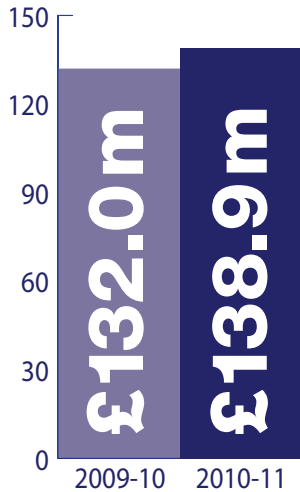
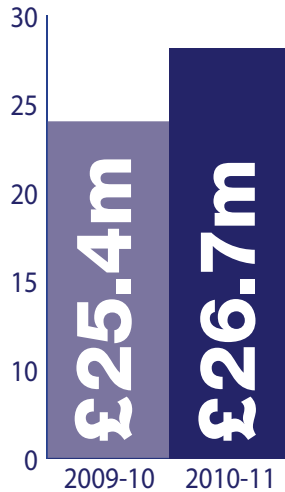




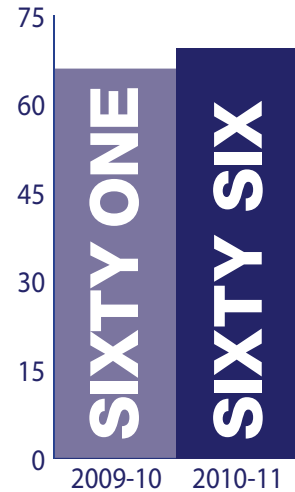
# SUMMARY OF RESULTS



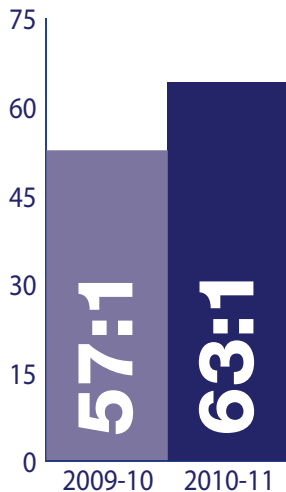
**CONSORTIUM EXPENDITURE**



**SAVINGS**



**NUMBER OF AGREEMENTS**



**AVERAGE RETURN ON INVESTMENT**

# 92%

OF MEMBERS WOULD RECOMMEND  
**LUPC**  
TO A FELLOW INSTITUTION

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**ANDY DAVIES**  
DIRECTOR, LUPC

# DIRECTOR'S REPORT



This past year has seen the most dramatic of changes, both in the wider publicly-funded sector and in higher education in particular.

After a period of regeneration for LUPC, the Consortium has reaffirmed its position as a leading shared service in collaborative procurement by responding to these pressures on two fronts – working hard to put into place more cost-reducing supply agreements and driving down membership subscriptions.

## Our results

During the year we increased our membership to 67 universities, colleges and other not-for-profit organisations in the arts, sciences and cultural sectors.

LUPC's supply agreements now number 66, through which total expenditure by Members grew during the year to £139m (09/10 £132m). The level of savings also grew slightly, delivering a total of £26.7m (09/10 £25.4m) and demonstrated LUPC's continuing value to its Members by increasing its average return on Membership subscriptions to 63:1 (09/10 57:1).

LUPC also consolidated its secure financial footing, making a contribution to reserves of just over £53k after tax (09/10 £195k, of which £127k was the surplus generated by COUP2009). The continued success of our secondary

revenue stream, implemented during 2009-10, allowed the Board to realise its goals both to invest in the Consortium's capabilities and reduce overall income from membership subscriptions to £422k (09/10 £441k). LUPC receives no direct government funding. >



**Natural History Museum**



## DIRECTOR'S REPORT

> At a highly successful Autumn Show staged at the University of London's prestigious Senate House in October, LUPC launched new agreements offering Members cost savings in business travel, serials, general library supplies, a specialist arts service and legal services. The event proved highly popular and firmly established these launch events as a highly effective way to bring Members and suppliers together to do business.

LUPC attracted a great deal of attention from the sector and from the press with the launch of its innovative new Legal Services agreement. After an intensive competitive procurement process, 13 law firms were selected, grouped in eight specialist lots, such as employment, commercial, property and education and student matters, and a ninth 'One Stop Shop' lot. Benefits of the agreement are:

- Highly competitive pricing, with Members estimated to make typical savings of around 20% on their existing legal rates;
- An OJEU-compliant route through which LUPC Members can purchase legal services;
- A framework designed with LUPC Members specifically in mind, with lots for legal advice on education and student matters and medical law;
- A level of experience demonstrated across the 13 successful firms that is extremely wide-ranging,

covering higher education, further education, research and cultural sectors, as well as the wider public sector and private sector;

- A range of innovative pricing methods, including volume discounts, first deal discounts, fixed rate pricing, retainer rates and seconded rates; and
- An excellent set of added value benefits for Members, from newsletters and bulletins to free training and seminars, extranets and telephone advice lines.

"The Legal Service agreement proved to be LUPC's 'flagship' agreement of 2010-11, saving Members an average 20% on legal costs"

This agreement proved to be LUPC's 'flagship' agreement of 2010-11, saving Members an average 20% on legal costs. Promoting the agreement has involved colleagues from the legal profession as well as members of the Association of Heads of University Administration (AHUA), reflecting LUPC's broadening reach, engaging with parts of the HE sector never reached before by the Consortium. The agreement was supplemented by a wide range of added value benefits for Members, including a lively programme of well-supported legal seminars and a regular legal digest, distributed free to Members.

