraph 3(ii) of the Agreement in respect of the operation and management of YPO.



PRINCIPAL AGENDA ITEMS 2022-2023

MANAGEMENT COMMITTEE AGENDA

July (AGM)

Membership of the YPO Management Committee
Appointment to Sub Committee & Joint Consultative Committee
Terms of Reference & Work Programme
Lead Authority Issues
Business Update
Dividend Distribution
Annual Report
Formally Approve Statement of Accounts
Report of Independent Director

November

Business Update
Budget & Business Plan
Lead Authority Issues
Report of Independent Director

AUDIT & GOVERNANCE SUB COMMITTEE AGENDA

July

Internal Audit Annual Report
External Audit Report
Internal Audit Plan
Audited Accounts
Treasury Outturn Report
Policies & Procedures Review

November

Internal Audit Action Update
External Audit Update
Annual Governance Statement
Yearend Closedown Timetable
Risk Register

The above are the proposed agenda items; however, Members may request specific additional reports at any time throughout the committee cycle where they feel it necessary.



**MEMBER AUTHORITY ENGAGEMENT/GOVERNANCE SCHEDULE
2022/2023 MUNICIPAL YEAR**

Date of Meeting	Directors Team Meeting <i>Inc S151 / Monitoring Officer</i>	Board Meeting <i>Inc Independent Director</i>	Member Authority Finance Directors Forum	Member Authority Chief Exec Forum	Member Authority Procurement Forum	Audit & Governance Committee <i>Inc Independent Director</i>	Joint Consultative Committee	Management Committee <i>Inc Independent Director</i>
August								
	2/8/22	23/8/22						
September								
	6/9/22	27/8/22		22/09/22				
October								
	4/10/22	18/10/22	20/10/22		25/10/22			
November								
	1/11/22	22/11/22				04/11/22	25/11/22	25/11/22
December								
	6/12/22	15/12/22						
January								
	03/01/23	24/01/23						
February								
	07/02/23	28/02/23	23/02/23		22/02/23			
March								
	07/03/23	28/03/23						
April								
	04/04/23	25/04/23		20/04/23				
May								
	02/05/23	23/05/23						
June								
	06/06/23	27/06/23	22/06/23		21/06/23			
July								
	04/07/23	25/07/23				07/07/23	21/07/23	21/07/23

Yorkshire Purchasing Organisation

Management Committee Terms of Reference 2022/23

Number of Members

Thirteen Councillors – One from each Member Authority

Quorum

Member representation from at least five Member Authorities.

Substitutes

One agreed named substitute per authority is allowed.

Frequency of Meetings

A minimum of twice per annum.

Suggested duration: Max 2 hours (10:30am – 12:30pm)

Remit

1. To approve and keep under review a long term plan setting out the strategic direction of YPO.
2. To consider, approve and keep under review Standing Orders, Financial Procedure Rules and the Officer Delegation Scheme prior to subsequent approval by Member Authorities, and to carry out such actions as are required by these rules.
3. To provide leadership for Risk Management across YPO and ensure Risk Management is used as a strategic and operational tool.
4. To keep under review the method of distributing annual dividends, and decide annually on the amount and timing of dividend distribution.
5. To periodically review the membership of YPO.
6. To appoint annually at the Annual General Meeting an Audit & Governance Sub-Committee and a Joint Consultative Committee and receive minutes or reports from them highlighting any areas that require action by the Management Committee.
7. To seek assurances from the sub-committees that YPO is acting with all due care and attention.
8. All Members of the Management Committee shall sit on the 'Appointments Committee' with responsibility for the appointment and disciplinary procedures of the Board of Directors and appraising the performance of the Managing Director.

Yorkshire Purchasing Organisation

Audit & Governance Sub-Committee Terms of Reference 2022/23

Number of Members

7 Councillors, but not the Chair or Vice Chair of the Management Committee.

Frequency of Meetings

A minimum of twice per annum, to be scheduled approximately one month prior to Management Committee meetings (10:30am – 12pm)

Quorum

Member representation from at least three Member Authorities.

Substitutes

One agreed named substitute per authority is allowed.

Remit

1. To ensure that the highest standards of probity and public accountability are demonstrated and in doing so ensure effective governance of YPO.
2. To consider internal audit plans and performance to ensure the work of internal audit is planned and carried out with due regard to major risks, areas of significant financial effect and the need to cover the range of the service, and to challenge and review actions taken by senior managers on significant audit recommendations.
3. To consider the external audit work programme and monitor the implementation of significant external audit recommendations.
4. To review annually its terms of reference and report any additions and amendments to the Management Committee.
5. To provide an update to management committee on the activities of the committee activity by way of meeting minutes and responses to any matters arising.

To act with delegated authority of the Management committee in respect of:

1. To approve the annual governance statement to the Management Committee for inclusion in the annual statement of accounts, and review the implementation of any audit recommendations arising from the final accounts audit
2. On behalf of the Management Committee provide reasonable assurance of the efficient and effective operation of the overall internal control environment within YPO, through a systematic appraisal of its framework of internal controls, processes and data quality.
3. To ensure that an appropriate risk management strategy has been drawn up and to monitor that risk management procedures are being carried out effectively, including the establishment of a reserves policy.

4. To ensure the effectiveness of decisions made by YPO by means of conducting scrutiny reviews in accordance with both an approved programme and on an ad-hoc “call in” basis.
5. To carry out reviews requested by the Management Committee.
6. In conducting reviews receive evidence and call witnesses as appropriate for each review so as to determine how decisions were made, on what basis were they made, if appropriate account of options and risks were considered, if the decisions made reflected original statements of intent and if decisions were made in a timely fashion and if they were made in the best interests of YPO and in accord with YPO’s public accountability and code of corporate governance.

Yorkshire Purchasing Organisation

Joint Consultative Committee Terms of Reference 2022/23

Number of Members

- Five Councillors (including the Chair and Vice Chair of the Management Committee) drawn from different member authorities.
- The Chair and Secretary of the YPO branch of UNISON.
- The UNISON Regional Organiser responsible for liaising with YPO.

Frequency of Meetings

A minimum of twice per annum, on the same day as Management Committee meetings (9:30am – 10:30am)

Quorum

Two Councillors and two Trade Union officials.

Substitutes

One agreed named substitute per authority is allowed.

Remit

1. To represent and co-ordinate the views locally of UNISON and Members of the YPO Management Committee on issues of common interest in relation to YPO.
2. To raise issues, make recommendations and reach agreement on issues which have an effect on the employees of YPO, but without binding effect on either party.
3. To monitor and challenge the outputs of any employee satisfaction survey.
4. To promote the well-being of employees and monitor and challenge matters related to sickness and attendance.
5. To promote, challenge and monitor YPO's actions in relation to it being an employer of choice and its public sector equality duties.
6. To review annually its terms of reference and report any additions and amendments to the Management Committee.
7. To provide an update to Management Committee on any matters arising which warrant a wider discussion.