

LONDON  
UNIVERSITIES



PURCHASING  
CONSORTIUM

# LUPC Annual Review 2015-2016

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New Agreements

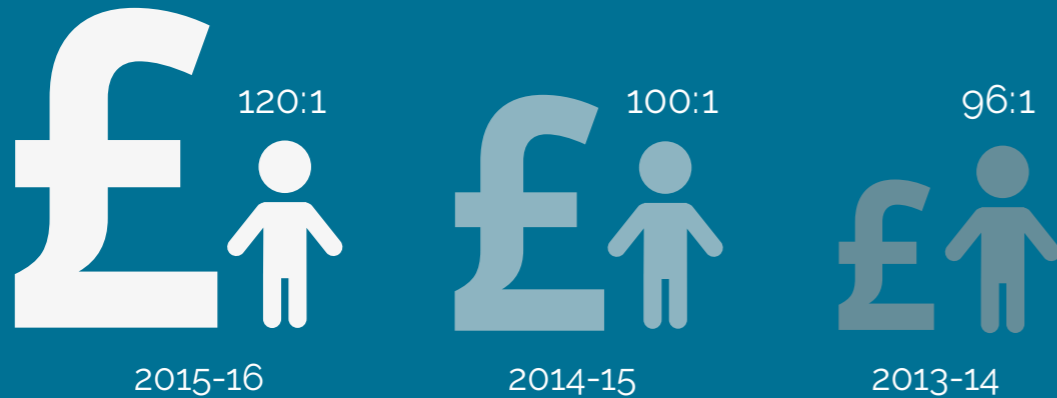
Chair's & Director's Reports

Summary Of Results

# Summary of Results

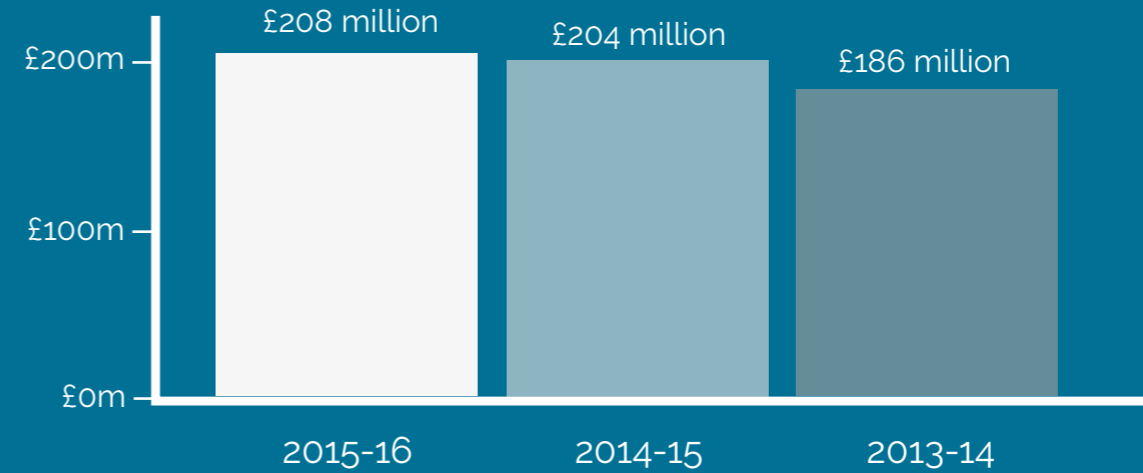
## Average return on investment per Member