Towards the end of the year, we were able to renew the national framework agreement for office supplies and computer consumables. This is an important agreement for the HE sector in the UK and engenders fierce competition among suppliers. A new sourcing strategy, which reduced the number of suppliers, served to improve like-for-like prices by between 9.8% and 13.6% for Members.

Another strong candidate for 'flagship' agreement in 2011-12 is our offering in estates maintenance services, newly awarded at the very close of the year after many months of close working with members of the Association of University Engineers (AUE) and the Association of University Directors of Estates (AUDE). This is the first time LUPC has worked in such close collaboration with estates and FM colleagues, again reflecting the Consortium's reach into new areas for collaborative procurement.

The agreement runs for three years, with an option to extend the term for up to a further 12 months. It is made



**Birkbeck College**

up of five specialist lots, covering fabric maintenance, M&E maintenance, lift maintenance, asbestos and water compliance services, and a sixth 'One Stop Shop' lot for those Members that wish to engage a single firm to provide all their fabric and M&E maintenance services. Benefits of this agreement are:

- An OJEU-compliant route through which LUPC Members can purchase a range of estates maintenance services;
- A framework designed with input from a Project Board and Project Team made up of procurement and estates representatives from across the higher education and cultural sectors;
- Competitive pricing, with elements fixed at framework level and a range of added benefits, including volume, efficiency and modernisation discounts. Suppliers also have the opportunity to improve their pricing through mini-competitions;
- A mix of larger national/multi-national firms and local SMEs, with proven experience delivering these services to higher education, further education, research and cultural sectors, as well as the wider public sector and private sector.

Following the wide interest generated by our new agreements, LUPC's Board has opened them up to those Members of our sister consortium, SUPC, which are based in London and south-east England. They have been invited to join LUPC as Associate Members, free of charge, to allow them to access these benefits.

"LUPC continued to develop its website, with a number of new features enabling Members to access information they need more easily"

### Sustainability

As part of English National Procurement (ENP), we have continued to support the work of higher education's Sustainability Centre of Procurement Excellence. The Centre provides support to our Commodity and Service Groups when determining specifications and award criteria for new supply agreements.

We are also aware of the impact our collective spend has on London's local economy, particularly with regard to SMEs.



## Southbank Centre

In establishing our new supply agreements for both legal services and estates maintenance services, we ensured that both our sourcing strategy and our procurement process allowed SMEs to bid on level terms. In both cases, we invited pre-qualified suppliers to a Bidders' Conference, where our procurement process was fully explained, questions answered and where independent experts gave advice to bidders on how best to respond to tender documents. At the conclusion of both procurement exercises, SMEs featured strongly in the line-up of suppliers on both agreements.

### Technology

LUPC continued to develop its website, with a number of new features enabling Members to access the information they need more easily. We also developed and improved our monthly eBulletin, which is now an established medium for communicating with Members and complements our ever-popular quarterly newsletter.

During the year, LUPC formed an important new partnership with BravoSolution to develop its capabilities >

## DIRECTOR'S REPORT

> in spend analysis and eTendering, with opportunities for Members (see opposite).

LUPC has supported the Generic eMarketplace (GeM) project funded by HEFCE, offering more Members the opportunity to purchase goods and services electronically. The project has also replaced the outdated CuPID contracts database.

### The way forward

As we move into 2011-12, Universities UK has published recommendations in its report *Efficiency and Effectiveness in Higher Education* aimed at further reducing costs through collaboration. In short, the report recommends:

- Developing a national body to lead procurement in England (following the Scottish APUC model);
- Establishing a Centre of Excellence to instil best practice;
- Setting a minimum target for English institutions to channel 30% of non-pay spend through collaborative agreements.

LUPC is already working with peer consortia and interested stakeholders through English National Procurement (ENP) and as such will be contributing to the national effort through an operational plan currently in development. ■



Institute of Education

# LUPC'S SPEND

*LUPC Director Andy Davies talks about the partnership forged with BravoSolution and the benefits this offers to both the Consortium and Members*

A shared service like ours can only ever hope to achieve its full potential if it has the right tools to do the job. I used to describe quality data and technology as LUPC's Achilles' heel. As a purchasing consortium with finite resources, we needed to ensure that we were applying them to the areas of greatest potential. As we passed 60 contracts and framework agreements during 2010-11, we could no longer rely on individual Members' speculation and insight to determine where the best opportunities for collaborative procurement lay. Our resources were too valuable to be deployed onto projects that delivered anything other than big-ticket savings for our Members. We needed to inform our strategic planning using the best possible analysis techniques and the best available technology.

For some years, our Members have sent us summary supplier spend data, often straight from their bought ledger systems. Until this year, our efforts to identify opportunities from the data we had were limited both by the functionality of the software we had available and the extent to which we could manage data cleansing and classification in-house – without either specialist expertise or extensive resources, this presented us with an often lengthy and costly task. And without the right techniques or technology to analyse the data, there was always the danger that our efforts to gather evidence on our Members' spending trends, or identify the most lucrative opportunities (in ROI terms for our Members) would be less than fruitful.

Last year, I led discussions with a number of potential spend analysis providers, in the hope of finding the right partner to work with LUPC. We had a big data analysis problem and a small budget. Many providers we talked to saw us merely as a collection of potential customers, rather than a single customer with a complex requirement. Although their offerings were often high quality, with years of experience and a high degree of



# ANALYSIS SHARED SERVICE

utility, their commercial proposals were still predicated on selling their services to our Members individually, albeit usually at a discount. But this didn't help us at all. To meet our needs at LUPC, we needed to be able to include all of our Members' data, not just those who took up the offer. We certainly couldn't afford to make the kind of investment the providers were calling for.

