

London Procurement Partnership

LPP Articles of Agreement version 0.13.4, effective April 1st, 2019

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Author LJ

1. Purpose

The purpose of this paper is to outline the proposed key points of the LPP Articles of Agreement.

2. Audience

The audience for this paper is the LPP Steering Board membership.

4. Articles of Agreement

Section	Key points
<p>The Board/Steering Board</p> <p>The Members</p>	<ul style="list-style-type: none"> • The LPP Steering board should consist of: <ul style="list-style-type: none"> ○ Representatives of different types of Trusts including Foundation, Acutes, CCGs, MHTs and community trusts and other Health bodies who are members ○ A minimum of two FDs and two CEOs (one of whom will be the chair) ○ A Host Trust representative ○ Managing Director of LPP (non-voting) • The board is quorate when there is a minimum of five voting board members in attendance. • The Steering Board members will seek to represent their communities and networks. However, all LPP member trusts will still have a direct relationship with LPP. • The Steering Board may agree Terms of Reference from time to time to govern the workings of the Steering Board. • Members are Trusts including Foundation, Acutes, CCGs, MHTs and community trusts and other Health bodies who agree to become members, pay the Annual Fee and are subject to these Articles
<p>LPP and their host</p>	<ul style="list-style-type: none"> • Because LPP is not a legal entity the Steering Board will appoint one of the members to act as Host Trust who will at its discretion enter into contracts for the benefit of LPP on behalf of the Members. This will include entering into contracts of employment for staff and contracts for the provision of business resources in respect of LPP Activities. The Host will also hold monies generated by LPP activities including Annual fees and will use those monies to discharge the obligations incurred in respect of LPP. • The Host will not be acting in the capacity of trustee nor agent and will not have any fiduciary obligations to the Members. • The Members will at all times fully indemnify the Host in respect of all liabilities it incurs as Host except those which are incurred as a result of proven gross negligence or bad faith on the part of the Host. • The Host will retain a reserve fund to cover all liabilities and obligations incurred by the Host whether actual or contingent together with such amount as may be needed for the winding up of all LPP Activities and satisfying all liabilities relating to LPP, this will include the costs of terminating contracts for premises, resources and employment. • The Members and the Steering Board shall take all reasonable steps to ensure that no contracts are entered into nor liabilities incurred by the Executive Management Board or any person employed or involved with LPP Activities other than in accordance with instructions and authority is

	<p>from time to time issued by the Host subject to prior consultation with the Steering Board. The Host Trust has no liability to members for any overspend or underspend over and above its liability as a member of LPP. The Steering Board undertakes to ensure that this principle is fully implemented. Any surplus on dissolution or overspend liability will be distributed evenly among LPP's members once all actual and contingent liabilities of the Host in respect of LPP are met.</p> <ul style="list-style-type: none"> • LPP will share the annual business plan in outline with the Host Trust, prior to presentation to the Steering Board meeting, not later than the January prior to the financial year. This is to ensure that the Host Trust agrees with proposals which may impact on its level of financial and/or operational exposure. The LPP Steering board will sign off the annual business plan subject to the Host's consent. • A Reserve Fund to cover all actual and contingent liabilities relating to LPP including LPP dissolution costs will be established through LPP surpluses and member contributions and held at the Host. The fund will be reviewed annually and be built up over time. • The Steering Board will agree on behalf of the Members a Hosting Agreement with the Host relating to the services provided the obligations of the Host and the members and the charges paid to the Host Trust. • The Host Trust CFO will line manage the LPP MD for governance issues relating to the hosting arrangements. The LPP Chair will appraise the LPP MD on the delivery of the programme. • The Host Trust will provide support services e.g. finance, payroll as agreed between the Host and the Steering board from time to time which will be reflected in a Hosting Agreement which the Steering Board will agree on behalf of the Members.
<p>Consultation with Members</p>	<ul style="list-style-type: none"> • LPP member Trusts will be consulted about LPP strategy and activities at Stakeholder meetings or as decided by the Steering Board (to complement other methods of engagement and consultation).
<p>The Commitment of Members</p>	<ul style="list-style-type: none"> • The members are expected to: <ul style="list-style-type: none"> ○ Use LPP contracts where commercially viable, ○ Pay an annual membership fee in a timely fashion, ○ Co-operate with other LPP Stakeholders, ○ Upload AP and PO management information to LPP's analytics portal, ○ Share sourcing plans and contract registers, ○ Engage with LPP's team, ○ Input in to LPP's strategy, ○ Nominate participants to attend the Steering Board or other meetings as appropriate, ○ Drive cross functional trust level stakeholder engagement as necessary