Comparing every £1 of membership fee against every £1 of savings made



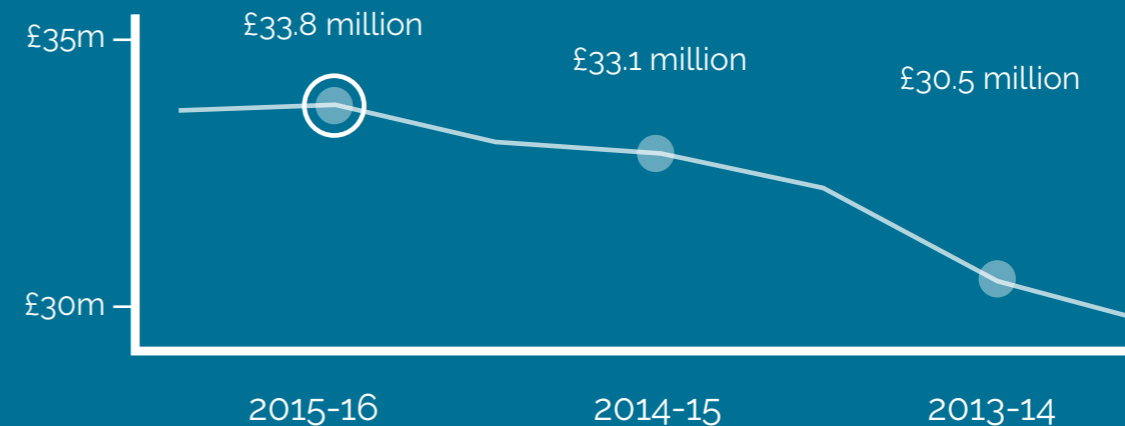
## Consortium expenditure

Total Member spend through our agreements



## Member savings

Collaborative savings figures



**“I have found LUPC to be extremely helpful and responsive in managing their frameworks and addressing Member queries quickly. With the back-up of the consortium, I also have greater confidence in dealing with suppliers on the odd occasion that issues arise. I’ve been really impressed.”**

Anselm Nye, Resources & Collections Manager, Queen Mary University of London

# Chair's Report

I'm very proud to present our Annual Review 2015-16 to you, our community of LUPC Members and suppliers.

In a challenging environment where budget cuts, Brexit and an increased focus on the student experience all demand that universities provide better value, our consortium has continued to provide excellent value through collaborative procurement for our Members.

We bid a warm welcome to Alexandra Park and Palace Charitable Trust, NBI Partnership, Teach First and Sotheby's Institute of Art as our new Members this year.

Our team of experienced procurement professionals has been particularly busy this year, awarding new supply agreements in library periodicals, cleaning services, security services, laboratory equipment and laboratory gases, all developed and tendered with the direct involvement of Member representatives. Our experts also participated in the award of agreements for the supply of Apple products, servers and storage among other projects led by our sister consortia across the UK.

We're also well on-track to achieve our strategic aim to become a leader in responsible public procurement, such that we can attain better value in the acquisition of goods and services without causing harm to others. Not only are we leading the way in responsible collaborative procurement in our own sector, we are also working to promote respect for human rights in supply chains across the wider UK public sector and internationally.

As Chair, my priority remains the betterment of our value proposition for every Member and I look forward to another busy year and the challenges ahead.

**Dr Andrew Young**  
*Chief Operating Officer,  
London School of Economics  
and Political Science*



“As Chair, my priority remains the betterment of our value proposition for every Member.”

# Director's Report

At LUPC, we're very much aware that our Members have a choice in how they procure essential goods and services. So we're constantly looking for ways to enhance the value our Members get from buying through our supply agreements, and this past year has been no exception. So why should Members use LUPC framework agreements?

- Our agreements are the result of genuine collaboration, meaning that our Members get to buy high quality goods and services through agreements made by people working in the sector.
- They're now much easier to use. This year we collaborated with our sister consortia to implement a brand new database, HE Contracts, so that all the information you need is easily to hand through our secure website.
- Members are assured that every agreement is compliant with the Public Contracts Regulations. Whether or not your organisation is bound by these requirements, you know each agreement has been professionally awarded following a transparent, auditable and non-discriminatory process.
- Our suppliers compete hard for your business, meaning that Members using our agreements enjoy great value through our collective buying power. Together we are a major customer for our suppliers, meaning that on those rare occasions when things go wrong, we have the ability to put them right.
- LUPC is now acknowledged as a leader in responsible procurement. More and more of our suppliers are working with us to address social, economic and environmental issues and promote respect for human rights, while one in three suppliers on LUPC-led agreements are small- and medium-sized enterprises.

**Andy Davies**  
*Director, LUPC*



“Members using our agreements enjoy great value through our collective buying power.”



# New Agreements

This year saw the award of the first public sector framework agreement for ethical smartphones in the country, tendered and awarded by LUPC. The Phone Co-op is now appointed to supply the Fairphone 2 to LUPC Members at a discounted price. The national agreement is a major sign of LUPC's commitment to responsible procurement and was endorsed by all of the other regional university purchasing consortia, who have fully signed up to the Electronics Watch clauses included under the contract. This agreement is available to other consortium members, as well as staff and students across the UK.

The new Library Serials, Periodicals and Associated Services framework started in May 2016 and a launch event took place at The British Library. We are actively involved in the project to deliver a new national Books agreement in 2017, which will include the opportunity for staff and students to take advantage of discounted pricing.