At this point, I should explain that LUPC is on a journey with data analysis. In time, we want to be able to offer our Members the complete data management and analysis service right down to line-item detail. In the long term, our service will support our Members with the full range of cost-reduction measures: contract compliance,

“BravoSolution's in-depth analysis service is available to LUPC Members at hugely discounted rates, with price points that will make the proposition attractive to even the smallest institutions”

demand management, vendor and product rationalisation, resource planning, improving supply chain efficiency and even sustainability. But for now, all we wanted to do was to be able to analyse effectively the summary supplier spend data our Members were sending us. Our Members may well wish to do more than that individually, but not all will be ready at the same time. What we needed was a partner who would be willing to allow us to analyse all of our summary spend data at a high level, in order to spot the best opportunities for savings across a significant number of Members. They would offer this service to LUPC at low cost, in view of the great potential for individual Members to subscribe to a more detailed spend analysis service, thereby offering further benefits to Members of an analysis of far greater depth and complexity than LUPC (currently) needs. This called for a leap of faith on the part of a visionary provider and I began to think I wouldn't find one. And then, at a business book launch, I met Nader Sabagghian, CEO of BravoSolution.

The functionality offered by BravoSolution's web-based analysis tool is rivalled only by the imagination of their people. Once we'd hammered out a deal, BravoSolution got on with the task of cleansing and classifying the data, for every Member who had sent us their data. Within days we were able to interrogate the data intelligently and this key analysis was used to inform our live projects straight away, in particular LUPC's Estates Maintenance Services project, which was active throughout much of 2010-11 and was awarded just as the new academic year began. The analysis informed the project team's choice of service lots – fabric maintenance, M&E, water management and so on – so that the new agreement would have the greatest utility for our Members and the biggest impact on the bottom line.

BravoSolution's imaginative approach has extended to their individual Member offering. Their in-depth analysis service is available to LUPC Members at hugely discounted rates, with price points that will make the proposition attractive to even our smallest institutions.

And as we enter the new academic year, our partnership with BravoSolution has now widened to include the establishment of a Shared eSourcing Portal for LUPC and its Members. This is another high quality product that permits electronic tender process management, again with tried and tested functionality, including automated tender evaluation. Once again, Members have the opportunity to share in the portal at a massively reduced price, meaning that even the smallest institution can afford to realise the significant benefits of employing this technology in their procurement and contract management operations.

More details on the benefits for Members are available via the LUPC website [www.lupc.ac.uk](http://www.lupc.ac.uk). ■

# MARKETING AND COMMUNICATIONS

## Media

During the year, we have appeared in a number of articles in *Supply Management*, *Times Higher Education*, *University Business* and on the *Spend Matters UK* website. Not only does this exposure raise LUPC's profile, but it also helps promote our fantastic new range of agreements, generating interest from organisations in Associate Membership.

## LUPC website

We were very proud to launch our new website during the year. It's now bigger and brighter than ever before, offering our Members the ability to get to the information they need about our supply agreements quickly and easily. This is fundamental to our strategy to encourage our Members

to gain full benefit from our supply agreements. The most significant feature is that information about our agreements is drawn directly from the new GeM contracts database, meaning that any new agreements added to GeM automatically populate the website. The website is also constantly updated with the latest news, meeting minutes and events and has also proved attractive to a number of prospective new Members.

## Member engagement

LUPC now offers 66 agreements that we market directly to our Members through a number of different media including the website, monthly eBulletins and our popular quarterly newsletter. We are now developing a pack of briefing sheets for the majority of our agreements and highlighting their benefits. Packs will be distributed to each institution, with updates available to download from GeM and issued with each newsletter.

"For the second year running, LUPC was short-listed for the *Times Higher Education Leadership and Management Awards*"

Similarly, this year all our Members received an annual statement highlighting their estimated savings, while some institutions that submitted their annual supplier spend data were able to receive 'leakage' reports, helping to identify where additional savings can be achieved by using LUPC agreements.

Circulation of LUPC's newsletter increased to 1,300 with the format improved to match the LUPC Annual Report design for 2009-10. Our eBulletins continue to be popular and informative, providing Members with more regular



Croydon College

updates and links to more information online. LUPC now also produces an excellent legal digest specially for Members, circulated three times a year. Feedback to date has been very positive.

### Events

For the second year running, LUPC was short-listed for the *Times Higher Education Leadership & Management Awards* in the category of Outstanding Procurement Team. Although we tasted defeat once again this year, LUPC's entry was highly commended by the judges.

LUPC and EGS (sellers of Parabilis) ran three free events for Members on the process of implementing an integrated eMarketplace solution. In October 2010, LUPC arranged a prestigious event to promote the new LUPC website and five new agreements for Legal Services, Business Travel, Library Periodicals, Specialist Arts and General Library Supplies, which was attended by around 100 Members. One Member commented:

*"Without doubt, all LUPC agreements are important and useful to Members, and the new Legal Services agreement is certainly a most welcome addition, especially in light of the current climate where access to specialist legal advice is essential to public sector organisations. I was particularly impressed with the launch event, which was a real winner, both for suppliers and users. It allowed both parties to meet and discuss opportunities in an informal setting. The Autumn Show must have taken a considerable amount of organising but was clearly very productive and beneficial to all who attended. I would certainly attend any further launch events and encourage colleagues to do so."*

A summer garden party was held in June and was attended by 82 Member representatives and 179 suppliers. The format included a presentation from BravoSolution, an update from the GeM team, and a presentation by a team from Queen Mary, University of London on airline



## Kingston University

'route deals'. This was followed by an Extraordinary General Meeting where Members voted for new Articles of Association, updated to incorporate the Companies Act 2006. The highlight was a social event with a string quartet from the Royal College of Music.

