

50
YEARS

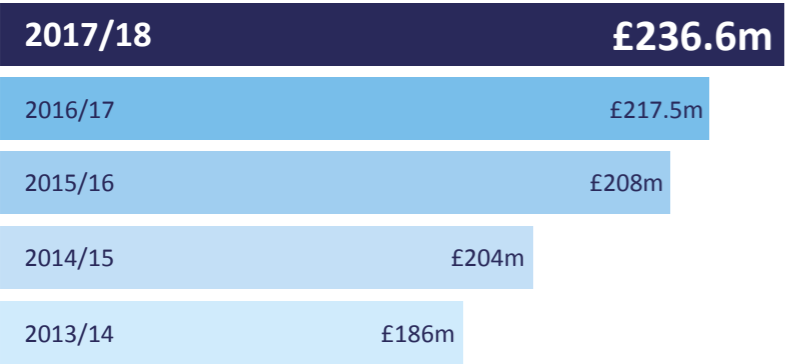


PURCHASING
CONSORTIUM

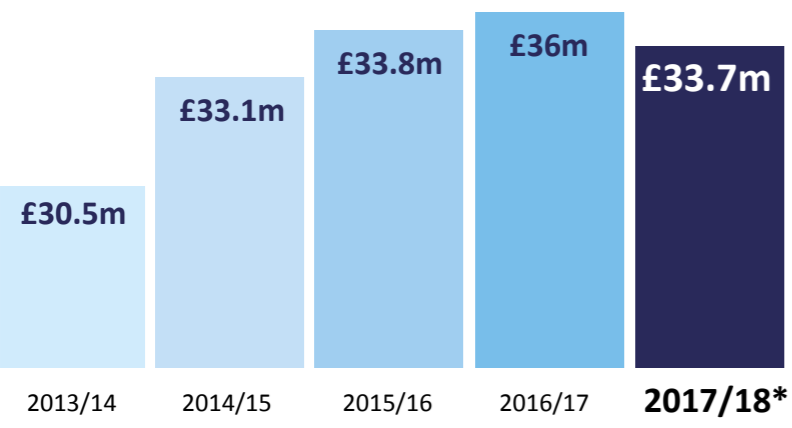
LUPC ANNUAL REVIEW

2017-2018

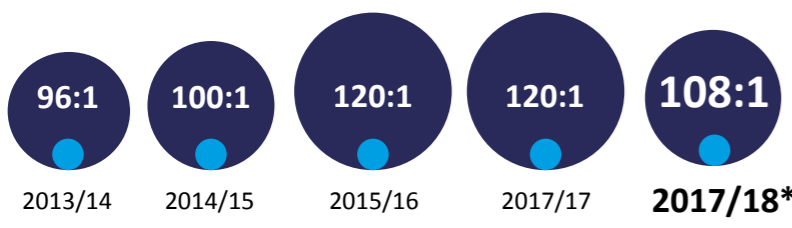
Total spend
Total Member spend through our agreements



Member savings
Collaborative savings figures



Return on investment
Savings to Membership Fee



*All savings methodologies were revised in 2018.

Summary of results

“LUPC offers exceptional return on investment from our subscription and continues to support the ICR’s procurement, sustainability and value for money strategies and objectives.”

Alan Hill, Head of Procurement,
The Institute of Cancer Research.



Chairman's Report

I have great pleasure in presenting LUPC's Annual Review for 2017/18. This year has been one of both celebration and change. We've celebrated 50 Years of LUPC and collaboration amongst our Members culminating in a fabulous 50th Anniversary Dinner held at the Science Museum, and encountered change when we said Goodbye to Andy Davies, Director of LUPC for 9 years.

Andy's lasting legacy is having been at the forefront of LUPC becoming a leader in the sector on Responsible Procurement. We welcome Don Bowman, formerly Assistant Director (Procurement) at LUPC, as our new Director to guide LUPC in the coming years.

