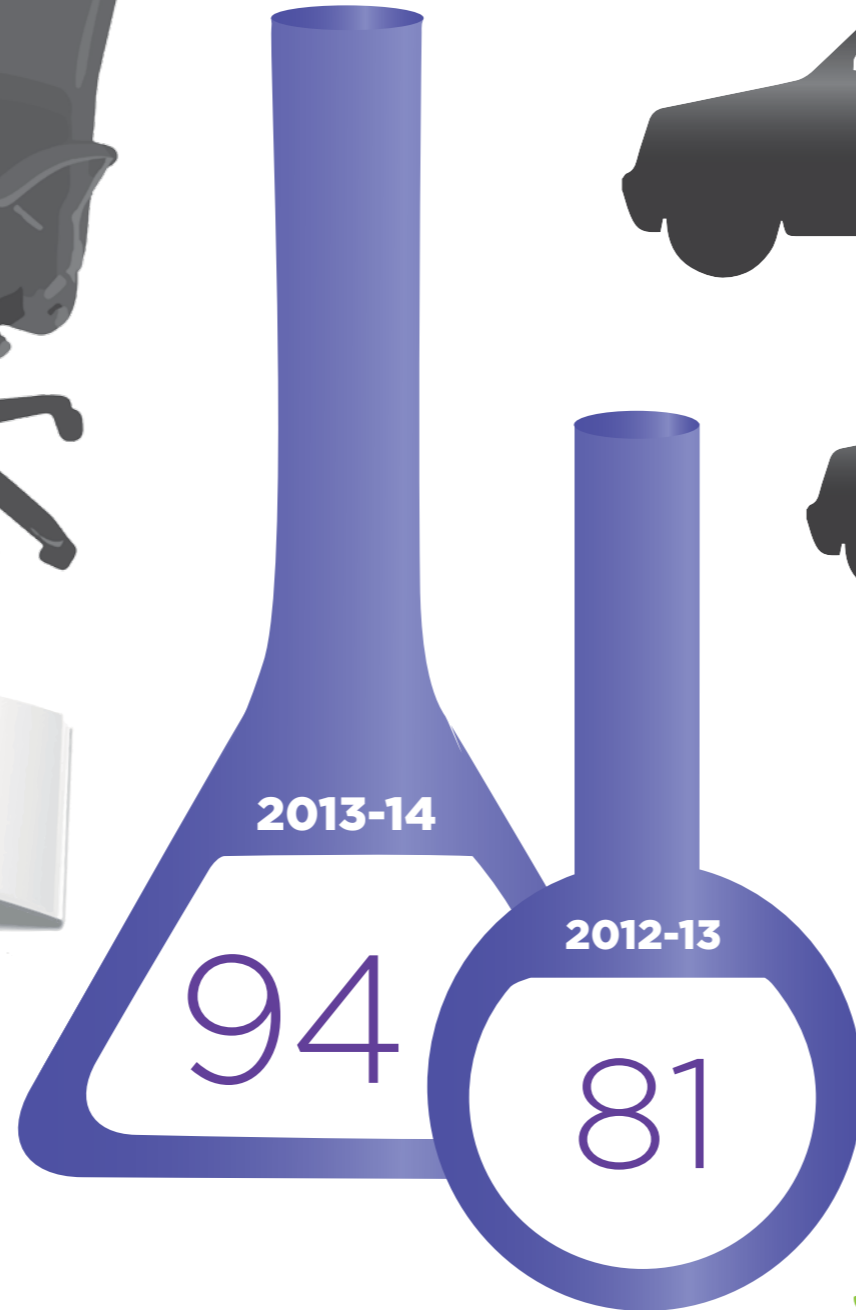




Members' savings



Number of agreements

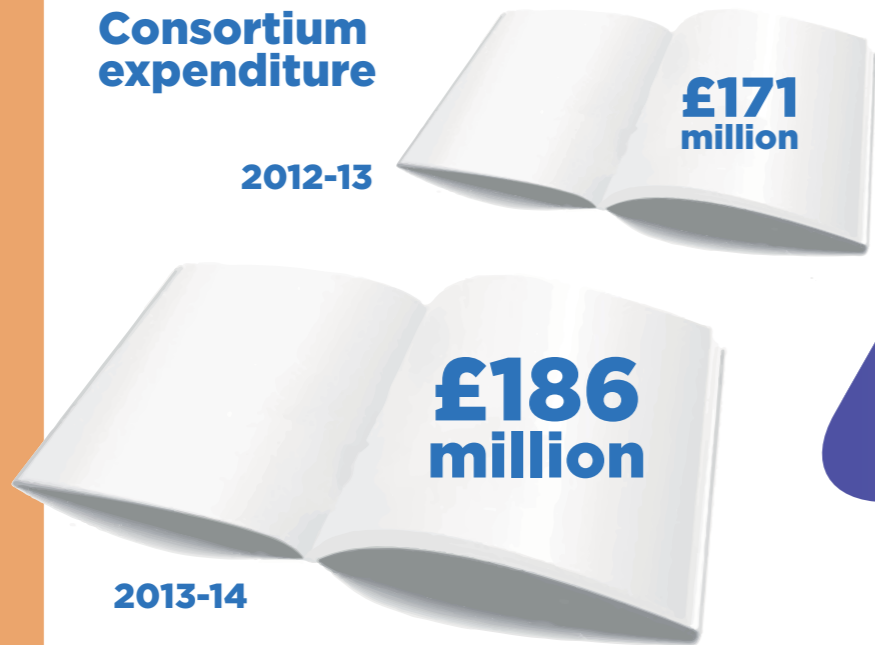


Average return on investment per Member

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



Consortium expenditure



Member satisfaction



Chair's report

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I have great pleasure in presenting my first report for LUPC, having formally taken over the Chair in July.

I am delighted to be chairing an organisation in such a healthy position, which is testament to our former Chair Marcus McDonald's unwavering leadership. Indeed Marcus's role has been instrumental to the promotion and profile of sector-wide collaborative procurement nationally. As we thank Marcus for his enormous contribution, I know that he would want me to acknowledge the hard work and commitment of the whole team in attaining LUPC's current status.

While this Annual Review gives a more in depth account, it is appropriate to recognise LUPC's achievements this year:

- Continued healthy growth in the take-up of collaborative supply agreements, with inherent benefits in quality and savings, reflecting the energetic pursuit of its corporate strategy;
- New supply agreements in sustainable waste management, legal services, occupational health services and temporary agency staff, developed with the pooled know-how of our Members working in collaboration;
- Independent recognition of its status as a professional buying organisation of 'Superior' capability (as defined by the Scottish Government's Procurement Capability Assessment);
- Verification of achievement of Level 3 of the Sustainable Procurement Flexible Framework and founding membership of Electronics Watch;
- Promoting local collaborations between small

groups of Members in estates services and the purchase of course materials;

- Five new full Members (Horniman Museum & Gardens; NatCen Social Research; National Theatre; NHS Blood & Transplant; and Richmond University).

All these should be viewed in the context of the substantial growth in national collaborative procurement across higher education and its neighbouring arts, sciences and cultural sectors, yielding many more agreements for LUPC's membership while minimising duplication of effort. All this activity is further testimony to the efforts of LUPC staff, to Members of the consortium's Executive Committee and of our Commodity and Service Groups. On behalf of the Board, I should like to record our thanks to all of them.

The outlook for public funding for the activities of our membership is widely predicted to be even harsher than before. I truly believe that this will bring about an even higher profile for professional procurement as our Members seek to derive even greater value from their scarce resources. LUPC is in an excellent position to meet the heightened expectations of its Members.

As Chair of LUPC I look forward to the challenges in delivering further enhancement in collaborative procurement and in the value provided to each of our Members.

Dr Andrew Young (Chair)
Chief Operating Officer,
London School of Hygiene & Tropical Medicine

This year saw our Members work very hard with us in the continued implementation of our corporate strategy.

These efforts helped take our consortium to the next level of operation, securing the very best value for our Members in the goods and services they buy.

