



PURCHASING
CONSORTIUM

The background of the entire page is a photograph of a call center. Several employees are seated at long desks, each with a computer monitor and a headset. They are all looking towards the left side of the frame, presumably towards their computer screens. The lighting is bright and even, typical of a modern office environment. The focus is sharp on the woman in the foreground, with the others in the background slightly blurred.

**LUPC
Annual Review**

2016/17

Summary of Results

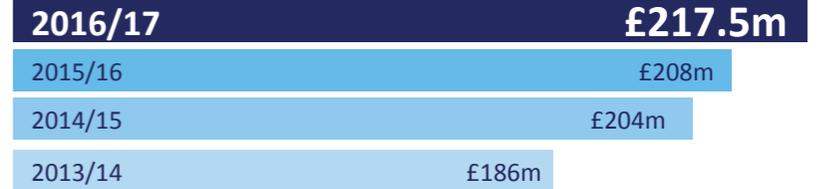
“LUPC has given us invaluable relevant advice and support, helping to ensure that, despite being small players in a big field, we can still achieve best value and legislative compliance.”

Kate Price
Procurement Manager
SOAS, University of London

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We visited
our Members
137
times in 2016/17

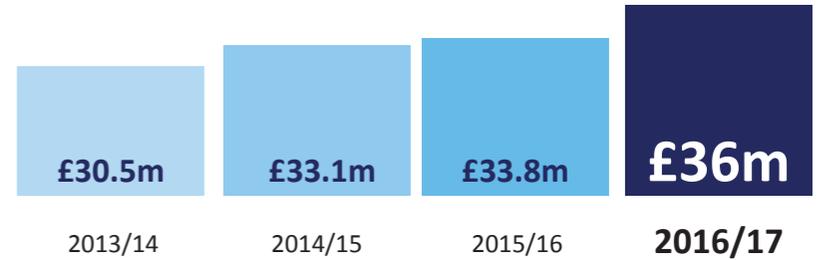
Total spend

Total Member spend through our agreements



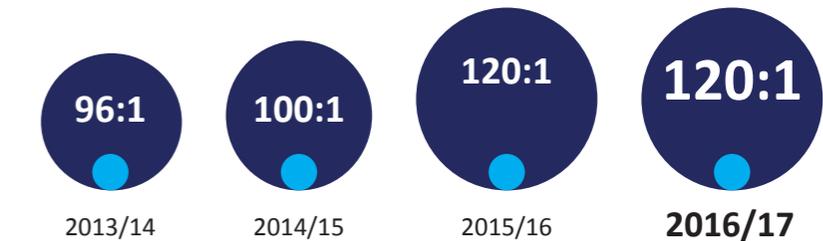
Member savings

Collaborative savings figures



Return on investment

Savings to Membership Fee



Chairman's Report

I am very pleased to present to you, Members and suppliers, our Annual Review document for 2016/17.

As we look forward to our 50th anniversary next year, more than ever our ability to work together, by pooling our collective knowledge, expertise and buying power, becomes essential in these challenging times. The business case for collaboration in the procurement of goods and services grows ever stronger and LUPC Members are in the very best position to benefit from it.

This year we warmly welcomed the National Physical Laboratory, the Defence Science and Technology Laboratory, Historic Royal Palaces, the Harris Federation and the City of London Corporation's educational institutions including the Guildhall School of Music and Drama as new Members of the consortium.

Another busy contracting year has seen our team of experienced professionals leading projects in desktop and notebook PCs (now worth £440m nationally over four years), insurance, a new national agreement for legal services and a brand new agreement for catering consultancy, heralding our forthcoming framework agreement for outsourced catering services scheduled for 2018.

We've also participated in wider contracting for higher education with colleagues in our sister HE consortia, helping to deliver national deals in books and eBooks, antibodies and sera, training and executive recruitment services.

Many of you will know that buying our goods and services responsibly is a key strategic aim for our consortium, reflecting as it does the values of our Members, suppliers, staff and students alike. Thankfully, our new Responsible Procurement Advisory Group, comprised of procurement professionals, sustainability managers, academics and students drawn from the membership is there to drive our programme forward. We've included a summary of the group's first annual report in this document as a useful update for our Member and supplier community.

As Chair, I remain determined to ensure that LUPC always strives to meet our Members' high expectations for quality and value this year and every year.