Throughout 2018, we have worked with the Southern Universities Purchasing Consortium (SUPC) on the Future Collaboration Project; exploring ways in which the two consortia can work closer together in order to provide greater benefits for our Members. Over the coming months we will be implementing recommendations from the project to take forward this strategic partnering which will involve systems, services and resourcing collaboration.

We have continued to grow throughout 2017/18 and now have 83 Full Members. New Members include Academy of Social Sciences, Citizen's Advice, Diamond Light Source, National Nuclear Laboratory, Royal College of Physicians, Porton Bio Pharma, St.Mungo's, and UK Atomic Energy Authority.

LUPC is committed to supporting student employability and graduate opportunities. To demonstrate this commitment we have recruited two graduate trainees for the first time, a Graduate Procurement Officer and

“Throughout 2018, we have worked with SUPC on the Future Collaboration Project; exploring ways in which both consortia can work closer together to provide greater benefits for our Members.”

a Responsible Procurement Officer. The graduates will be working with LUPC for a year, and we hope they will find future employment with one of our Members who will benefit from the training provided by LUPC.

As always I would like to express my thanks to Members of the Board, our Executive Committee, our Commodity Groups and the LUPC team for their contribution to the Consortium's work over the past year.

Dr. Andrew Young
Chief Operating Officer,
London School of Economics

Director's Report

I am delighted to have been appointed as LUPC Director in 2018. It has been a busy year, with a number of changes with senior personnel departing and new staff starting. But, I am pleased to report that LUPC has gone from strength to strength and we are looking forward to meeting the challenges of the coming year.

In 2019, we will be working with our Members, suppliers and the wider university purchasing consortia to deliver on our new strategy, Adding Value through Responsible Procurement. One of our

“We are looking to achieve greater engagement with our Members, with more events and more direct contact, so we can better understand how we can be of benefit.”

objectives is helping Members to obtain better value from their LUPC membership. This will be achieved through greater engagement with our Members, with more events and more direct contact, so we can better understand how we can be of benefit. We will also be implementing an account management structure assigning

Members with a dedicated LUPC contact and an Executive Committee Member to represent them.

The social value elements of our framework agreements are to be enhanced, particularly in terms of delivering student employability outcomes. On the theme of social value, we have chosen St. Mungo's, the homeless charity (and one of our Members), as our charity partner, and are planning further fundraising and volunteering activities in support of them.

In the coming year, we will continue to develop LUPC's focus on responsible procurement. You can read more about our responsible procurement initiatives on pages 10-12.

As hosts for the Conference of University Purchasing (COUP) in 2021, we will commence planning for the event this year.

We also aim to deliver further member benefits through the implementation of the Future Collaboration Project with Southern Universities Purchasing Consortium (SUPC). Another busy but exciting year is ahead.

Don Bowman
Director
LUPC



New Agreements

2017/18 saw the advent of some brand new agreements for our Members including student focused areas of Outsourced Catering Services and Ceremonial Gown and Photography Services

Outsourced Catering Services

This widely anticipated national framework covering two lots; Lot 1: Outsourced Contract Catering Services (National) and Lot 2: Office, Corporate and Event Catering (Greater London) went live in 2018. A very successful launch event for this and the Catering Consultancy Framework, awarded at the end of 2017, was held with over 80 Members in attendance.

Ceremonial Gowns & Photographic Services

This brand new agreement was developed predominantly to deliver opportunities for Members to reduce the cost of hiring or purchasing ceremonial gowns, particularly important as graduation services are a concession paid for by students directly. The agreement incorporates sustainable procurement options for buyers to choose from, including

Fairtrade cotton and, in some instances, gowns made from fully recycled materials.

Debt Recovery Services

Lots on this framework include Lot 1: Pre-Legal only collections, and Lot 2: One stop shop and Legal recoveries. Members can choose to work with specialist debt collection agents that are regulated by the Financial Conduct Authority (FCA). The alternative is to work directly with legal firms, that are regulated by the Solicitors Regulation Authority (SRA), to provide legal services and carry out the pre-legal work with the intention to pursue debts to full legal recovery.