During the year, LUPC also supported other Member events such as a business travel exhibition at Queen Mary, University of London, LUPC's bi-annual insurance seminar and an event promoting the sustainable procurement of laboratory equipment and supplies. We also ran a number of free legal seminars for our Members. ■

# PROCUREWEB

During the year, JISC Procureweb reviewed its strategic vision, aims and values, but is awaiting the outcome of the wider JISC review before undertaking stakeholder consultative engagement.

## Generic eMarketplace (GeM)

As the year closed, the sector saw the launch of GeM - the new Generic eMarketplace and contracts repository for higher and further education. JISC Procureweb is managing the GeM solution, which is now operational.

Use of the system is restricted to authorised staff only. GeM is owned and operated by the sector, for the sector, and will only contain sector-negotiated and approved contracts. GeM is free at point of use.

GeM's click-and-buy marketplace operates in much the same way as Amazon. It allows users to buy many of their day to day needs, including both goods and services. On GeM's website, Members can find out more about which suppliers are available now, and which are being progressed over the coming months. Payment for orders placed is via a corporate payment card, which means it can operate on a stand-alone basis, without integration with finance systems.

The benefits of GeM are:

- Significantly reduced transaction processing costs for participating institutions;
- Improved compliance with local and collaborative procurement arrangements, leading to reduced purchase costs and greater volume discounts; and
- Vastly improved information on spend, supporting the identification of further opportunities for reducing cost.

The GeM contracts database has replaced CuPID, the Central Universities Purchasing Information Database. It is faster, smarter and easier to use than CuPID. Institutions are able to load their own contracts, with the first 50 (HE) or 10 (FE) free. Existing HEI's using CuPID for their own contracts

have special arrangements. Full training is offered for all involved with contract loading and maintenance.

The project is testament to the combined project team, drawn from our partner @UK PLC, Procureweb and the higher education sector. The timescales were testing for a national project, with contract award in April 2011 to the go-live in August.

"The benefits of GeM include significantly reduced transaction processing costs for participating institutions"

Ronald Duncan, Chairman of @UK PLC commented: *"This is a landmark project from a number of different perspectives: its scale; speed to deploy; and the fact that it will become self-funding within its first two years. The GeM model has generated significant interest both in the UK and overseas and we look forward to showcasing its success."*

## Xchange

JISC Procureweb launched an upgrade of its Xchange online portal in January 2011.

The system enables institutions to advertise and sell surplus equipment to other institutions, helping institutions to meet their sustainability targets to reduce waste and provide savings.

## Procurement efficiency survey

JISC Procureweb is managing the operational requirements for the Procurement Efficiency Survey, including Efficiency Measurement Model (EMM) data and Best Practice Indicator (BPI) data. ■



# ADDED VALUE BENEFITS

## Guaranteed savings

Our Year in Review (pages 14-15) gives an indication of the typical savings that can be achieved by switching to LUPC agreements and we can help you by providing 'leakage' reports based on your spend information. There is also a reduction in tendering costs for both buyers and suppliers.

## Guaranteed compliance

Through a combination of EU directives and UK case law, public procurement is becoming increasingly complex and vulnerable to litigation. All LUPC contracts and framework agreements are tendered by experts and are compliant with all relevant rules and regulations, thus minimising the risk of legal challenge.

## Access to a diverse portfolio of professionally arranged contracts

LUPC currently has 66 agreements in place, and is constantly adding to this portfolio.

## Huge discounts exclusively for LUPC Members on Spend Analysis Shared Service with BravoSolution

You can access a whole series of reports using a web-based system rich in functionality, allowing you to carry out your own detailed analysis to help identify trends and procurement buying or process savings for your institution. There are also discounts available for BravoSolution's eSourcing Portal.

## Free access to Creditsafe

Access is available to credit referencing via a fast, consolidated, electronic means in order to reduce business risk while saving considerable expense.

## Free access to EU procurement advice

If you have a particular EU problem with the status of a procurement strategy or project under the legislation you can also get prompt free advice from Achilles through the LUPC agreement.

## Free membership of The Energy Consortium (TEC)

Membership of The Energy Consortium (TEC) is included in your LUPC membership fee so you can put all your energy procurement through them.

## A monthly eBulletin and quarterly newsletter

Find out the latest on procurement projects, issues and the goings-on within LUPC. Members also receive an individual savings report annually.

## Excellent opportunities for collaboration

LUPC provides networking opportunities with colleagues from different institutions to share best practice. ■



**Courtauld Institute of Art**

# THE YEAR IN REVIEW



Commodity	Estimated Saving	Type of Saving	Rationale	National/Regional	Lead Consortium
<b>Arts</b>					
Art Supplies	New!			National	APUC
Photographic Eqpt & Consumables	New!			National	NEUPC
<b>Energy</b>					
Electricity 100kW+ sites	£995,000	P6	Volume-related savings against prevailing market prices	National	TEC
Electricity Small Sites	£187,000	P6	Volume-related savings against prevailing market prices	National	TEC
Gas	£303,000	P6	Volume-related savings against prevailing market prices	National	TEC
<b>Estates</b>					
Audio Visual Equipment	£355,000	P9	Benchmarked against best available alternative public sector framework agreement	National	HEPCW
Audio Visual Consumables	£3,000	P9	Benchmarked against best available alternative public sector framework agreement	National	NWUPC
Cleaning	£180,000	P6	Benchmarked against prices previously paid by new agreement users	Regional	LUPC
Electronic Components	£151,000	P1	Discounts increased over last agreement	National	NWUPC
Estates Maintenance Services	New!			Regional	LUPC
Furniture - Office	£466,000	P1	Savings as compared to previous contract	Inter-regional	SUPC
Furniture - Residential	£6,000	P1	5% improvement on previous prices	Inter-regional	NEUPC
Lamps & Tubes (inc White Goods)	£12,000	P7	Price avoidance to minimise or eliminate increased costs	Inter-regional	NWUPC
Removals	New!			National	NEUPC
Safety & PPE	£62,000	P1	Savings as compared to previous contract	National	SUPC
Security Services	£421,000	P6	8% volume discount	Regional	LUPC
Sports, Gym & Fitness Equipment	New!			National	CPC

