

Case Study

Academy trust resolves energy crisis and inflated premiums with dedicated contractual support from YPO

The Bishop Wheeler Academy Trust comprises six academies in the West Yorkshire area, including five in Leeds and one in Bradford.

Contract 73: Non Half Hourly and Half Hourly Electricity
Contract 317: Gas

The challenge

Many academies no longer enjoy the benefits they had under the governance of local authorities. Despite enjoying the independence of making their own decisions, they face dealing with any problems alone. Procurement can be an area where such issues often lead to costly repercussions.

Due to the volatile nature of the market, energy procurement is a particularly complex area. With numerous price changes occurring in any single day, many academies are facing inflated and unaffordable energy bills as an unwanted product of their independence.

Bishop Wheeler Academy Trust suffered this issue when five of its newly converted academies were tasked with procuring their energy requirements outside of their local authority agreement. Without any credit history or tender process in place to secure a supplier outside the authority's agreement, the academies faced significant tariff increases.

“After conversion, we found that we were unable to remain part of the local authority energy arrangement, and would have to purchase outside the contract. We started paying out of contract rates, so our bills automatically trebled to an unaffordable rate.”

Jayne Dennill, Bishop Wheeler Catholic Academy Trust

The solution

Advised by their local authority and aware of other academies receiving their support, the academy trust contacted YPO for assistance in procuring an affordable energy supply. This was not an easy challenge for the YPO Energy Team to resolve, with a number of academies reporting the same issue and all without the necessary financial history to join an arrangement.

The pressing need for a solution led to a temporary energy contract being established by the team whilst a more permanent arrangement could be put into place. The interim measures ensured that affected academies were able to pay heavily reduced rates until they could join the established YPO contracts.

The benefits

Many academies do not have the procurement knowledge to support their independence. Having the dedicated expertise at YPO meant the academies could receive the support they desperately required to rescue them from inflated energy bills. As a large buying organisation, YPO is able to reach a wide number of suppliers to find appropriate solutions, and can assist academies with budget management, negotiations and supplier relationships.

The contract provides much fairer pricing than out of contract rates, and with the prospect of more academies joining the arrangement, the energy costs to each individual organisation could be even better over the long term.

“Throughout the academy conversion process there’s an endless checklist of things to do. We hadn’t got the time or expertise in school to handle such specialist issues like energy, so the support from a trusted partner was crucial. The support from YPO has been great, and we’re delighted that our costs have now reduced and may continue to decrease over time.”

Jayne Dennill, Bishop Wheeler Catholic Academy Trust