

**YORK SHAREHOLDER
COMMITTEE****28 MARCH 2022****TITLE: YPO UPDATE REPORT****REPORT OF: YPO MANAGING DIRECTOR**

1. PURPOSE OF REPORT

- 1.1 To provide members of the Shareholder Committee with an update on the performance of YPO, of which York is one of thirteen founder members. The report also includes information on the specific issues requested by the committee at the previous meeting.

2. PERFORMANCE UPDATE

- 2.1 YPO has a calendar financial year and the annual results from the previous year are approved by members of the Joint Committee at the Annual General Meeting held in July. The published accounts and Annual Report for 2020 are attached for information. These show the impact of the Covid pandemic, which closed schools for a significant period of the year and of the losses incurred on the procurement of PPE on behalf of local authorities. 2021 was targeted as a year of recovery for YPO, returning to more normal trading levels, before embarking on an ambitious growth strategy in 2022. The accounts for 2021 are still undergoing external audit and have not yet been approved by YPO members. However, despite the continued closure of schools in the first quarter of the year, the recovery ambition was largely achieved with an indicative profit of £3.7m. On this basis, YPO intends to recommence paying dividend to its members based on the results achieved.
- 2.2 The budget for 2022 has been established based on 2019 trading levels, and, at the end of the first quarter, this is very close to being achieved.

3. CLIMATE EMERGENCY

- 3.1 YPO is a long established provider of framework contracts for the supply

of energy, mainly electricity and gas. In fact the rebate income received from these contracts is a significant part of the overall profit achieved every year. In the recent past, these core supply contracts have been supplemented by a portfolio of contracts providing carbon reduction activities, including amongst others, alternative power generation, building insulation refit and hybrid or electric vehicle supply. The objective is to assist local authorities in making the challenging transition from traditional energy supply to alternatives which will contribute to their carbon net zero targets.

- 3.2 YPO is also intending to become an exemplar operator in its own right, switching its own consumption to alternative sources wherever possible and carrying out a trial next year in the use of electric delivery vehicles within a feasible operating radius of its Wakefield Headquarters.

4. HEALTH & SAFETY

- 4.1 YPO has a Health & Safety Committee which is jointly chaired by the Managing Director and the Unison Trade Union Branch Secretary. This committee is responsible for agreeing and monitoring the Health & Safety Policy and for reviewing all incidents to establish potentials for continuous improvement. The organisation also receives support from Wakefield Council in its role as Lead Authority for the Joint Committee. This takes the form of both input from H&S professional within the council on such things as risk assessments, and oversight by Internal Audit to ensure that the policy is being adhered to.
- 4.2 The role of the Health & Safety Manager is currently being strengthened through an internal restructure which will see the position reporting directly to the Operations Director, giving greater authority for the implementation of corrective actions.

5. PROCUREMENT POLICIES

- 5.1 As a collaborative procurement organisation, procurement sits at the heart of all of YPO's activities. This is equally true of both the local government framework contract business and the school resources supply business, as all contracts and products are procured under public contract regulations. This guarantee of compliance and of ethical procurement policies is one of YPO's core commercial propositions and is the reason why many of its customers remain loyal over extended periods.
- 5.2 Since the UK's leaving of the EU, the procurement regulations are being revised under an initiative led by the Cabinet Office. YPO was a key respondent to the Cabinet Office consultation and is very active among

other PSBOs and the LGA in influencing and directing the final form of the new regulations, expected to be introduced in 2023.

- 5.3 YPO is also very aware of the need to ensure that its members local economies are being supported through its procurement activities, particularly that local SMEs are given the chance to participate in public sector contracts. A number of collaborative events have taken place with local Chambers of Commerce, to promote participation and provide advice and guidance on the easiest route for SMEs to follow.
- 5.4 Finally, YPO is also actively supporting its members in meeting their obligations under the Social Value Act, defining, measuring and publishing the Social Value created through all of its procurement activities.

6. APPRENTICESHIPS

- 6.1 YPO has a very active apprenticeship programme which started in 2011, and has since gone on to recruit 80 apprentices. Of those 80, 9 are current apprentices. Of the remaining 71, 54 went on to secure permanent positions with YPO, and 2 are currently on fixed term contracts, so overall, 79% have gone on to other roles at YPO at the end of their apprenticeship.

7. RECOMMENDATIONS

- 7.1 That members note the content of the report.

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APPENDICES

- Appendix 1: 2020 Statement of Accounts
Appendix 2: 2020 Annual Report - [YPO Annual Report 2020 - 1 \(pagetiger.com\)](#)