LUPC has had significant input into the procurement process for a number of ICT-related agreements over the year, in particular the Apple Products agreement, Servers and Storage and for Software Resellers. The national Apple agreement started in April 2016, again including clauses set out by Electronics Watch on LUPC's insistence that the consortia demonstrate their commitment to protecting workers' rights in the global supply chain of ICT equipment. New agreements for Servers and Storage and Software, went live in December 2016.

The consortium appointed an insurance broker following a competitive tender process in July 2016. The successful bidder was the incumbent, AJG. The broker will meet with individual Members of the group to plan the Insurance tender for 2017. The group consists of 41 organisations who are all either LUPC or SUPC Members. It is intended that this will conclude with the appointment of insurance suppliers across

multiple categories by the spring of 2017.

In 2016 we also replaced the existing Cleaning and Security Services framework with individual frameworks for each area, in response to our Members' requests, as it was agreed that these are two very separate markets. In August 2016, a new framework that covers the procurement of Cleaning Services within

Greater London and the South East of England was concluded. There are 3 lots covering a One-Stop-Shop, Residential Cleaning and Non-Residential Cleaning Services.

The new Security Services framework started in October 2016 and includes two lots; one of these is specifically for lower value requirements, to increase the opportunities for small and medium-sized enterprises (SMEs) to participate in the tender. A joint launch event took place for these frameworks at the Museum of London in October 2016, which particularly flagged up the requirements placed by LUPC on successful suppliers to assess, report and act on the risks to human trafficking in their supply chains.

A launch event was held at the UCL Institute of Education in November 2016 for two Laboratory-related framework agreements: Laboratory Equipment and IUPC Laboratory Gases. This was part of a series of national launch events for these frameworks. The new IUPC Gases framework started in November 2016, its first iteration being tendered back in the 1990s.

“In 2016 we also replaced the existing Cleaning and Security Services framework with individual frameworks for each area, in response to our Members' requests.”





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“LUPC will be leading on a new national framework for Life Sciences Equipment in 2017, to ensure this category is sufficiently covered for our Members.”

The General Laboratory Equipment framework was another re-tender, beginning in September 2016. This agreement includes seven lots for the supply of different categories of equipment and a further seven lots for maintenance and support for these categories. LUPC will also be leading on the delivery of a national framework agreement in 2017 for Life Sciences Equipment. This is part of a wider project to ensure that the Life Sciences category is sufficiently covered for our Members.

LUPC is the lead consortium on the tender for a new national Legal Services framework. This will replace both the current LUPC regional framework, which will expire in 2017, and a national framework, also expiring in 2017. We are working with colleagues in other purchasing consortia to ensure the outcome is a framework that is both fit for purpose and value for money for our Members.

LUPC always strives to deliver responsible procurement in all we do and one area we have started to focus on in 2016 is how we can deliver beneficial outcomes to students. In support of this, we are looking to help students by delivering a framework for Graduation Services. LUPC will award this by May 2017, with three separate lots covering gown hire, photography and another lot which will be for provision of a One-Stop-Shop for both these areas and other associated requirements. The aim is to put in place a national agreement to improve the competitiveness of this market and deliver better value for money for both the student and our Members.

Details of all existing frameworks can be found on the LUPC web pages under ‘Our Agreements’. Members can also keep up with ‘Agreements in the pipeline’ on our website, [www.lupc.ac.uk](http://www.lupc.ac.uk).





# Responsible Procurement

Our second Modern Slavery Statement

We share our Members' values when it comes to responsible procurement. The principal spend categories that we believe carry a higher risk of human rights abuses are office supplies, laboratory consumables and equipment, ICT equipment and some estates services, such as cleaning and security services. During 2016, we have advanced our knowledge and understanding of these risks and we are now progressively implementing strategies to address them.

In collaboration with our suppliers, we are developing new approaches to protect workers from human rights abuses. Across all our higher-risk spend categories, our intention is to codify and communicate for wider benefit those due diligence processes that we find to be the most successful.

## Office Supplies and Laboratory Consumables

LUPC leads in the procurement of office supplies for UK higher

education institutions and other Members. A wide range of products are supplied, many of which are sourced by our distributors from producers in low-cost countries where modern forms of slavery are prevalent. The UK agreement for laboratory consumables is led by our sister consortium, Southern Universities Purchasing Consortium (SUPC).

Most of our suppliers in these higher-risk categories have committed to the Base Code of the Ethical Trading Initiative (ETI), an internationally recognised code of labour practice founded on the conventions of the International Labour Organisation.