Other

We've also worked with our sister consortia to deliver framework agreements including;

- Air Filters
- Books
- Cash and Valuables in Transit
- Electrical Materials & Associated Products
- Finance, HR/Payroll, ERP and Associated Services
- Furniture
- HE Networking
- Liquid Handling Robotics & Laboratory Automation Systems



By using the framework agreements that are in place for the members, LAMDA has saved time and money, as well as benefitted from better terms and conditions on a number of items this year, such as maintenance and cleaning.”

Peter Nickals, Head of Finance, LAMDA
(London Academy of Music & Dramatic Art)

- Training Provider Agreement
- Mass Spectrometry & Chromatography Equipment
- Microscopes & Imaging Equipment
- Paper
- Short Message Service (SMS) Text
- Telecommunications

A look to 2019

The following new agreements are being worked on:



Waste Management Services (Sustainable)

Expected to go live in February 2019, and will have an emphasis on sustainability and contract management. Members will be able to use the framework flexibly with the option of a total waste management contract, specialist contract or a combination of the two.

Occupational Health Services

Due Spring 2019, this framework will have an emphasis on meeting the needs of students as well as staff.

Taxi Services for London and surrounding counties

This framework is to replace the current Taxi Type Services agreement. The expected award date is April 2019 and is looking to expand upon the type of service options available.

Life Science Equipment

This is a brand new agreement that

is being tendered for the first time and will include capital, services, maintenance and consumables. It will be available by April 2019. Members will also be able to access the following new national frameworks in 2019;

- Electronic Components
- Office, Computer and Library Supplies
- Routing and Switching
- Serials, Periodicals and Associated Services
- Temporary Agency Staffing Services
- Travel
- Laboratory Consumables and General Chemicals

Details of all existing frameworks can be found on the LUPC webpages under the 'Agreements' section. Members can also keep up with tenders in progress under 'in the pipeline' on our website, www.lupc.ac.uk.



Responsible Procurement

I am pleased to present our second Annual Report as the new Chair of LUPC's Responsible Procurement Advisory Group (RPAG) demonstrating the continued success of LUPC at the forefront of responsible procurement initiatives on behalf of the public sector.

The RPAG oversees LUPC's progress with its Responsible Procurement Programme by steering the planning, implementation, monitoring and reporting on the activities of our Responsible Procurement Policy and Strategy, ensuring it reflects the values of LUPC's diverse Membership.

LUPC undertook its first laboratory gloves social audit in Malaysia, the first to be conducted by LUPC and its partners, and led by our Senior Contracts Manager, Darran Whatley. Darran shadowed the audit, where the Sedex Members Ethical Trade Audit (SMETA) standard was used to review and risk assess factory working conditions for possible human rights abuses, including modern slavery. Since then, five out of six corrective actions identified have been implemented. LUPC will share due diligence findings and best practice learnt from this project with Members, with the aim of applying this to other commodities in the future.

A roundtable discussion as part of a Modern Slavery in Public Procurement Working Group was held with the Home Office, Ethical Trade Initiative (ETI), Crown Commercial Service, City of London and APUC among others. Here, the LUPC contributed to a new Good Practice Guide on Modern Slavery and Public Procurement that the ETI are developing in partnership with European buyers.

We have been working hard to act on the feedback provided from the ISO 20400 Guidance Standard for Sustainable Procurement assessment conducted by Action Sustainability. Work on the 30 recommendations provided by the

assessors has been continuous with the aim of achieving a new score of 4.2 and demonstrating how deeply the 'Golden Thread of Procurement' has been embedded within LUPC's processes. We are due to receive the outcome of this re-assessment at the beginning of 2019.