Commodity	Estimated Saving	Type of Saving	Rationale	National/Regional	Lead Consortium
<b>ICT</b>					
Desktops	£924,000	P9	Benchmarked against best available alternative public sector framework agreement	National	LUPC
Notebooks	£267,000	P9	Benchmarked against best available alternative public sector framework agreement	National	LUPC
Servers & Storage	£1,942,000	P1	Improved prices of between 10% and 22% against best available alternative public sector framework agreement and previous prices paid	National	SUPC
Apple Computers	£2,054,000	P9	Savings of approximately 15% compared with tier-one reseller prices	National	HEPCW
Hardware Maintenance & Disaster Recovery	£17,000	P1	22% saving based on previous contract prices	National	SUPC
IT Related Accessories & Parts	£43,000	P7, P9	Savings of 4% on standard education prices plus additional savings on carriage prices	National	SUPC
Network Hardware	£5,000	P6	Benchmarked against prices previously paid by new agreement users	National	NEUPC
Printers & Peripherals	£26,000	P9	2% saving compared with other public sector agreements, 3% saving on 10% of expenditure for extended warranties	National	NEUPC
Telecoms - Mobile	£654,000	P6	Saving of 15% against prevailing market prices	National	GPS
Telecoms - Transmission Services	-			National	JANET(UK)
Telecoms - SMS Messaging	-			National	JANET(UK)
UPS Equipment	£2,000	P6	Benchmarked against prices previously paid by new agreement users	Inter-regional	NEUPC
<b>Insurance</b>					
	£4,253,000	P6	Saving of 30% against previous insurer's renewal terms verified by benchmark with new Members.	Regional	LUPC
<b>Laboratory</b>					
Laboratory Consumables	£2,949,000	P6	Benchmarked against prices previously paid by new agreement users	Regional	LUPC
Laboratory Equipment	£734,000	P6	Benchmarked against prices previously paid by new agreement users	Regional	LUPC
Laboratory Gases	£1,815,000	P9	Difference between HE prices and average market prices for similar volumes	National	LUPC
Microscopes & Imaging	N/A	P1	Benchmarked against prices previously paid by new agreement users	National	APUC
Mass Spectrometry & Chromatography Equipment	N/A	P1	Benchmarked against prices previously paid by new agreement users	National	APUC
Molecular Consumables	£15,000	P6	Benchmarked against prices previously paid by new agreement users	National	APUC
Oligo Bases	£23,000	P6	Benchmarked against prices previously paid by new agreement users	Inter-regional	SUPC
Fine Chemicals	N/A			National	NWPLS
Radio Chemicals	N/A			National	NWPLS

Commodity	Estimated Saving	Type of Saving	Rationale	National/Regional	Lead Consortium
<b>Library</b>					
Library Books	£193,000	P1	Savings as compared to previous contract	Inter-regional	SUPC
Library Security (RFID)	£31,000	P1	Benchmarked against prices previously paid by new agreement users	Regional	LUPC
Library Periodicals	£185,000	P6	Based on volume related discounts and operational efficiencies	Inter-regional	LUPC
Specialist Arts Service	£24,000	P1	Benchmarked against prices previously paid by new agreement users	Inter-regional	LUPC
General Library Supplies	£24,000	P1	Benchmarked against prices previously paid by new agreement users	National	LUPC
<b>Office</b>					
Office Supplies & Computer Consumables	£4,413,000	P9	Average savings of 37% on computer consumables and 8.6% on stationery compared to best available alternative public sector framework agreement	National	LUPC
Photocopiers & MFDs	£349,000	P9	Benchmarked against best available alternative public sector framework agreement	National	NPWG
Postal Services & Franking Machines (5 agreements)	£287,000	P6	Difference between HE prices and average market prices for similar volumes	National	NPDSWP
Recycled Paper	£30,000	P9	7% saving based on price difference between best and second best price tendered	National	NWUPC
<b>Professional Services</b>					
Debt Collection	£27,000	P6	Tendered savings.	Inter-regional	LUPC
Legal Services	£251,000	P6	Benchmarked against prices previously paid by new agreement users	Regional	LUPC
Recruitment Advertising	£7,000	P1	Savings as compared to previous contract	National	SUPC
Temporary Agency Staff	£636,000	P1	Average 14% saving relating to reduced margin and volume discounts	Regional	LUPC
<b>Travel</b>					
Business Travel Booking Service	£1,424,000	P6	Tendered savings	Regional	LUPC
Vehicle Hire	£4,000	P1, P9	Savings against previous agreement and non-framework rates.	Inter-regional	SUPC
<b>Total</b>	<b>£26,749,000</b>				

### Key to Types of Saving

**P1** Difference between original price and new price (from quotation/tender)

**P6** Aggregation of demand leading to volume discounts; only where budgets reflect historically different practice that did not attract such discounts

**P7** Price management; applying awareness of price trends to either achieve net savings, or 'price avoidance' to minimise or eliminate increased costs

**P9** Difference between successful bid and another comparable bid e.g. another public sector consortium agreement.

### See our website [www.lupc.ac.uk](http://www.lupc.ac.uk) for full details of our supply agreements

Please note that calculation of these savings is based on agreement expenditure figures given to LUPC by suppliers.