The British Medical Association's report *In Good Hands*, summarised media reports and factory audits in the laboratory glove supply chain, alleging both human rights abuses and safety issues. LUPC is working with our suppliers to establish whether these matters have yet been



resolved before advising our Members accordingly.

## Laboratory Equipment

LUPC leads a national higher education agreement for the supply of laboratory equipment. Although most manufacturers assemble this equipment in traditionally lower risk countries, many of the components and raw materials are processed in higher risk countries where modern forms of slavery are prevalent. Higher-risk equipment lines are being identified with a view to mapping their supply chains as a prelude to developing a due diligence process in partnership with manufacturers.

## ICT Equipment

LUPC leads in the procurement of desktop and notebook PCs for UK higher education. We also play an active part in the management of supply agreements led by our sister consortia for other ICT equipment.

In 2014, LUPC became a founding member of Electronics Watch,

an independent monitoring organisation working to achieve respect for labour rights in the global electronics industry. With Electronics Watch, LUPC is seeking to work with suppliers of ICT equipment to commit to new monitoring regimes where corporate codes of conduct and social auditing policies and practices are failing in their transparency and effectiveness. For example, LUPC took an active part in changing the working conditions for students in an electronics factory in China, who had the freedom to choose their employment restricted.

During 2016, LUPC successfully secured the inclusion of supplier due diligence and monitoring clauses in new supply agreements for Apple products and for servers and storage. We will also include them in the next iteration of the National Desktop and Notebook Agreement (NDNA) in 2017.

LUPC also awarded the first public sector supply agreement for

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“LUPC took an active part in changing the working conditions for students in an electronics factory in China, who had the freedom to choose their employment restricted.”



ethically-sourced smartphones during the year.

#### **Cleaning and Security Services**

In October 2016, LUPC awarded new agreements for cleaning and security services that include clauses requiring our suppliers to demonstrate their ongoing commitment to guarding against human trafficking in their higher risk supply chains. This involves identifying and reporting the risks of human rights abuses and jointly implementing action plans to address them. Preparation for the launch of the agreement in October included a briefing for suppliers on the risks of modern slavery and human trafficking by the Gangmasters Licensing Authority.

#### **Training, capacity building and our contribution to wider policy development**

In March 2016, all of LUPC's procurement professionals took and passed the CIPS online training module on ethical procurement and supply. In June, we included a session on the Modern Slavery Act

at our annual conference, staged in partnership with SUPC.

LUPC remains committed to supporting the Government's National Action Plan to implement the UN Guiding Principles on Business and Human Rights. Parliament's Joint Committee on Human Rights is currently conducting an inquiry on human rights and business. LUPC submitted evidence in August, making five recommendations that would enable the Government to fulfil its procurement obligations under the UN Guiding Principles. In early autumn, LUPC's Director led a series of external sessions on ethical procurement, promulgating the message about risks to human rights in public supply chains.

In November, LUPC held the inaugural meeting of its Responsible Procurement Advisory Group with student input. During the year, LUPC strengthened its partnership with academics at the Business, Human Rights and the Environment Research Group (BHRE) at the

University of Greenwich, led by Dr Olga Martin-Ortega, who was elected to the LUPC Board in 2015. In November, LUPC and the BHRE together helped organise the International Learning Lab on Public Procurement and Human Rights in Geneva, bringing together civil society, NGOs, academics and public procurement practitioners from around the world to share experience and develop good practice. In December, LUPC, BHRE and Electronics Watch jointly organised the third Socially Responsible Public Procurement Symposium at Greenwich.

#### **Our plans for the future**

We will continue to work with our suppliers and our Members to encourage more of them to commit to managing the risks to human rights in their supply chains. We plan to map out all those supply chains that represent a higher risk of modern slavery, human trafficking, forced and bonded labour and labour rights violations. Our Board has already committed funds to our acquisition of the know-how to undertake this vital activity, and to developing support services for our Members and the wider UK public sector during 2017.

LUPC's full Statement on Slavery and Human Trafficking is available on our website [www.lupc.ac.uk](http://www.lupc.ac.uk)

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“LUPC remains committed to supporting the Government's National Action Plan to implement the UN Guiding Principles on Business and Human Rights.”





# Member Benefits

Membership of LUPC gives organisations access to more than 100 professionally tendered framework agreements across a range of categories, as well as a number of added value resources.

#### **Savings for Member institution:**

Our Members' average return on investment is 120:1, with institutions collectively saving £33.8 million in 2015-16. There is also a reduction in tendering costs and time for both buyers and suppliers.