Early indications of the benefits of the strategy are very encouraging. Our Members spent £186m (12/13 £171m) through LUPC agreements in the year, an increase of nearly 9%, saving £30.5m (12/13 £28m) in the process. Members now enjoy access to almost 100 competitive supply agreements. With membership subscriptions substantially reduced, average return on investment is now up to 96:1 (12/13 77:1).

By working more closely with our Members, particularly through our new Business Partner programme, we have successfully mapped our Members' usage of LUPC agreements and identified the best opportunities for individual Members to increase their take-up, thereby maximising the benefits of their membership. We have now put in place programmes to migrate as many Members as possible from less efficient supply arrangements to LUPC framework agreements, particularly in the categories of estates management and professional services.



University of Greenwich

In October 2013, LUPC undertook a Procurement Capability Assessment, conducted by Advanced Procurement for Universities & Colleges (APUC). While there are many parallels with the Procurement Maturity Assessment (PMA) designed for Members, this assessment was developed by our colleagues in Scotland specifically for use with purchasing consortia. Upon our re-assessment in 2014, we enhanced our score enough to achieve a 'Superior' rating, a result that befits the efforts of our Members and staff to improve our capability during the year (see page 6).

The year also saw LUPC enhance its reputation in sustainable procurement. We were the first English consortium to become a founding member of Electronics Watch and gained independent verification of our status at Level Three of the Sustainable Procurement Flexible Framework (see page 8).

LUPC Members have enjoyed another busy year of exclusive events, with a vibrant annual Conference and Exhibition, launches of our brand new framework agreements in sustainable waste management, occupational health services, legal services and temporary agency staff and further workshops and seminars in cleaning, security and legal services.

At the close of the year, LUPC moved into brand new office premises in Fitzrovia, with improved facilities for collaborative working with Members and room for further expansion of our operations. We also expanded our consultancy service for Members and began work in earnest to deliver the strategic aims of Procurement England Limited (PEL), the collaborative venture with our sister HE purchasing consortia.

Andy Davies
Director, LUPC





Following a comprehensive improvement programme, LUPC secured the top ‘Superior’ rating in its recent Procurement Capability Assessment (PCA).

Our second PCA was conducted by colleagues at Advanced Procurement for Universities & Colleges (APUC). Our principal improvements were:

- Our clear commitment to sustainable procurement stood us in good stead, as was evidenced by the independent verification of our achievement of Level 3 of the Sustainable Procurement Flexible Framework and our founding membership of Electronics Watch.
- We also showed that we had embraced the PCA process as a continuous improvement programme, with a comprehensive action plan reflecting outputs from the PCA process the previous year.
- We were able to demonstrate the effectiveness of our Commodity Groups in developing sourcing strategies and how they were developed in consideration of SMEs and third sector organisations. We also evidenced increased local collaboration between Members.
- We introduced a risk and value mapping process to determine the level of management required for each agreement and we demonstrated how we had prepared for the Business Partner process to help increase take-up of agreements. We now use the Higher Education Procurement Academy (HEPA) Procurement Competency Framework to help develop personal development plans for our people.
- We developed a simple suite of operational KPIs to measure people performance. We now also measure internal efficiency performance and have enhanced our rate of successful implementation of agreements, regularly reviewing take-up against forecasts.
- We developed and improved our Communications

Plan to incorporate our Business Partner work, which aims to develop closer relationships with Members to truly understand their individual requirements and support further take-up of our agreements. We also demonstrated how we enhanced our communications with suppliers, media and stakeholders.

- We demonstrated how, through our leading role in developing and promoting HEPA, we have encouraged and led the sharing of information and best practice.
- We prepared and implemented an information technology roadmap for the consortium.

Last year, LUPC also funded Procurement Maturity Assessments (PMAs) for 10 full Members, boosting the total to 19 that have undertaken the process to date. LUPC also offered to fund individual HEPA scholarships for Members.



University of East London

LUPC has worked hard alongside experts from our membership to establish new supply agreements that increase the value of our offering still further.

At the beginning of the year, the latest iteration of our ever-popular national framework agreement for desktop and notebook PCs (NDNA) was launched, with some new suppliers joining the agreement for the first time. LUPC Senior Contracts Manager Mike Kilner has managed this agreement for the last 13 years and seen it grow to be worth over £100m of business – a significant chunk of the sector’s IT hardware expenditure. The agreement – now finely tuned for maximum performance and saving an average of 14% on the best alternatives – is the envy of the wider public sector and fully deserving of its renown.