<p>Responsibilities of LPP</p>	<ul style="list-style-type: none"> • The LPP must comply with Host Trust Governance, Finance and HR etc. • LPP will provide a range of Business Intelligence and analytics support to the members as part of the membership fee. From time to time if LPP is required to increase the level of such support, it reserves the right to place an incremental levy on those members who require it. • Provide the necessary technology required which may change from time to time including the Due North sourcing portal, e-cataloguing and mylpp.com • Represent members at relevant forums including CIO council, HRD network and others as may be required from time to time • Mediate collaborative access to NHS Procurement in Partnership and CCS agreements where possible
<p>Audit Process</p>	<ul style="list-style-type: none"> • The LPP's operating budget, equitable allocation of costs and the financial benefits baseline and tracking mechanism will be audited as decided from time to time by the Steering Board. • LPP will also be subject to Host Trust audit processes.
<p>Ownership and Allocation of Costs</p>	<ul style="list-style-type: none"> • The Steering Board will annually agree the LPP funding model and allocation of costs to individual trusts. From time to time the Steering Board may recommend and approve multi-year membership sign up.
<p>Membership fee payment</p>	<ul style="list-style-type: none"> • Invoices will be sent out once per year to members, unless the Steering Board sanction a multi-year membership arrangement.
<p>Joining and Exit from the LPP</p>	<ul style="list-style-type: none"> • Joining – Members joining after 1st April in any given year will contribute a pro-rated proportion of the annual contribution they would have paid if they had been members for a full year. • Forced Exit - The steering board has the right with the approval of not less than 75% of the members of the Steering Board to expel a member on reasonable grounds which will include breach of the Annual Agreement or these Articles. In addition the steering board may also expel a member with the approval of more than 50% of the members of the steering board for non-payment of fees. • Voluntary Exit – Members may exit LPP by giving 12 months' notice or on 14 days' notice if they object to any amendment made to these Articles such notice to be given not more than 29 days after such amendment has been posted on the LPP website • Members leaving will in addition make a payment within 30 days of a

	<p>notice from the Steering Board setting out their share of any shortfall as at their leaving date between the costs of dissolving the LPP, including discharging all actual and contingent liabilities at that point and the current provision in the reserve fund.</p>
<p>Termination and Disposal</p>	<ul style="list-style-type: none"> • The Steering Board will annually review the LPP's sustainability in the light of forecast membership and other prevailing circumstances. • The Steering Board may at its discretion dissolve the LPP after consultation with its Members. • The Steering Board may at its discretion sell or transfer the LPP business in whole or in part after consultation with its Members. • If there is a surplus following dissolution and full payment or discharge of all liabilities (actual or contingent) relating to LPP then such surplus along with any fee reduction or gainshare will be distributed to Members who have paid all their membership fees and signed their membership agreements on an equal basis • All LPP dissolution costs shall be met <ul style="list-style-type: none"> ○ Firstly out of Members contributions to the annual operating costs. ○ Secondly out of the reserve fund and any other funds held by the Host on behalf of LPP ○ Thirdly, in the event of a shortfall, equally by LPP members.
<p>Business planning</p>	<ul style="list-style-type: none"> • LPP member trusts may be offered a discount if they sign up for three years. • LPP member trusts will be offered a discount if they promptly (within 30 days of fee request).
<p>No Partnership</p>	<p>Nothing in these Articles and no action taken by the members pursuant to these Articles creates, or is deemed to create, a partnership or joint venture or relationship of employer and employee or principal and agent between the members or any of them</p>
<p>Amendment of the Articles</p>	<p>The Steering Board may make amendments to these Articles by the approval of not less than 75% of the members of the Steering Board in attendance at a properly convened meeting of the steering board, Or a written resolution signed by not less than 75% of the steering board. The amended Articles will be posted on the LPP website and will be binding</p>

	on all Members 30 days after posting on the LPP website
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