#### **Guaranteed compliance:**

All LUPC framework agreements are tendered by procurement professionals and are compliant with all relevant EU procurement rules and regulations, thus minimising the risk of legal challenge.

#### **Fully tailored to Members' needs:**

Members are at the heart of all LUPC's activities and are involved in shaping and delivering all our agreements.

#### **Sustainability and ethical practice:**

LUPC has already reached Level 4 of the Sustainable Procurement

Flexible Framework, with an action plan for reaching Level 5 by the end of December 2017. The consortium is at the forefront of protecting human rights in its supply chains, through affiliations with organisations such as People & Planet and Electronics Watch.

#### **Other standard Member benefits include:**

- Free EU procurement advice
- Free online credit referencing
- Free membership of The Energy Consortium (TEC)
- Free Procurement Maturity Assessment from an independent consultant
- Annual Spend and Savings Report, and a free spend analysis tool for Members' own use
- Exclusive discounts on e-tendering systems and subscriptions
- Regular news and a magazine to keep you up-to-date
- An annual Conference and Exhibition, free for Members to attend.

#### **Additional services**

LUPC offers Members two additional, chargeable services to support Members' varied procurement requirements, whatever their size or budget:



#### **Procurement Consultancy Services**

LUPC provides a low-cost procurement consultancy service to manage short-term procurement requirements for Members, including for mini-competitions. Members may find this useful when time or resources are stretched, or when specialist support is required.

LUPC's consultants are procurement professionals that we know and have used ourselves – so you can expect a very high level of service and expertise.

#### **Shared Service – Ensemble Purchasing**

LUPC also offers a shared procurement service, Ensemble Purchasing, which can provide professional, in-house procurement resource for smaller institutions on an ongoing basis.

Ensemble was established in early 2016 as a cost-sharing group and now serves five Member institutions. The service is owned and led by participating Members, while LUPC manages payroll, HR, training, accommodation and other needs of the staff. Visit [www.ensemblepurchasing.ac.uk](http://www.ensemblepurchasing.ac.uk) for more information.



# Accounts 2015-16

## Income and Expenditure Account

for the Year Ended 31 July 2016

	2016		2015 (restated)	
	£	£	£	£
Turnover		1,194,617		1,024,872
Staff costs	611,623		548,581	
Depreciation	12,366		11,897	
Other operating charges	<u>574,030</u>		<u>426,878</u>	
		<u>1,198,019</u>		<u>987,356</u>
Operating (loss)/surplus		(3,402)		37,516
Interest Receivable and similar income		<u>2,671</u>		<u>3,335</u>
		(731)		40,851
Other finance costs		<u>2,809</u>		<u>1,505</u>
(Loss)/Surplus before taxation		(3,540)		39,346
Tax On (loss)/surplus		<u>1,029</u>		<u>16,089</u>
(Loss)/Surplus for the financial year		<u>(4,569)</u>		<u>23,257</u>

### Directors' Statement

The Income and Expenditure Account and Balance Sheet set out on these pages are extracts from the full statutory accounts which were approved by the Directors on 9 December 2016 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.

## Balance Sheet

31 July 2016

	2016		2015 (restated)	
	£	£	£	£
Fixed assets				
Tangible assets		28,273		37,572
Current assets				
Debtors	687,246		397,037	
Cash at bank	<u>683,336</u>		<u>564,862</u>	
	1,370,582		961,899	
Creditors				
Amounts falling due within one year	<u>502,640</u>		<u>102,868</u>	
Net current assets		<u>867,942</u>		<u>859,031</u>
Total assets less current liabilities		896,215		896,603
Provisions for liabilities		<u>89,433</u>		<u>85,252</u>
Net assets		<u>806,782</u>		<u>811,351</u>
Reserves				
Retained earnings		<u>806,782</u>		<u>811,351</u>
		<u>806,782</u>		<u>811,351</u>

### Auditors' Statement

We have examined the Income and Expenditure Account and Balance Sheet set out on these pages and confirm that these statements have been accurately extracted from the full statutory accounts for the year ended 31 July 2016.

