



Mark Isherwood MS
Chair, Public Accounts and Public Administration Committee
Welsh Parliament
Cardiff Bay
CF99 1SN

23 September 2024

Dear Mr Isherwood

Local Partnerships LLP

Further to the evidence session on 12 June 2024, I am writing to provide further information as agreed:

1. Confirmation whether the Welsh Government published a decision report or made any announcement of its decision to acquire an interest in Local Partnerships LLP, together with details about it and the decision.

There was no decision report associated with Welsh Government's decision to acquire a five per cent holding in Local Partnerships.

The decision was made by the Cabinet Secretary for Finance and Local Government on 15 June 2017. Welsh Government was admitted as a member of Local Partnerships LLP on 22 January 2018.

2. Clarification on the number of Local Partnerships LLP staff that are based in Wales, and of those, how many are working, or have worked, on projects with the Welsh Government.

14 Local Partnerships staff live in Wales, 13 of which are working or have worked on projects with the Welsh Government. The 1 staff member who has not worked on projects with the Welsh Government is a non-client facing operational support officer.

3. A list of all the individual contracts the Welsh Government has placed with Local Partnerships LLP details of the different levels of work undertaken by Local Partnerships LLP with/on behalf of the Welsh Government, and how the Welsh Government ensures transparency of such arrangements.

The list of current projects undertaken by Local Partnerships is as follows:

| Project | Description |
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| Ynni Cymru | Supporting the delivery of the programme and set out the options to establish Ynni Cymru as an arm's length energy delivery company to expand community-owned renewable energy generation across Wales. |
| Energy Service (formerly Green Growth Wales/Green Investment Pipeline) | Providing a strategic engagement service covering the four regions in Wales to all public sector bodies, including Health Boards and higher education establishments, to develop carbon reduction, energy efficiency, renewable energy and fleet decarbonisation projects that contribute to the achievement of Welsh public sector net-zero related targets. In this Local Partnerships works alongside the Welsh Government's other delivery partners, the Carbon Trust and the Energy Savings Trust. |
| Trydan Gwyrdd Cymru (formerly Renewable Energy Developer) | Establishing a Welsh state-owned developer to accelerate the development of renewable energy projects on the wider Welsh public estate and maximise their value for the people of Wales. Preliminary work included the production of an Outline Business Case for the Brechfa Dau wind farm. |
| Marine Energy Programme | <ul style="list-style-type: none"> -Progressing the management of the Tidal Lagoon Challenge. -Working with the Welsh Government, Port Talbot and Pembroke Dock and relevant supply-chain stakeholders to support efforts to maximise benefits to Wales from the developing floating offshore wind industry. -Working with Morlais to support its ongoing sustainable development in facilitating the deployment of a pipeline of tidal stream devices off Anglesey. |
| Resource Efficiency and Circular Economy Programme (formerly Waste Infrastructure Procurement Programme) | <ul style="list-style-type: none"> -Supporting the programme for government commitment to deliver the Extended Producer Responsibility Programme, through the provision of programme and project management support office. -Supporting the Welsh Government in meeting the Auditor General for Wales recommendations and memorandum of understandings with local authorities by providing expert resource to support effective contract management of the operational PPP residual and food waste contracts. -Supporting the ambition to achieve one planet resource use and achieve net zero carbon by 2050 through implementing initiatives to tackle hard to recycle material collaboratively across the public sector including facilitating the move towards ultra-low emissions vehicles for refuse and recycling collections across Wales. -Alongside WRAP Cymru, supporting the delivery of local authority statutory recycling targets and infrastructure delivery. -Helping to inform future policy and infrastructure requirements, including assessing the impacts of Emission Trading and changing waste composition and helping to ensure that Welsh Government funded infrastructure continues to achieve best outcomes, maximising value for money for the public sector in Wales. -Supporting the transition to a circular economy. |
| Mutual Investment Model Velindre Cancer Centre | Acting as transactor in the Trust's procurement of the new Velindre cancer centre under the MIM model, and ensuring that the Welsh Government's interests are safeguarded. |
| Warm Homes Programme | Acting as contract manager for the Warm Homes contracts during the period of mobilisation, working closely with client team to support the ordered transition between the extant and new contracts and the mobilisation of the new contract, embedding effective contract management practices and procedures for the new contract for adoption by a permanent Welsh Government contact manager post, ensuring appropriate alignment and integration is in place between the new Warm Homes contract and other Welsh Government energy efficiency and fuel poverty programmes. |