Our new Temporary Agency Staff agreement which has grown exponentially in recent years, now has an additional, specialist lot that allows Members to select a partner with whom they can set-up their own temporary

agency, which can offer benefits both for the student population and as a tax-efficient solution.

LUPC’s first ever deal for Occupational Health Services enjoyed a successful launch, offering services for students, such as those on health, social care or veterinary courses, for staff, or for both. The agreement was put together with expert input from HR colleagues drawn from the membership and is already offering purchase cost, quality and time-saving efficiencies to Members.

LUPC invested significant resources to put into place a long-awaited framework agreement for Sustainable Waste Management Services, including support from WRAP, the main delivery organisation working in the UK on the circular economy, helping us implement our priorities on resource efficiency. Our Members look for a high standard of environmental performance from their waste management contractors and this new agreement stands as testament to that. So it’s no wonder that this agreement is breaking records for early take-up.

Both the Waste and Occupational Health Services agreements are open to Members of our sister consortia, reflecting our ongoing policy to support national collaboration in the sector. LUPC Members also took up the new, national HE agreement for Legal Services once our own agreement expired this year. As some of our Members, particularly those outside of HE, found that the national agreement didn’t serve all of their needs, LUPC awarded a separate but complementary Legal Services agreement that ensures all of our Members’ needs are now met.

Details of these, and indeed all of our new agreements, can be found on our website.



LUPC has made leaps forward in our data reporting capability and sustainable procurement processes.

Data reporting & spend analysis

Our Members stand to gain a great deal from LUPC's greatly enhanced capability in spend data reporting and analysis. During the year we made major leaps forward, investing more to provide full Members with their own capability to match our collective power.

In collaboration with other purchasing consortia in the HE sector, we concluded negotiations in 2013 to purchase spend analysis software called Spend360. This deal meant that we stepped-up our own ability to detect spend patterns across our Members' data, to help us identify new collaborative procurement opportunities – both regionally and, through our Joint Contracting Group, nationally.

It also meant that, for the first time, LUPC's full Members can access and analyse their own spend data themselves online, completely free of charge, as a lucrative Member benefit. We are now implementing an enhanced Spend360 deal to allow Members to access their spend data on a quarterly basis, making the data much more relevant and timely, enabling them to spot opportunities even earlier.

We've also modernised and streamlined the way our suppliers provide spend data to the consortium, by allowing them to upload it cleanly and efficiently each quarter, directly into our shared national database. This allows us to report spend and savings statistics more regularly, meaning we can support our Members when they need to report spend information to stakeholders, such as the annual survey for the HEFCE Efficiency Measurement Model (EMM). It also means we can more closely monitor the performance of each of our framework agreements and contracts, and act upon any disparity with our Members' own data.

Sustainability

LUPC has moved from strength to strength in its bid to support our Members' sustainable procurement values and aspirations.

As the year closed, LUPC achieved Level 3 of the Sustainable Procurement Flexible Framework – a self-assessment mechanism that allows organisations to measure and monitor their progress over time – a full two months ahead of schedule and supported by independent verification.

At our highly successful annual Conference in April, Dr Mahmood Bhutta from the British Medical Association's Fair and Ethical Trade Group delivered a keynote speech about the importance of promoting better working conditions in low-cost international supply chains. After that, LUPC became a Founding Member of Electronics Watch (see page 9). We have also continued our work to signpost our suppliers in similarly sensitive markets to the Base Code of the Ethical Trading Initiative.



LUPC became a Founding Member of Electronics Watch, a new body to monitor global IT supply chains.



“ LUPC has shown its commitment to using procurement for social good this year, with the consortium becoming involved in Electronics Watch. Electronics Watch is a new independent organisation that aims to monitor working conditions in the global electronics industry on behalf of public sector organisations, feed information back, and help public organisations to use their contracts to improve conditions for workers.