LUPC staff and Members have undertaken training on responsible procurement to promote the 'Golden Thread' of best practices in LUPC, Member procurement functions and throughout Member activities. This was partly through the continued provision and promotion of our modern slavery eLearning resource. 471 staff members from different public and private

Adding Value through Responsible Procurement

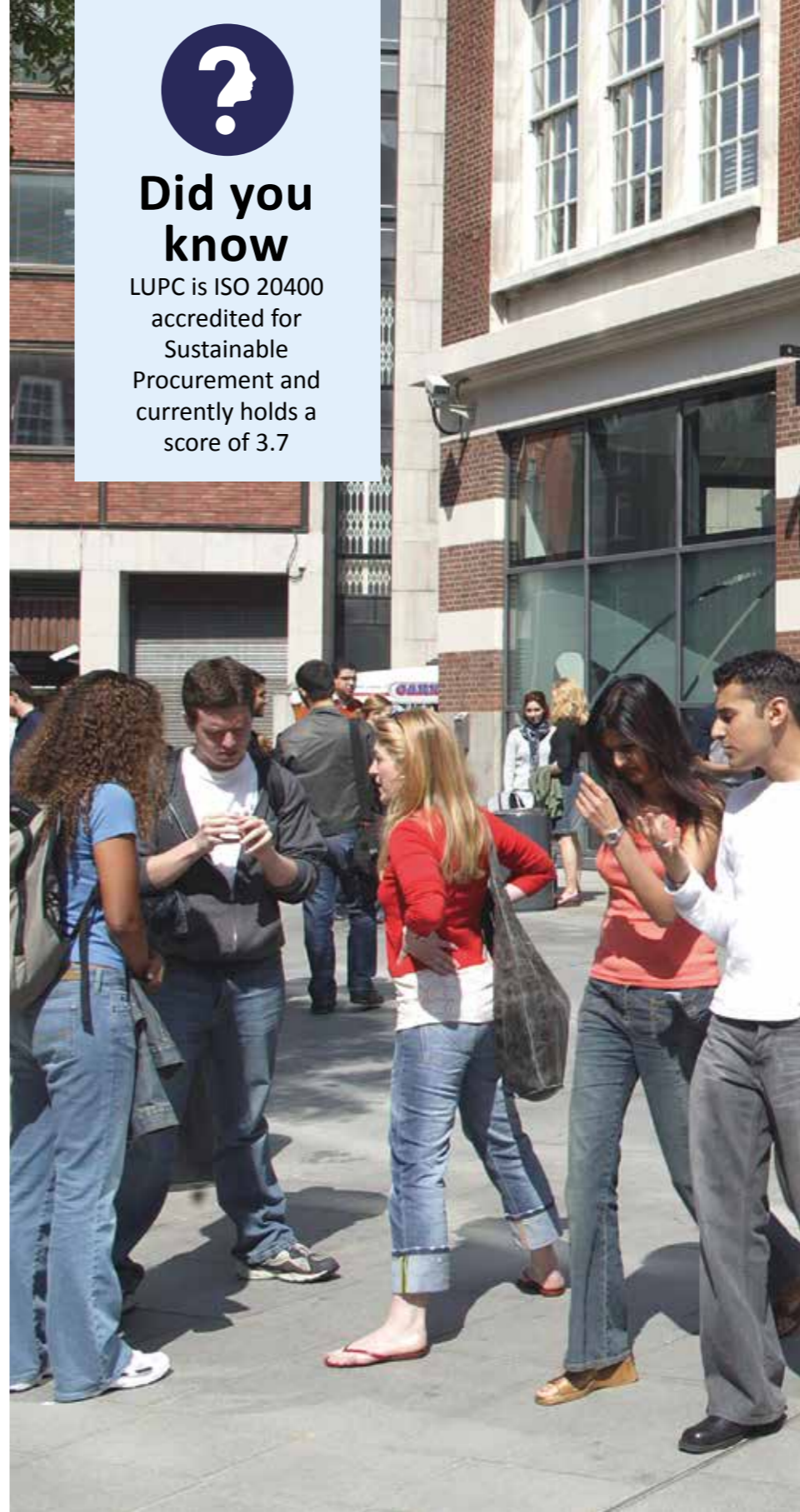
One of our proudest successes embodying the new corporate strategy is the completion of the pilot of our Modern Slavery supplier engagement tool, Equiano, which helps identify risks of human rights abuses in Member supply chains. Devised with help from the Local Government Association, and with oversight from the Business Human Rights and the Environment Research Group at the University of Greenwich, the project was a low-cost response to the increasing pressure on public authorities to purchase their