# COMMODITY GROUP REPORTS

13 NEW AND RENEWED AGREEMENTS IN 2010/11; 66 AGREEMENTS IN TOTAL

## ENERGY

LUPC continues to offer Members a collaborative energy procurement solution run specially for the needs of the higher education sector through our partner and service provider The Energy Consortium (TEC).

Members awarded contracts for the supply of electricity to over-100kW sites to British Gas, Corona Energy, EdF, E-ON, Gaz de France, Haven Power, Npower, Opus Energy, Scottish & Southern Energy and ScottishPower, saving an average of 6% when compared with prevailing market prices. Electricity for smaller sites is being supplied to participating Members through Scottish & Southern, saving an average of 11% compared with market prices. Contracts for the supply of gas were awarded to Gazprom, saving 5% compared with market prices.

Agreement Spend	2010/11 Spend (£m)	2009/10 Spend (£m)
Electricity 100kW+ sites	15.9	14.6
Electricity Small Sites	1.5	1.4
Gas	5.9	5.4

## ESTATES

As the year closed, LUPC awarded a brand new regional agreement for estates maintenance services following an intensive procurement process, with input from a Project Board and Project Team made up of procurement and estates representatives from across the membership. The framework was awarded to 20 contractors spread over five specialist lots, covering building fabric maintenance, M&E maintenance, lift maintenance, asbestos and water compliance services, and a sixth 'One Stop Shop' lot for those Members that wish to engage a single firm to provide all their fabric and M&E maintenance services.

New agreements were also awarded for Office Equipment, Safety & PPE, Removal Services and Sports Equipment

to add to the wide range of estates goods and service agreements on offer to Members. Usage of LUPC's frameworks for Cleaning (Ocean and ISS) and Security Services (CIS Security) also grew significantly during the year, pending their renewal in 2012.

Agreement Spend	2010/11 Spend (£m)	2009/10 Spend (£m)
Audio Visual Equipment	3.6	1.0
Audio Visual Consumables	0.04	0.04
Cleaning	2.8	2.3
Electronic Components	1.3	1.2
Estates Maintenance Services	New!	-
Furniture - Office	2.9	3.6
Furniture - Residential	0.1	0.02
Lamps & Tubes, inc. White Goods	0.1	0.2
Removals	New!	-
Safety & PPE	0.04	0.06
Security Services	4.8	2.8

## INSURANCE

Two further Members, Trinity Laban Conservatoire of Music and Dance and Barnet College took up our insurance agreement during the year, along with the University of London Union.

In April, over 40 people attended a highly successful Insurance Seminar at the Wellcome Trust, now a firm fixture on LUPC's annual events calendar. Several new Members signed up to the 'benchmarking club' that allows cross-visibility amongst Members via the Aonline service.

Agreement Spend	2010/11 Spend (£m)	2009/10 Spend (£m)
Insurance	9.9	9.7

## ICT

The National Desktop and Notebook Agreement (NDNA), led by LUPC, continues to offer Members excellent value for money as the series of rigorous quarterly supplier relationship management meetings continue, ensuring that the agreement will always offer benchmarked savings and first class service to the sector.

New agreements were awarded as the year closed for Data Centre Management Equipment and for Routing and Switching Equipment, while a procurement process was well underway to establish a new national agreement for Printers and Peripherals, to commence in late 2011.

Agreement Spend	2010/11 Spend (£m)	2009/10 Spend (£m)
Data Centre Management Equipment	New!	-
Desktops	5.3	9.0
Notebooks	1.9	2.6
Servers & Storage	7.6	6.4
Apple Computers	11.6	11.3
Hardware Maintenance & Disaster Recovery	0.03	0.1
IT Related Accs and Parts	1.0	0.8
Network Hardware	0.2	0.6
Printers and Peripherals	0.5	0.5
Routing & Switching Equipment	New!	-
Telecoms – Mobile Comms	3.7	1.2
Telecoms – SMS Messaging	Neg	-
Telecoms – Transmission Services	-	-
UPS Equipment	0.02	Neg

## LABORATORY

Two more new national laboratory framework agreements were awarded this year, thus widening our laboratory category still further. Both are available for LUPC Members. In January, LUPC Member the Health Protection Agency awarded an agreement for Molecular Consumables in three lots, followed in June by a new agreement for Oligo Bases, this time awarded by our colleagues at SUPC.

These complement our Laboratory Consumables, Equipment and Gases frameworks, which remain an important part of our portfolio, with regular core list analyses, price reviews and contract management

meetings with our suppliers to ensure best possible value for Members. Our Gases agreement continues to offer major savings for Members in comparison to the open market, despite the rising cost of energy and raw materials on the global marketplace.

Agreement Spend	2010/11 Spend (£m)	2009/10 Spend (£m)
Laboratory Consumables	7.2	7.2
Laboratory Equipment	2.1	2.4
Laboratory Gases	1.8	1.6
Microscopes and Imaging	N/A	New!
Mass Spectrometry and Chromatography Equipment	N/A	New!
Molecular Consumables	New!	-
Oligo Bases	New!	-
Fine Chemicals	N/A	New!
Radio Chemicals	N/A	New!

## LIBRARY

The framework agreements in our library category enjoyed another busy year and proved particularly attractive to some of our new Members, notably the British Council. Our Autumn Show at Senate House in October showcased our new agreements for Periodicals, General Library Supplies and our Specialist Arts Service for libraries.