The electronics industry is one of the fastest growing global industries with an expected yearly growth of 7% between 2013-2015. However, poor working conditions and labour rights abuses are commonplace in many parts of the developing world, where the majority of ICT products are made.

With over 93 workers dying from chemical-related deaths last year alone, working for brands used by the public sector, there has never been a more urgent time for public bodies to act on human rights violations in their supply chains.

Electronics Watch works as the 'eyes and ears' of the public sector on the ground, amalgamating the leverage

public sector bodies have over suppliers through common contract conditions, information sharing and contract management in the case of issues that are uncovered.

LUPC tenders and contract manages the National Desks and Notebooks Agreement (NDNA), one of the largest IT frameworks in the higher education sector with spend reaching £96m nationally last year. In 2014, the consortium proved its commitment to improving worker conditions and monitoring supply chains through becoming a Founding Member of Electronics Watch.

LUPC's Senior Contracts Manager for NDNA, Mike Kilner, was also elected by a broad group of 75 organisations to be a trustee of Electronics Watch. Mike will no doubt be able to contribute to the organisation's objective of improving conditions for electronics workers. Mike, and the other trustees, will make use of their experience in organising contracts with large brands to bring expertise and knowledge of the IT industry to Electronics Watch, ensuring it is responsive to the needs of the higher education sector.

Mike's election to the Board is testament to the seriousness with which LUPC are approaching the problem of worker's rights in the IT industry. LUPC and Electronics Watch are now calling on Members to play their part in contributing to the costs of monitoring factories, setting up improvement plans, and reporting to public bodies, through affiliating to Electronics Watch. ”

*Jim Cranshaw, People & Planet
campaigner for Electronics Watch in the UK*

electronics watch
Improving working conditions in the global electronics industry



LUPC is now in a position to support Members further through our professional, low-cost consultancy service.

Consultancy service

There are many reasons why our Members may require additional expert commercial or procurement help from the professionals at LUPC.

LUPC has always been on hand to provide advice and guidance free to our Members on a wide range of procurement issues, especially when it comes to making the most of our supply agreements. Many Members rely on this service and, of course, this continues to be free.

But there are those times when more active support is needed. It may be a short-term need for a particular spend category or contract, a response to a Procurement Maturity Assessment, or just supplementing team resources at a particularly busy time. Whatever the reason, LUPC is ready to support you.

This year, LUPC has developed and broadened its consultancy service, from supporting Members with mini-competitions under an LUPC framework agreement, to a wider, more comprehensive offering including support with procurement policy and strategy, sustainable procurement or help with resolving a contract management issue.

Why should you consider LUPC to support your procurement project?

- LUPC is independently rated as a professional buying organisation with 'Superior' capability.
- We know our supply agreements and we know supply markets, so when you hire us, you're assured of the right expertise for the job.
- Our rates are very competitive. Remember LUPC is owned by its Members, for its Members. It's not-for-profit, so we only look to cover our costs

and make a contribution to our overheads.

- LUPC is fully insured to provide you with a professional procurement service with peace of mind.

These LUPC Members have already used our consultancy service: Birkbeck; Courtauld Institute of Art; Goldsmiths College; Heythrop College; Institute of Education; London School of Hygiene & Tropical Medicine; Royal College of Art; Royal College of Music.

A Member's View

"Goldsmiths College recently needed another pair of procurement hands for a number of important strategic projects with tight deadlines.

I thought about resourcing options that I had used in the past, such as temp agencies. However, these options did not suit our needs as we did not need a resource for full days or, indeed, every day. We also needed a very experienced pair of hands, someone familiar with Public Sector regulations and complicated tendering processes.

With this in mind, I approached LUPC about using their consultancy service. This proved to be a wise choice as the LUPC consultant assigned to manage our tender process delivered high quality work to the tight deadlines required. Despite often working off-site, the consultant quickly managed to build up a rapport with the evaluation team, providing detailed and helpful information which ultimately led to the successful award of contract.

I would use this service again and have no hesitation in recommending it to others."

Susan Carran

Head of Procurement, Goldsmiths College

Our Members are at the heart of our activities as users of our agreements and in shaping all our tender processes.