goods and services more responsibly. Four Members across the University Purchasing Consortia and two local authorities participated in the pilot, identifying 153 suppliers to be involved in a multi-stage risk assessment. We utilised two student interns from Member institutions enabling them to gain valuable experience by working alongside trained staff in the assessment. Each participant in the pilot was then provided with a report outlining our findings with each individual supplier of theirs, as well as recommended follow up actions.



Did you know

LUPC is ISO 20400 accredited for Sustainable Procurement and currently holds a score of 3.7



sectors ranging from government to private corporations have completed the training as well as all LUPC staff.

Multiple external conferences were attended by LUPC staff to learn the most up-to-date theory and activity in the world of responsible procurement; the OECD Forum in Paris, and HEPA and Electronics Watch conferences in 2018.

LUPC has established an FM Anti-Slavery Forum comprising of Cleaning and Security framework suppliers to improve understanding of the Modern Slavery Act and steps that can be taken to improve due diligence and compliant systems.

As we build greater knowledge of these activities, we intend to implement more pro-active and tailored areas of responsible procurement in each of our frameworks and engagement activities.

In 2019, LUPC will continue to be a pioneer in responsible procurement across the global public sector, fulfilling our strident policies and strategies in collaboration with our sister consortia, Members, public sector buyers, academics and the wider public sector.

LUPC is currently working on their fourth Modern Slavery Statement to cover 2019.

Stephen Regalado MCIPS
Procurement Manager
University of London
Chair, LUPC Responsible
Procurement Advisory Group



Member Benefits

Framework Agreements

Access to more than 100 professionally tendered EU-compliant framework agreements across a range of goods and services. Our agreements are tailored to our Members’ requirements, saving both time and money, and include;

- Audi Visual
- Catering
- STEMED & Laboratories
- Furniture
- Professional Services
- Estates
- Library
- ICT & Telecoms
- Office Suppliers
- Utilities
- Travel & Accommodation

Guaranteed Savings

£36 million savings made collectively by institutions in 2017/18. 108:1 average return on investment.

Spend Analysis/Assessment

Annual spend and savings report – we measure all savings and spend made through LUPC agreements, including a review on non-consortium spend that could be re-directed through

our agreements, helping you to identify further potential savings.

Spend Analysis Tool

Access to a spend analysis tool for Members who send us their annual spend data, enabling a review of categorised spend.

Annual Scope 3 Carbon Emissions Report

Using Member spend data and a special reporting tool, we provide Members with a report to help to quantify performance in this area of sustainability.

Services

Shared Procurement Service – ‘Ensemble Purchasing’ London’s shared procurement service and cost-sharing group; for on-going professional procurement to smaller LUPC Members without an in-house procurement team.

Credit Safe

Access to an online credit referencing service – understand UK ratings and limits and check supplier credit.

Professional Procurement Consultancy Service

LUPC can provide Members with low-cost, high-quality professional procurement consultancy services to meet a range of short-term procurement needs.

Membership – TEC

A collaborative energy buying arrangement for the public sector.

Membership – AIRMIC

Available to Members of the LUPC Insurance Group. An association for those with risk management and insurance responsibility within their organisation.

Membership – Electronics Watch

All LUPC Members are affiliated to Electronics Watch, an independent monitoring organisation working in electronics production regions.

IBIS World – Discounted Subscription

Market reports providing a useful source of market information to help develop procurement strategies and documentation, and also to assist with supplier relationship management.

Electronics Watch Update

As part of LUPC’s commitment to responsible procurement, we have formally agreed and announced the full affiliation of all Members to Electronics Watch (EW). EW is an independent monitoring organisation working in electronics production regions, with experts in human rights and global supply chains.

