

## Meeting of the Executive Member for Corporate Services and Advisory Panel

11 September 2007

Report of the Assistant Director of Resources (Audit and Risk Management)

### Yorkshire Purchasing Organisation (YPO)

#### Summary

- 1 The purpose of this paper is to advise Members of the financial performance of the Yorkshire Purchasing Organisation (YPO) contained in Confidential Annex B.

#### Background

- 2 YPO was established as a Local Authority Joint Committee in 1974, operating in accordance with the provisions of the Local Authority (Goods & Services) Act 1970. It was originally formed to aggregate demand for various goods and services and generate buying efficiencies across the member authorities.
- 3 The Council became a member body of YPO shortly after becoming a unitary authority in 1996. The organisation is self-supporting and budgets each year to make a trading surplus. It is governed by a Management Committee of elected representatives from 13 constituent authorities as listed in Annex A.
- 4 Each member authority appoints two of their own Members on an annual basis to act as Members of the YPO Management Committee which is constituted to meet in March and June and on at least one other occasion each year. The Member representatives for CYC currently are Cllr Jamieson-Ball (Lib Dem) - who replaced Cllr Quentin Macdonald after May 2006 - and Cllr David Horton (Lab).
- 5 Member authorities are entitled to receive dividends paid from the annual trading surplus and allocated according to level of each authority's trading activity with the YPO<sup>1</sup>. It is important to note that whilst dividend payments are based upon the percentage of Council spend with YPO, each member organisation is equally responsible for any losses that the YPO may incur: that is to say that should the YPO move into deficit, this Council would be obliged to fund 1/13<sup>th</sup> of any financial liability incurred.

<sup>1</sup> **Note:** the YPO operates on a calendar year for financial accounting purposes

## **Consultation**

6 No consultation was required for this report.

## **Options & Analysis**

7 As this report is for information only, there are no options or analysis included in this report.

## **Corporate Priorities**

8 This report contributes to the achievement of Corporate Priority Improvement Statement 13: *“To improve efficiency and reduce waste to free up more resources”*.

## **Implications**

9 The financial implications are contained in Confidential Annex B. There are no HR, Equalities, Legal, Crime & Disorder, IT or Property implications to note.

## **Risk Management**

10 This is contained in Confidential Annex B.

## **Recommendations**

11 The Advisory Panel are asked to advise the Executive Member for Corporate Services to:

(i) note the contents of this report;

### Reason

To inform the Executive Member.

(ii) consider the proposed actions contained at paragraph 12 in Confidential Annex B and refer to the Executive for a decision.

### Reason

To seek Members views on future financial planning before referring to the Executive for a decision.

## Contact Details

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### Chief Officer Responsible for the report:

Liz Ackroyd  
Assistant Director of Resources (ARM)

Report Approved

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Date 22 August 2007

**Specialist Implications Officer(s)** Liz Ackroyd who has delegated S151 Officer responsibility at CYC in respect of the Council's membership of the YPO and Acting Deputy S151 Officer for the Council.

Peter Steed (Acting S151 Officer for the Council)

**Wards Affected** Not applicable

All  X

For further information please contact the author of the report

### Background Papers

N/A

### Annexes

Annex A - Constituent Authorities of YPO  
Annex B – Financial Information (**CONFIDENTIAL**)