Case study: QMUL purchases discounted student course materials

Queen Mary University of London (QMUL) can expect to save around 5% on student course materials (print and electronic) over the next year, after using the Joint Consortia Agreement for Books to purchase materials for students at Schools across the university. By aggregating demand, better and more consistent discounts are available, while improved contract terms mean surety of supply for students.

LUPC worked with academic and library staff from QMUL to invite tender proposals from framework suppliers for the provision of these materials. This involved defining strategy and requirements, and evaluating tender responses; agreement supplier John Smiths & Sons was eventually selected.

The exercise will initially benefit five QMUL Schools, including Mathematical Sciences and the

Centre for Academic and Professional Development. Purchase of course materials by these Schools accounted for around £120k spend in the last academic year, but this was fragmented. The new approach has led to discounts of up to 75% in some cases, and increased centralised co-ordination means the university can meet student needs better.

With interest from a number of other universities, this is seen as the first phase in a process that will grow to include other institutions within the consortium's membership.

QMUL's Director of Student Services Emma Bull said: "Our students now benefit from easy access to course materials online, via the Mile End campus bookstore or through pop-up distribution points at the first lecture, for free or at heavily discounted prices."

Case study: University Of Greenwich's involvement in tendering LUPC's Sustainable Waste Management agreement

"The tender for Sustainable Waste Management came at just the right time for the University of Greenwich; our current contract was coming to a natural end and we were looking to up our game for the next contract by improving reporting and increasing recycling rates.

To ensure this new agreement would meet our needs, we gladly participated on the tender working party. We were pleased to be part of a very enthusiastic group with representatives from quite varied institutions and from Estates, Sustainability and Procurement roles.

The make-up of the working party ensured that a high-level specification was produced which would meet the needs of the LUPC membership, whether in

specialist areas of waste management or as a one-stop-shop. The tender process was intense at times, but far less demanding than running our own tender and with the added benefits of some expert advice from WRAP and the input of other LUPC Members.

We are now planning to run our mini-competition under the agreement. LUPC has ensured the mini-competition process is simple and straightforward, and the process allows us to readjust the selection criteria weighting to ensure the suppliers offer their best pricing for our specific requirements."

Ian Husson is Procurement Officer at the University of Greenwich.



Income and Expenditure Account

for the Year Ended 31 July 2014

	£	2014	£	2013	£
Turnover			1,004,637		942,310
Staff costs	492,248			<i>422,917</i>	
Depreciation	1,740			<i>708</i>	
Other operating charges	<u>360,362</u>			<i><u>270,484</u></i>	
			<u>854,350</u>		<i><u>694,163</u></i>
Operating surplus			150,287		248,147
Interest Receivable and similar income			<u>3,530</u>		<i><u>4,611</u></i>
Surplus on ordinary activities before taxation			153,817		252,758
Tax On surplus on ordinary activities					
			<u>31,491</u>		<i><u>50,727</u></i>
Surplus for the financial year			<u>122,326</u>		<u>202,031</u>

Directors' Statement

The Income and Expenditure Account and Balance Sheet set out on pages 12 and 13 are extracts from the full statutory accounts which were approved by the Directors on 18 December 2014 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 12 and 13 and confirm that these statements have been accurately extracted from the full statutory accounts for the year ended 31 July 2014.

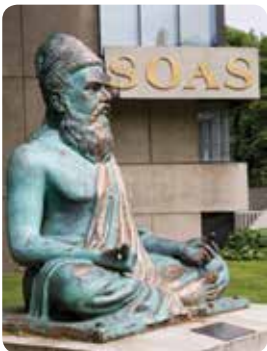
Knox Cropper, Chartered Accountants
8/9 Well Court London EC4M 9DN



Balance Sheet

31 July 2014

	£	2014	£	2013	£
Fixed assets					
Tangible assets			47,107		<i>1</i>
Current assets					
Debtors	395,747			<i>256,012</i>	
Cash at bank and in hand	<u>532,549</u>			<i>565,175</i>	
			928,296		<i>821,187</i>
Creditors					
Amounts falling due within one year			<u>138,080</u>		<i><u>112,433</u></i>
Net current assets			<u>790,216</u>		<u>708,754</u>
Total assets less current liabilities			<u>837,323</u>		<u>708,755</u>
Provisions for liabilities			<u>6,242</u>		<i>-</i>
Net assets			<u>831,081</u>		<u>708,755</u>
Reserves					
Income and Expenditure account			<u>831,081</u>		<u>708,755</u>
			<u>831,081</u>		<u>708,755</u>



