

## **WELSH PURCHASING CONSORTIUM MANAGEMENT BOARD**

**16 SEPTEMBER 2015**

### **Welsh Purchasing Consortium Energy Arrangements – Confirmation of the plan to transfer the WPC Energy responsibilities to the National Procurement Service from 1<sup>st</sup> October 2015.**

The current Energy arrangements between WPC (hosted by Rhondda Cynon Taf Council) and Crown Commercial Services (formerly known as GPS and previously as OGCbs) have been in place since 2006.

The existing arrangements allow Crown Commercial Services (CCS) to purchase Energy on behalf of WPC and this currently gives WPC Members security of supply until March 2017.

Following the launch of the National Procurement Service for Wales (NPS) in November 2013 it was confirmed that the NPS Category strategy includes Energy procurement. All Welsh Local Authorities, including the WPC members, have committed to using NPS for Energy procurement and in accordance with this commitment various discussions have been held with NPS over recent months and it has now been agreed that the service will transfer on 1<sup>st</sup> October 2015.

There are several key points relating to the transfer which WPC Management Board Members should note;

- The two RCT members of staff who are dedicated to the WPC arrangement will both be transferring to NPS on the transfer date of 1<sup>st</sup> October 2015 and are heavily involved in the process. This will ensure continuity of staff and knowledge and minimise the effect on WPC Members (and Independent customers).
- NPS have agreed to continue providing the Energy service to all the current WPC Independent members. A large number of the current WPC Independents are part of the NPS arrangement anyway but there a smaller number who are not.
- NPS will continue to use the CCS arrangement until at least March 2017, effectively guaranteeing WPC members the same level of security of supply that we currently have.
- CCS have been fully involved in the transfer process and agreed to the movement of responsibilities on the same commission basis that WPC currently has.
- The billing process for the recovery of the Energy team running costs will remain the same until the end of the Financial Year, after which NPS may implement new arrangements. The costs for the Financial Year 201/16 (including the six months of RCT-based costs for April – September 2015) will be recovered and split on a 50/50 basis between RCT and NPS.
- NPS have agreed to continue the special Energy funding arrangements that are in place for seven of the WPC members.

- The WPC role on the CCS UK Energy Governance Group (held by the RCT Head of Operational Procurement) will be transferred to NPS from 1<sup>st</sup> October 2015.
- Energy will sit in the Construction and FM part of NPS and an Energy stakeholder group will be set up to replace the WPC Energy group which will include a wider representation from across the NPS organisations. This group will then input into the NPS strategy discussions for Energy procurement in the future.
- The final transfer of the Energy responsibility to NPS was discussed and approved at the WPC Officers Meeting of 4<sup>th</sup> September 2015.

In the circumstances, WPC Management Board members are asked to note and approve the formal transfer of the WPC Energy arrangements currently hosted by RCT Council to NPS from 1<sup>st</sup> October 2015.

Steve Lock  
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8<sup>th</sup> September 2015