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

# Members 2016

## Full Members

Aga Khan Foundation UK (part of IIS)  
Alexandra Park & Palace Charitable Trust  
Birkbeck  
British Academy of Management  
British Council  
British Film Institute  
British Library  
British Museum  
Centre for Applied Science & Technology (CAST)  
CITB - ConstructionSkills  
Clinical Practice Research Datalink (CPRD - part of MHRA)  
Equality Challenge Unit  
Francis Crick Institute  
Goldsmiths, University of London  
Heythrop College

Horniman Museum & Gardens  
Imperial War Museum  
Institute of Cancer Research  
Institute for the Study of Muslim Civilisations (part of IIS)  
Institute of Zoology  
International Students House  
iQ Student Accommodation (part of Wellcome Trust)  
Jisc  
Kingston University  
London Academy of Music & Dramatic Art (LAMDA)  
London Ambulance Service NHS Trust  
London Business School  
London Metropolitan University  
London School of Economics & Political Science  
London School of Hygiene & Tropical Medicine

London South Bank University  
Medicines & Healthcare Products Regulatory Agency (MHRA)  
Museum of London  
NatCen Social Research  
National Archives  
National Institute for Biological Standards & Control (NIBSC - part of MHRA)  
National Portrait Gallery  
National Theatre  
Natural History Museum  
NBI Partnership  
NHS Blood & Transplant  
Public Health England (incl HPA)  
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 Music  
Royal College of General Practitioners  
Royal College of Surgeons of England  
Royal Holloway, University of London  
Royal Veterinary College  
School of Oriental & African Studies  
Science Museum Group  
Sotheby's Institute of Art  
South West London & St George's Mental Health NHS Trust  
St George's, University of London  
Tate  
Teach First  
The Courtauld Institute of Art

The Institute of Ismaili Studies (IIS)  
The National Gallery  
Trinity College London  
Trinity Laban Conservatoire of Music & Dance  
UK Shared Business Services Ltd  
Universities UK  
University of East London  
University of Greenwich  
University of London  
University of the Arts London  
University of Westminster  
Victoria & Albert Museum  
Wellcome Trust  
**Further Education Associate Members**  
Barking & Dagenham College  
Barnet & Southgate College  
Bromley College  
Carshalton College

City Literary Institute  
City of Westminster College  
College of Haringey, Enfield & North East London  
Creative Process  
Croydon College  
Ealing, Hammersmith & West London College  
Fashion Retail Academy  
Guildford College  
Hackney Community College  
Harrow College  
Havering College of Further & Higher Education  
Havering Sixth Form College  
Kensington & Chelsea College  
Kingston College  
Lambeth College  
Lewisham Southwark College

Morley College  
Newham College of Further Education  
Newham Sixth Form College  
North East Surrey College of Technology (NESCOT)  
Redbridge College  
Richmond Adult Community College  
Richmond upon Thames College  
St Paul's School  
South Thames College  
Tower Hamlets College  
University Academy of Engineering South Bank  
West Kent College  
Westminster Adult Education Service  
WKIC Group (Westminster Kingsway College/City & Islington College)  
Woodhouse College  
Working Men's College

# Board & Executive Committee Members

## Board Members

**Dr Andrew Young (Chair)**  
Chief Operating Officer  
London School of Economics & Political Science  
  
**Azim Sachedina (Deputy Chair)**  
*(until 4 January 2017)*  
Head of Financial Operations & Systems  
Kingston University  
  
**Emma Bull**  
Director of Student Services  
Queen Mary University of London

**Andy Davies**  
Director  
LUPC  
  
**John Garnham**  
*(from 9 December 2016)*  
Finance Director  
London School of Hygiene & Tropical Medicine  
  
**Neil Greenwood**  
Director of Finance  
Natural History Museum  
  
**John Headley**  
Director of Finance  
University of East London

**Dr Olga Martin-Ortega**  
Reader in Public International Law  
University of Greenwich  
  
**Jill McLaughlin**  
*(from 9 December 2016)*  
Director of Corporate Services  
Royal Botanic Gardens, Kew  
  
**Pam Nelson**  
*(from 9 December 2016)*  
Director of Finance  
London Metropolitan University

## Executive Committee Members

**Mitch Dagleish**  
Head of Procurement  
University of Westminster  
  
**Andy Davies**  
Director  
LUPC  
  
**Alan Glover**  
Head of Procurement  
Kingston University  
  
**Penny Green**  
Head of Procurement  
London South Bank University

**Caroline Heckscher**  
Procurement Director  
University of London  
  
**Alan Hill**  
Head of Procurement  
Institute of Cancer Research

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

**Joanna McKelvey**  
Head of Procurement & Contract Management  
Royal Botanic Gardens, Kew  
  
**Chris Philpott**  
Purchasing Manager  
University of East London  
  
**Sue Weston**  
Head of Procurement Unit  
Jisc

*\*All information correct as of January 2017*





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