As the year closed, two new library sub-groups were established, firstly to examine efficiencies that could be generated by standardising the processing of books and other library materials across HEIs and secondly to determine the strategy for the collaborative procurement of library periodicals from 2012.

Falling spend through the Library Security (RFID) agreement led our Executive Committee to approve its retirement when the agreement expires in early 2012.

Agreement Spend	2010/11 Spend (£m)	2009/10 Spend (£m)
Library Books	6.4	5.7
Library Security (RFID)	0.1	0.7
Library Periodicals	8.7	8.7
Specialist Arts Service	0.1	0.1
General Library Supplies	0.1	0.1

## OFFICE

LUPC led the procurement process for a new framework agreement for Office Supplies and Computer Consumables, which commenced just as the year drew to a close. Our strategy saw a cost-plus pricing policy and a greater concentration of spend among fewer suppliers, namely Banner Business Services, XMA and Office Depot, delivering significant additional savings for Members.

April saw the commencement of new agreements for Same Day Courier Services, Transportation and Shipment of Dangerous Goods and UK and Overseas Parcel Services, managed for the sector by Nottingham Trent University.

Agreement Spend	2010/11 Spend (£m)	2009/10 Spend (£m)
Office Supplies and Computer Consumables	12.6	12.4
Photocopiers and Multi-Functional Devices	3.3	2.2
Postal Services and Franking Machines	2.6	2.7
Recycled Paper	0.4	0.5

## PROFESSIONAL SERVICES

The first year of LUPC's framework agreement for legal services saw 28 Members sign up and spend break through the £1m barrier. With 13 firms available in eight specialist practice areas, including Education and Student Matters and Medical Law, and a One Stop Shop lot, Members are saving typically 20% on their legal costs.

The agreement featured at LUPC's Autumn Show in October and spawned a number of additional benefits for Members, including a series of free legal seminars on a range of topics relevant to the sector and the regular publication of a legal digest keeping Members informed on key developments in the legal environment.

Agreement Spend	2010/11 Spend (£m)	2009/10 Spend (£m)
Advertising	0.7	2.7
Debt Collection	0.1	0.2
Legal Services	1.0	New!
Temporary Agency Staff	4.0	3.6

## TRAVEL

Spend under the new Business Travel Services framework agreement increased during the year as more Members enjoyed its benefits.

In July, our Member, Queen Mary, University of London, hosted a successful Business Travel event for Members, showcasing its 'route deal' for air travel between the UK and China, which is open to Members offering significant cost savings. ■

Agreement Spend	2010/11 Spend (£m)	2009/10 Spend (£m)
Business Travel Services	7.0	5.9
Vehicle Hire	0.04	0.05

## SUSTAINABLE PROCUREMENT CENTRE OF EXCELLENCE (SPCE)

Now in its second year, the SPCE has developed a good presence within the sector through the website and engagement with individual institutions. Nationally, a total of 84 delegates have been trained at 24 institutions during the year.

The Centre is currently in the process of rolling out the one-day module 'Train the Trainer' programme, which aims to train consortia and institutions as trainers themselves. After the session, these trainers will be able to deliver the training to their Members and staff. The Centre continues to support contracts at a consortium and individual institution level, and is currently supporting the National Furniture and NEPA agreements, as well as working closely with the Joint Contracting Programme.

In the coming year, the SPCE will be sponsoring the Green Gown Awards Sustainable Procurement category, which acknowledges exceptional initiatives by universities and colleges across the UK. By the end of 2011, the SPCE also plans to re-launch its website, which will offer users increased ease of use and allow them to reach the information they are seeking quicker.

For more information please visit:  
<http://spce.procureweb.ac.uk>

# ACCOUNTS

## Income and Expenditure Account

for the Year Ended 31 July 2011

	2011		2010	
	£	£	£	£
<b>Turnover</b>		<b>608,164</b>		<b>729,876</b>
Staff costs	366,533		339,514	
Depreciation	1,544		2,994	
Other operating charges	<u>176,176</u>		<u>174,975</u>	
		<b><u>544,273</u></b>		<b><u>517,483</u></b>
<b>Operating surplus</b>		<b>63,891</b>		<b>212,393</b>
Interest Receivable and similar income		<u>3,614</u>		<u>1,660</u>
<b>Surplus on ordinary activities before taxation</b>		<b><u>67,505</u></b>		<b><u>214,053</u></b>
Tax On surplus on ordinary activities		<u>14,385</u>		<u>18,633</u>
<b>Surplus for the financial year</b>		<b><u>53,120</u></b>		<b><u>195,420</u></b>

Note: Included within turnover for 2010 is income received in relation to the Conference on University Purchasing (COUP) amounting to £127,562.

### Directors' statement

The Income and Expenditure Account and Balance Sheet set out on pages 20 and 21 are extracts from the full statutory accounts which were approved by the Directors on 2 December 2011 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 the Registrar of Companies.

### Auditors' statement

We have examined the Income and Expenditure Account and Balance Sheet set out on pages 20 to 21 and confirm that these statements have been accurately extracted from the full statutory accounts for the year ended 31 July 2011.