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| Health and Social Care Climate Adaptation Planning | Developing a climate adaptation risk assessment and planning approach for the Health and Social Care sector in Wales, including a baseline activity review, development of an adaptation toolkit with training materials for ongoing use. |
| Net Zero Scenario Planner | Analysing the available data for council buildings, street lighting and fleet to estimate the overall cost (split by local authority) for the council estate and fleet assets to decarbonise by 2030 (the Welsh public sector target), developing a standardised Scenario Planning Tool for Net Zero for each of the 22 Welsh local Authorities to use to explore scenario options for reaching net zero for their own operations by 2030, providing a comprehensive final evidence report, including full data, references, and summaries. |
| Phosphates | Providing expert support to unblock stalled affordable housing sites, or those at risk of stalling, as a result of regulations around the impact of phosphates in rivers, which can be exacerbated by local population increases as a result of new housing development. |
| Cwmni Eginio | Undertaking a review of what has been achieved and how that has been perceived by the organisation's key stakeholders as well as take soundings on what the future role of the organisation could and should be, after supporting Cwmni Eginio to address immediate needs of the company by putting forward a small team of experienced individuals to work part-time and on a virtual basis, alongside Cwmni Eginio staff, acting as workstreams leads for delivery of company establishment and initial operation, programme development, and planning and land. |
| Water Quality | Facilitating a two-day workshop, and provision of a subsequent summary report, to inform the forthcoming Programme for Water. |
| Sustainable Farming Scheme | Reviewing the scheme's existing governance, critical path and lessons learned, to identify and escalate issues and engage with product owners to resolve these and offer support, management of reporting dashboards, building and maintaining external networks to provide professional best practice, ensuring business readiness for change for policy and operational delivery. |

A list of completed projects by Local Partnerships is provided at Annex. In terms of transparency, Welsh Government publishes expenditures over £25,000, including payments to Local Partnerships, on gov.wales (<https://www.gov.wales/welsh-government-expenditure-over-25000>).

4. Information about other bodies in which Welsh Government has an interest and from which it is able to procure services using the 'Teckal exemption', together with information about its use of them, including expenditure incurred, a list of contracts and the nature of the services/work procured under them. Also, confirmation whether the Welsh Government uses Single Tender Action to procure such services and if so, details about the cases in which it has done so.

Welsh Government does not centrally maintain a list of bodies from which it is able to procure services using the 'Teckal exemption' or a list of contracts procured through that route. Under the Public Contracts Regulations 2015, the exemption is not a blanket one and it is for each contracting authority to determine whether it meets the conditions set out in Regulation 12 before each contract award for the exemption to apply.

For procurement purposes, where Teckal exemption applies, there is no requirement for Welsh Government to go through any form of procurement process including Single Tender Action.

5. How does the Welsh Government decide that obtaining consultancy services from Local Partnerships, rather than other external consultants, is appropriate for a project, and does the ability to award contracts to Local Partnerships without competition influence this.

All expenditure entered into by Welsh Government, including for consultancy services, is to comply with Managing Welsh Public Money, in particular Accounting Officer requirements of regularity, feasibility, propriety and value for money.

Consideration is given by the delegated budget holder to resourcing options for projects – if consultancy services are obtained, then available consultants considered to have the skills and experience suitable for project requirements would be appointed.

Whilst the ability to award contracts to Local Partnerships without competition generally means services can be accessed more quickly, which can be a consideration for urgent work, there is no assumption that Local Partnerships would be the default option and it is open to delegated budget holder to make the decision which is most suitable for the project and complies with Accounting Officer requirements.

6. Can you explain the process for agreeing a work order for a project with Local Partnerships, including the basis for the cost; is it based on specific deliverables and outcomes.