LUPC was one of four affiliate project partners who together with the EU, supported a new pilot initiative in 2018 titled social@risk. The pilot used data algorithm specialists, Globalworks, to collect, authenticate, analyse and report on worker grievances using posts on open social media sites in China.

Engagement with a number of the original equipment manufacturer (OEM) brands on the National Desktop and Notebooks Agreement (NDNA), including HP and Dell, continued over the year with discussions including the provision of their overseas factory audit findings. This information, including compliance with relevant wage, working hour, occupational health and safety, environmental and human rights legislation and regulations, can be shared with affiliates under a non-disclosure agreement. LUPC also assisted with the development of brand disclosure guidelines, the intention being to improve both the quality and depth

of supply chain assembler and component factory information whilst ensuring relevance to the products sold under the affiliates’ nominated framework. This collaboration will continue in an effort to further improve due diligence and effectiveness in protecting and improving the legal and human rights of workers in their electronics supply chains.

The recently published EW Strategic Plan is being used to prioritise a number of new initiatives in the field of supply chain diligence, including the tracing of certain conflict minerals associated with the overseas mining industry.

Member Engagement

- Members are consulted on all agreements prior to launch or re-tender
- Free entry to our annual Conference and discounted training offers
- Full Members have voting rights and can stand for LUPC’s Board and Executive Committee
- Linked magazine quarterly subscription posted directly to you
- Regular updates on LUPC agreements and the latest procurement news
- Monthly e-bulletin subscription.



Corporate Strategy 2018-21

Our new corporate strategy for 2018-21 is **Adding Value through Responsible Procurement**. The LUPC Board wishes to support the objectives of our Members, consolidate our position as a leader in Responsible Procurement and be the consortium of choice in London for the HE sector and the wider not for profit sector.

Our new strategy focuses on five key areas that the consortium will deliver for Members over the next three years; these include maintaining leadership

for the sector in ethical procurement and supporting Members to deliver more apprenticeships and student employment opportunities. We will also concentrate on improving engagement between Members, including a new account management programme to be rolled out in 2019, and more events to support collaboration across and with our Members.

Our principal objective is to add value for our Members through our activities.

The new corporate strategy will maintain the current areas of excellence and extend into new areas of supporting Student Employability and Social Value.

We would like to share our objectives for 2018-2021 with you, and demonstrate how they will be achieved:

The progress against the strategic KPI's will be reported to quarterly LUPC Board meetings.

Objective A: Helping Members obtain better value from their membership by supporting their procurement activity.

- Explore the use of innovative procurement, including use of Dynamic Purchasing Systems
- Set up a CIPS study group for LUPC Members and work with a CIPS provider to deliver CIPS training for Members staff
- Use the consultancy services and/or our internal staff for further competitions running aggregated competitions
- Expand the reach of Ensemble Purchasing
- Set up local Hubs to encourage Members in their non-framework procurement
- Set up a series of seminars for Members, to include supplier presentations on hot topics and specific category issues and Member training events

KPI 1: Increase the number of member events to five per annum.

KPI 2: Run further competitions each year on behalf of our Members or facilitate this through localised 'Hubs'.

Objective B: Enhancing LUPC's position as a leader in Responsible Procurement

- Increase participation from our suppliers and those across the wider HE sector in our supplier due diligence activities
- Work with our suppliers, to ensure they understand and achieve the benefits of Responsible Procurement to their organisation
- Give advice to our Members on how they can evaluate framework suppliers at call-off stage for Social Value >

- Ensure that Responsible Procurement KPI's are utilised in the contract management of all LUPC agreements
- Complete the ISO 20400 Sustainable Procurement standard re-assessment
- Continue to report on Transparency in Supply Chains by publishing an annual Slavery and Human Trafficking Statement and supporting our Members in their own efforts for supply chain transparency

KPI 3: Increase the number of suppliers assessed through the supplier due diligence system (currently Equiano).

KPI 4: Improve on the ISO 20400 score of 3.7 achieved in 2017.