Full Members

Birkbeck College
 British Academy of Management
 British Council
 British Film Institute
 British Library
 British Museum
 Centre for Applied Science & Technology (CAST)
 CITB
 Equality Challenge Unit
 Goldsmiths, University of London
 Heythrop College
 Horniman Museum & Gardens
 Imperial War Museum
 Institute of Cancer Research
 Institute of Education
 Institute of Zoology
 International Students House
 Jisc Collections & JANET Ltd
 Kingston University
 London Ambulance Service NHS Trust
 London Business School
 London Metropolitan University
 London School of Business & Finance
 London School of Economics & Political Science
 London School of Hygiene & Tropical Medicine
 London South Bank University
 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
 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 Art
 Royal College of Music
 Royal College of Surgeons of England
 Royal Holloway, University of London
 Royal Veterinary College
 School of Oriental & African Studies
 Science Museum Group
 South West London & St George's Mental Health NHS Trust
 St George's, University of London
 Tate
 The Courtauld Institute of Art
 The Francis Crick Institute
 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 and Albert Museum
 Wellcome Trust (incl iQ Student Accommodation)

Further Education Associate Members

Barking College
 Barnet & Southgate College
 Bromley College
 Carshalton College
 City & Islington College
 City Literary Institute
 City of Westminster College
 Creative Process
 Croydon College
 Ealing, Hammersmith & West London College
 Guildford College
 Hackney Community College
 Harrow College
 Havering College of Further & Higher Education
 KCollege
 Kensington & Chelsea College
 Kingston College
 Lambeth College
 Lewisham College incorp Southwark College (LeSoCo)
 Morley College
 Newham College of Further Education
 North East Surrey College of Technology (NESCOT)
 Redbridge College
 Richmond Adult Community College
 Richmond upon Thames College
 South Thames College
 Tower Hamlets College
 University Engineering Academy South Bank
 Westminster Adult Education Service
 Westminster Kingsway College
 Woodhouse College
 Working Men's College

(Correct as of December 2014)

Board Members

Dr Andrew Young (Chair)
(from December 2013; Chair from July 2014)
 Chief Operating Officer London School of Hygiene and Tropical Medicine

Azim Sachedina (Deputy Chair)
 Head of Financial Operations & Systems
 Kingston University

Mark Bery (until July 2014)
 Chief Operating Officer
 St George's, University of London

Emma Bull (from August 2014)
 Director of Student Services
 Queen Mary University of London

Andy Davies
 Director
 LUPC

Andy Farrell (from August 2014)
 Chief Financial Officer
 London School of Economics & Political Science

Neil Greenwood
 Director of Finance
 Natural History Museum

Habte Hagos
 Director of Finance & Estates
 Institute of Education

Carole Mainstone (until October 2014)
 Registrar & Secretary
 University of Westminster

Marcus McDonald
(Chair and Board Member until July 2014)
 Director of Finance & Estates
 Royal College of Music

Kat Thorne (until December 2013)
 Head of Sustainability
 University of Greenwich

Executive Committee Members

David Addington (from November 2013 - November 2014)
 Contracts, Commercial and Procurement Manager
 National Portrait Gallery

Mitch Dalglish (from November 2013)
 Head of Procurement
 University of Westminster

Andy Davies
 Director
 LUPC

Alasdair Fraser (until October 2013)
 Head of Procurement
 The British Library

Alan Glover (from October 2014)
 Head of Procurement
 Kingston University

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 (until October 2013)
 Head of Category Procurement - Estates & Facilities Management
 Kingston University

Margaret Newson (until December 2014)
 Purchasing Manager
 London School of Economics & Political Science

Chris Philpott
 Purchasing Manager
 University of East London

Sue Weston
 Head of Procurement Unit
 JANET (UK)



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