The process is typically as follows:

- Initial discussion between Welsh Government and Local Partnerships.
- Local Partnerships submits proposal setting out:
 - their understanding of the Welsh Government's requirement, based on the discussion and/or any written scope provided.
 - the approach that Local Partnerships would take to meet that requirement including project stages, specific deliverables and outputs.
 - Local Partnerships' relevant experience in fulfilling similar client requirements
 - the Key personnel and individuals that would be responsible for delivering the work and their individual expertise and experience.
 - the fee for the project.
- further discussion and refinement of the proposal takes place as/if necessary to ensure it meets requirements.
- once agreed, a work order is then signed for the project.

The deliverables and outputs will be specific to each project. These will be set out in Local Partnerships' proposal and confirmed in the Services Requirement section of the work order.

The basis for labour cost is on a day rate basis, however Local Partnerships as part of the proposal will scope out the number of days required and the project fee. The framework agreement Welsh Government has with Local Partnerships ensures its services are performed to the satisfaction of Welsh Government as client for the agreed project fee.

7. Some of the projects for which the Welsh Government has used Local Partnerships, such as for the Mutual Investment Model and Welsh Government Energy Services, span several years and are likely to continue in the long-term. How does the Welsh Government consider the long-term costs of these projects and the appropriateness of using consultants rather than recruiting Civil Servants to deliver them.

The use of consultants allows Welsh Government to bring in specialist skills and experience and/or additional capacity where not available in the civil service, when required. Case by case consideration is given by the delegated budget holder of ongoing project costs and appropriateness of consultants use.

Consultants are only used for as long as required. For example, Local Partnerships were used to set up programme structures for the Resource Efficiency and Circular Economy programme during the pandemic, to which we then recruited civil servants.

For longer-term projects, requirements change over the project lifecycle and the staff and skills Local Partnerships provide change accordingly. For example, the Welsh Government Energy Service agrees an annual work plan with Local Partnerships to reflect changing requirements, and Local Partnerships ensures staff skills mix provided fulfil project requirements at all times.

As client, we work closely with Local Partnerships to transfer skills and knowledge to Welsh Government. For example, within the MIM Education programme there has been considerable knowledge transfer from Local Partnerships staff to Welsh Government officials such that the programme is now managed in-house. Local Partnerships also developed a contract handbook which Local Authority teams use to manage contracts after Local Partnerships support ended.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tim Moss', with a horizontal line above it and a horizontal line below it.

Tim Moss

Cyfarwyddwr Cyffredinol a Phrif Swyddog Gweithredol
Llywodraeth Cymru

Director General and Chief Operating Officer
Welsh Government

Annex – List of Completed Projects by Local Partnerships:

| Project | Description |
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| Mutual Investment Model Sustainable Communities for Learning (previously C21 Schools) | Provided a Programme Director and commercial, financial and procurement expertise to lead the development of the MIM model, the procurement and establishment of the strategic partner (WEPCo Ltd) and the development and procurement of the pathfinder project to financial close. |
| Mutual Investment Model A465 Heads of the Valleys | Provided a Programme Director to lead the procurement of the project to financial close. |
| Re:fit | Undertook quality assurance reviews of Re:fit energy performance contracts in Wales at key project stages, working alongside the energy service. |
| Future Grid | Supported the procurement and commissioning an organisation to facilitate the development of energy network planning in relation to the energy networks in Wales and general support to Head of Energy Delivery. |
| Energy Company Obligation (ECO) 4 | Developed a template ECO 4 Statement of Intent for Welsh local authorities, and prepared an options report relating to the Welsh Government's provision of revenue support for local authorities processing ECO4 declarations. |
| Establishment of Unnos | Provided support to consider the function of Unnos, a national construction company, to support councils and social landlords to improve the supply of social and affordable housing, as well as consideration of potential organisational options for Unnos, and the production of a short report that contained high-level and initial consideration of such options, for progression to a more formal options appraisal as the next stage. |
| Civil Contingencies Review | Reviewed governance arrangements, through undertaking stakeholder survey and interviews, reviewing all areas of civil contingencies and emergency planning across Wales, reviewing models used in other countries, holding workshops with Local Resilience Fora and then reporting the findings of the review. |
| Electric Vehicle Charging Infrastructure Support | Undertook technical modelling of energy requirements for specific sites allied to an Energy Services work stream and the provision of a support package to participating local authorities in Wales to help them deliver fleet decarbonisation and deployment of the WLGA EV Infrastructure Grant Fund. |
| Lead Negotiator General Medical Services Contractors | Managed negotiations in respect of the commencement of the state backed indemnity solution for General Medical Services contractors in Wales, specifically the transfer of assets and liabilities from the Medical Defence Organisations relating to the existing liabilities scheme. |
| Integrated Care Strategic Capital Planning | Developed criteria for an Integrated Health Centre and Social Care Hub, undertook a mapping exercise to identify existing Hubs, developed guidance on the strategic planning process that the Regional Partnerships Boards (RPBs) have been asked to undertake and facilitated workshops on this for each of the RPB's. Provided additional support in integrating housing, health and social services and engaged with RPBs. Developed an outline business case, defined the funding model and implementation proposals, prepared evaluation, guidance and implementation notes to enable the funding model to go-live. |
| Private Rented Sector Research | Gathered quantitative and qualitative evidence through desk based and field research and establishing what default payments tenants have been charged, to inform Welsh Government discussions with stakeholders underpinned by robust and evidenced based proposals and questions. |

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| Collaboration on Property | Provided a scoping report to identify barriers, both real and perceived, to collaboration on property and assets in the Welsh public sector with a view to identifying further work on what can be done to mitigate and remove these barriers. This involved engaging in discussions with stakeholders such as Registered Providers and Regional Partnership Boards, aligned to the Ystadau Cymru initiative. |
| Health Informatics Review | Delivered a review with a system that is capable of delivering the aspirations of Informed Health and Care. This work considered the requirements of the whole system (excluding back office functions), how these functions are best discharged through the various stakeholder organisations and structures, and what leadership, governance and relationships need to be in place to delivery system-wide improvements. |
| Cardiff Harbour Authority Review | Reviewed the funding arrangement for authority, its activities and governance including undertaking a financial and value for money review. |
| Emergency Services Mobile Communications Platform (ESMCP) Business Case | Produced an independent synopsis of the ESMCP Final Business case from a non-technical and Welsh Government specific perspective. |
| Welsh Revenue Authority (WRA) Support | Led on the WRA design function with the Welsh Government, provided additional support within the Strategy Department ensuring continuity of service |
| Transport Bill | Provided project management support, including monitoring and reporting progress and issues of concern, ensuring good governance, managing project risks, enforcing quality control and change processes, developing briefings and communications, ensuring appropriate record management. |
| Nuclear Decommissioning Supply Chain Brokerage | Worked closely with SRO, relevant officials and third-party advisors to provide a feasibility study looking at the viability of developing a Nuclear Decommissioning Brokerage Service, focused on the economic opportunities provided by the Trawsfynydd power station site and taking into account wider opportunities across Wales and the UK. |
| Trawsfynydd Development Programme | Supported programme management over the period of transition, where delivery responsibility transferred to Cwmni Egin, to maintain momentum and progress, ensuring smooth transfer and that Welsh Government is not exposed to inappropriate or excessive risk. |
| National Thermal Hydraulics Testing Facility Business Case | Supported Outline Business Case (OBC) development for the testing facility in North Wales, and producing a consolidated document that addresses issues identified in the two existing OBCs produced for Welsh Government and UKG by a third party. |
| Scope 3 Support | Engaged with staff at representative bodies in the Welsh public sector to develop strategic policies, mechanisms, or pathways for decarbonising procurement, provided Welsh public sector with options for how policy and practice could evolve in this area, consolidated existing guidance and developed new material to support procurement decarbonisation, with the aim to produce a 'roadmap' out to 2030 on how the Welsh public sector can decarbonise their procurement, and disseminated the roadmap to the Welsh public sector, making it free at the point of use. |