Knox Cropper, Chartered Accountants  
8/9 Well Court London EC4M 9DN



**Balance Sheet**

31 July 2011

	2011		2010	
	£	£	£	£
<b>Fixed assets</b>		<b>2,090</b>		<b>3,634</b>
Tangible assets				
<b>Current assets</b>				
Debtors	86,553		121,976	
Cash at bank and in hand	<u>379,714</u>		<u>305,318</u>	
	466,267		427,294	
<b>Creditors</b>				
Amounts falling due within one year	59,120		74,811	
<b>Net current assets</b>		<b><u>407,147</u></b>		<b><u>352,483</u></b>
<b>Total assets less current liabilities</b>		<b><u>409,237</u></b>		<b><u>356,177</u></b>
<b>Reserves</b>				
Income and Expenditure account		<b><u>409,237</u></b>		<b><u>356,117</u></b>
		<b><u>409,237</u></b>		<b><u>356,117</u></b>

# MEMBER INSTITUTIONS

## Full Members

Barking College  
Barnet College  
Birkbeck College  
British Council  
British Film Institute  
British Library  
British Museum  
Central School of Speech and Drama  
City Literary Institute  
Courtauld Institute of Art  
Conservatoire for Dance and Drama  
*London Contemporary Dance School*  
*Royal Academy of Dramatic Art*  
*Bristol Old Vic Theatre School*  
*Northern School of Contemporary Dance*  
*Central School of Ballet*  
*The Circus Space*  
*London Academy of Music and Dramatic Art*  
*Rambert School of Ballet and Contemporary Dance*  
ConstructionSkills  
Croydon College  
Ealing, Hammersmith and West London College  
Equality Challenge Unit  
Goldsmiths, University of London  
Guildford College  
Havering College of Further and Higher Education  
Health Protection Agency  
Heythrop College  
Imperial War Museum  
Institute of Cancer Research  
Institute of Education  
Institute of Zoology  
International Students House  
JANET  
Kingston College  
Kingston University  
Lambeth College  
London Business School  
London Deanery  
London Metropolitan University  
London School of Business and Finance  
London School of Economics and Political Science  
London School of Hygiene and Tropical Medicine  
London South Bank University  
Museum of London  
National Archives  
Natural History Museum  
National Museum of Science and Industry (NMSI)  
Science Museum London  
National Railway Museum  
National Media Museum  
Science Museum Swindon  
Newham College  
North East Surrey College of Technology (NESCOLT)  
Queen Mary, University of London  
*St Bart's & The Royal London School of Medicine & Dentistry*  
Ravensbourne College of Design and Communication  
Redbridge College  
Richmond Adult Community College  
Richmond upon Thames College  
Royal Botanic Gardens, Kew  
Royal College of Art  
Royal College of Music  
Royal College of Surgeons

Royal Holloway, University of London  
Royal Veterinary College  
School of Oriental and African Studies  
School of Pharmacy  
South Thames College  
Southbank Centre  
Southwark College  
South West London and St George's Mental Health NHS Trust  
St George's, University of London  
Trinity Laban Conservatoire of Music and Dance  
*(formerly Trinity College of Music)*  
University of East London  
University of Greenwich  
University of London  
University of the Arts London  
University of Westminster  
Victoria and Albert Museum  
Wellcome Trust  
KCollege *(formerly West Kent College)*  
Westminster Kingsway College  
Woodhouse College  
Working Men's College

## Associate Members (Office Supplies)

Alcohol Education and Research Council  
Audit Commission  
Avon and Somerset Constabulary  
Bradford College  
Cambridgeshire and Peterborough Probation Trust  
Cheltenham Borough Council  
Cotswold District Council  
Crown Prosecution Service  
Electoral Commission  
Falkirk Council  
Fire Service College  
Food Standards Agency  
Gwent Probation Board  
Identity and Passport Services  
Independent Police Complaints Commission  
Kent Probation  
Lancashire County Council  
Lancashire County Council Schools  
National Audit Office  
National College of Leadership of Schools and Children's Services  
Serious Fraud Office  
Somerset County Council  
Youth Justice Board

## Associate Members (Legal Services)

University of Hertfordshire

## Associate Members (Insurance)

Brunel University  
City University  
King's College London  
Roehampton University  
University of West London  
University College London  
University of Bath  
University of Buckingham  
University of Essex  
University of Hertfordshire  
University of Portsmouth  
University of Southampton  
University of Surrey

# BOARD MEMBERS

**Wendy Surridge (Chair)** (Until 2 December 2011)  
Secretary & Registrar  
London School of Hygiene & Tropical Medicine

**Marcus McDonald (Deputy Chair)**  
Director of Finance & Estates  
Royal College of Music

**Mark Bery** (From 2 December 2011)  
Director of Finance  
St George's, University of London

**Richard Flatman**  
Director of Finance  
London South Bank University

**Professor Neil Garrod**  
Deputy Vice-Chancellor (Resources)  
University of Greenwich

**Carole Mainstone** (From 2 December 2011)  
Registrar & Secretary  
University of Westminster

**Azim Sachedina**  
Head of Financial Operations & Systems  
Kingston University

**David Sanders**  
Director of Estates  
Natural History Museum

**Andy Davies**  
Director  
London Universities Purchasing Consortium

# EXECUTIVE COMMITTEE MEMBERS

**Alasdair Fraser**  
Head of Procurement  
The British Library

**Rob Godfrey**  
Head of Purchasing  
Queen Mary, University of London

**Penny Green**  
Head of Procurement  
London South Bank University

**Alan Hill**  
Purchasing Manager  
Institute of Cancer Research

**Colette McArdle**  
Head of Strategic Procurement Unit  
London Metropolitan University

**Adrian Moody**  
Head of Category Procurement  
Estates & Facilities Management  
Kingston University

**Margaret Newson**  
Purchasing Manager  
London School of Economics & Political Science

**Chris Philpott**  
Purchasing Manager  
University of East London

**Sue Weston**  
Head of Procurement Unit  
JANET

**Andy Davies**  
Director  
London Universities Purchasing Consortium

**London Universities Purchasing Consortium**

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