Objective C: Supporting student employability and apprenticeship delivery

- Lead by example and employ Graduates and/or Apprentices each year and advertising the vacancies through our Members
- All tenders to include questions on student employability
- Communicate the benefit of student employability to both our Members and the wider student body

KPI 5: Employ at least one graduate or apprentice in post each year.

KPI 6: Deliver student employability outcomes through frameworks.

Objective D: Improving our member engagement activities

- Ensure that the breadth of our Membership is represented at all levels of our governance by utilising Executive Committee Members to be representatives >

of different cohorts of Members

- The Director and the Head of Membership and Marketing should establish formal account management processes and procedures that ensure there is sufficient knowledge and understanding of each Members procurement profile and associated support needs
- Improved use of LUPC comms packs for our Senior Contract Managers and other senior staff to use on their Member engagement activities
- Commit LUPC to an annual conference for Members
- An annual survey of Members with results used to inform further membership engagement activity

KPI 7: An increase in the number of member visits annually, 137 carried out in 2016/17.

Objective E – Work more closely with other UK HE Consortia to achieve a more efficient use of People, Resources and Processes in the sector

- Remove all framework duplication across the UK HE consortia
- Achieve a commonality of systems, such as e-tendering and spend analysis across the sector
- Put in place UK wide processes and adhere to them for all areas of activity
- Work closely with SUPC to deliver the benefits of the Future Collaboration Project (FCP)

KPI 8: Successful delivery of the FCP Advisory Board recommendations.

Income and Expenditure Account

For the Year Ended 31 July 2018

	2018		2017	
	£	£	£	£
Turnover		1,374,477		1,299,334
Staff costs	653,756		677,921	
Depreciation	11,569		12,746	
Other operating charges	592,844		536,929	
		1,258,169		1,227,596
Operating (loss)/surplus		116,308		71,738
Interest receivable and similar income		1,676		1,458
		117,984		73,196
Other finance costs		2,258		2,861
(Loss)/surplus before taxation		115,726		70,335
Tax on (loss)/surplus		18,835		15,366
(Loss)/surplus for the financial year		96,891		54,969

Auditors' Statement

We have examined the Income and Expenditure Account and Balance Sheet set out on pages 16 and 17 and confirm that these statements have been accurately extracted from the full statutory accounts for the year ended 31 July 2018.

Wylie & Bisset LLP, 168 Bath Street, Glasgow G2 4TP

Directors' Statement

The Income and Expenditure Account and Balance Sheet set out on pages 16 and 17 are extracts from the full statutory accounts which were approved by the Directors on 7 December 2018 and on which the auditors have given an unqualified opinion. The statutory accounts, which should be consulted for a full understanding of the financial affairs of the company, will be submitted to Companies House.

Balance Sheet

31 July 2018

	2018		2017	
	£	£	£	£
Fixed assets				
Tangible assets		3,958		15,527
Current assets				
Debtors	657,859		478,229	
Cash at bank and in hand	571,458		665,574	
	1,229,317		1,143,803	
Creditors				
Amounts falling due within one year	204,795		206,024	
Net current assets		1,024,522		937,779
Total assets less current liabilities		1,028,480		953,306
Provisions for liabilities		69,838		91,555
Net assets		958,642		861,751
Reserves				
Retained earnings		958,642		861,751
		958,642		861,751

BOARD

Dr Andrew Young (Chair)
Chief Operating Officer
London School of Economics & Political Science

Linda Alexander
Head of Facilities Management
Ravensbourne

Mark Blaney
Finance and Resources Director
Royal College Of Anaesthetists

Don Bowman
Director
LUPC

Neil Greenwood
Director of Finance & Corporate Services
Natural History Museum

Caroline Heckscher
Procurement Director
University of London

Dr Olga Martin-Ortega
Reader in Public International Law
University of Greenwich

Pam Nelson
Director of Finance
London Metropolitan University

Peter Nickals
Head of Finance
LAMDA

Carl Teigh
Finance Director
Regent's University London

Amanda White
Director of Finance
Royal College of Art

EXECUTIVE COMMITTEE

Daniel Barry
Head of Procurement
Royal Holloway, University of London

Don Bowman
Director
LUPC

Alan Hill
Head of Procurement
Institute of Cancer Research

Anthony Latham
Head of Procurement
Science Museum Group

Joanna McKelvey
Head of Procurement and Contract Management
Royal Botanic Gardens, Kew

Chris Philpott
Head of Procurement
University of East London

Stephan Regalado
Procurement Manager
University of London

James Rockliffe
Head of Procurement
London Metropolitan University

Jon Ryder-Oliver
Procurement Business Manager
National Archives

Bahar Shahin
Head of Procurement
Queen Mary, University of London

Sue Weston
Director of Procurement
Jisc

List of Members

FULL MEMBERS

Academy of Social Sciences

Alexandra Palace and Park Charitable Trust

Birkbeck

British Council

British Film Institute

British Library

British Museum

CITB – Construction Skills

Citizens Advice

City of London Freeman's School

City of London School

City of London School for Girls

Courtauld Institute of Art

Defence, Science and Technology Laboratory (DSTL) – part of MOD

Diamond Light Source

Goldsmiths, University of London

Guildhall School of Music and Drama (incl City of London Independent Schools)

Harris Federation

Heythrop College

Historic Royal Palaces

Horniman Museum and Gardens

Imperial War Museum

Institute of Cancer Research

International Students House

Jisc

Kingston University

London Academy of Music and Dramatic Art (CDD)

London Ambulance Service NHS Trust

London Business School

London Metropolitan University

London School of Economics & Political Science

London School of Hygiene & Tropical Medicine (LSHTM)

London South Bank University

Museum of London

National Archives

National Gallery

National Institute Biological Standards & Control (NIBSC), incl CPRD & MHRA

National Nuclear Laboratory

National Physical Laboratory

National Portrait Gallery

National Theatre

Natural History Museum

NBI Partnership

NHS Blood & Transplant (NHSBT)

Porton Biopharma

Public Health England

Queen Mary University of London

Ravensbourne

Regent's University London

Richmond University

Royal Academy of Music

Royal Botanic Gardens, Kew

Royal Central School of Speech & Drama

Royal College of Anaesthetists

Royal College of Art

Royal College of General Practitioners

Royal College of Music

Royal College of Physicians

Royal College of Surgeons of England

Royal Holloway, University of London

Royal Veterinary College

School of Oriental & African Studies

Science Museum Group, Science Museum London (SMG)

Sotheby's Institute of Art

South West London & St Georges Mental Health NHS Trust

St George's, University of London

St Mungo's

Tate incl Modern, Britain, Liverpool and St Ives

The Francis Crick Institute

The Institute of Ismaili Studies

Trinity College, London

Trinity Laban Conservatoire of Music & Dance

UK Shared Business Services Ltd (UK SBS)

United Kingdom Atomic Energy Authority

Universities UK

University of East London

University of Greenwich

University of London

University of the Arts London (UAL)

University of Westminster

Victoria & Albert Museum

Zoological Society of London (incorporating Institute of Zoology)

ASSOCIATE MEMBERS

Barking & Dagenham College

Barnet & Southgate College

British Academy of Management

Bromley College

Carshalton College

City & Islington College

City Literary Institute

City of Westminster College

Creative Process

Croydon College

Ealing, Hammersmith & West London College

Equality Challenge Unit

Fashion Retail Academy

Guildford College

Hackney Community College

Havering College of Further & Higher Education

Havering Sixth Form College

HCUC College Group

K College

Kensington & Chelsea College

Kingston College

Lambeth College

Lewisham Southwark College (LeSoCo)

Morley College

New City College Tower Hamlets

Newham College London

North East Surrey College of Technology (NESCOLT)

Redbridge College

Richmond Adult Community College

Richmond Upon Thames College

South Thames College

Tower Hamlets College

University Academy of Engineering South Bank

West Thames College

Westminster Adult Education Service

Westminster Kingsway College and City and Islington College

Woodhouse College

Working Men's College

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PURCHASING
CONSORTIUM