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

“

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”

Director's Report

As Director, I never fail to be astonished by our Members' dedication to working in collaboration, for the benefit of their institutions and for the Membership as a whole. Without a doubt, it's this commitment to collaboration that is the backbone of our consortium, year after year.

Our tender working parties are a particular case in point. Whether their specialism lies in library resources, insurance, laboratory equipment, ICT, estates services or one of our other many spend categories, our Members give their time and expertise for the benefit of the collective, by helping us specify our Members' requirements, evaluate tender submissions and support us in managing our critical supplier relationships. Our consortium simply could not function without them and I am very grateful to them.

Then there are those who support our essential governance process. At the back of this document are listed the names of senior people who give their time as members of the LUPC Board, planning our strategy, setting a budget and determining the future for the consortium. Our Executive Committee is a group of senior procurement professionals drawn from the membership that oversee our work and determines our operational priorities and sourcing strategies. Both the Board and the Executive Committee are democratically elected by our Members. They deserve our thanks too.

Now this year have a new group of people, a group that drives us to achieve our strategic aim of leading the wider public sector in the field of Responsible Procurement. With their encouragement, we have taken vital steps to promote real respect both for the environment and human rights in public procurement. We've produced guidance for public procurers on protecting human rights in the supply chain, we've begun learning from the experience of due diligence in our highest risk categories and we've become the first education sector body anywhere in the world to be assessed against the new international guidance standard for sustainable procurement.

Andy Davies
Director
LUPC

“

Without a doubt, it's this commitment to collaboration that is the backbone of our consortium, year after year. ”

”



New Agreements

2016/17 has been a busy period for LUPC with significant activity across our range of agreement categories.

Following the reappointment of brokers AJG the previous year, the 16-Lot competitive tender process for underwriting services commenced in late 2016 and was awarded the following summer across a number of specialist Higher Education providers including ZM, RSA and Novae.

Several risk-themed seminars were organised on behalf of the 43 members of the Insurance Group and the majority also have an active role within the benchmarking club. Another LUPC-led project familiar to many users, the LUPC Gases Agreement, was awarded across 12 separate lots including gas monitoring equipment for the first time.

The consortium was involved in a number of collaborative tendering projects that also commenced in late 2016 including the national agreement for Electronic Components, the Software License Resellers Agreement (SLRA) and the newly re-structured Server, Storage and Solutions National Agreement ('SSSNA'). LUPC Members can also access the new APUC-led Student Information Management Systems (SIMS) framework. The Lasers agreement was also re-tendered in 2016.

Two brand new framework agreements under STEMED and LABS have been awarded this year; 3D Printers, 3D Scanners and Associated consumables was initiated in March 2017. Antibodies and Sera (and other related matrices) also began in July 2017.

The catering consultancy services framework went live in September 2017. This is a new national framework which is open to all Members of the university purchasing consortia nationally. This national framework agreement covers a wide range of catering consultancy services applicable to outsourced catering services and/or in-house catering services. There are 10 suppliers on the framework and call off is either directly awarded to the number ranked supplier, or further competition.

A National Legal Services agreement was also launched in May 2017, a launch event in support of this took place in November. The event was attended by over 100 delegates throughout the day. Following the event, feedback proved that the event encouraged the majority of attendees to actively use the framework. The agreement was a result of a collaborative exercise between all English and Welsh higher education purchasing consortia.



DID YOU KNOW...

LUPC is the oldest of the HE purchasing consortia. Next year we will celebrate the 50th anniversary of our formation in 1968.



The consortium was involved in a number of collaborative tendering projects.



New Agreements (contd)

Perhaps one of LUPC's most significant lead projects, the National Desktop and Notebook Agreement ('NDNA'), was tendered throughout 2017 and commenced in September. Several participants attended the Conference on University Purchasing ('COUP') held that month at Swansea University to talk directly to institutions about the benefits of using the framework. LUPC hopes to organise an event in early 2018 to assist in further promotion of the agreement.

A look to 2018...

The Networking Supply & Services Agreement is expected to go to market in early 2018 and the Electrical Materials framework was likewise re-tendered during 2017 for an early 2018 commencement, looking to bring additional savings and benefits for Members in areas such as LED lighting. A Debt Collection Services agreement will be going live in February 2018.

It is also likely that the framework agreement for Occupational Health Services is likely to be extended/re-tendered during the course of 2018.

The Temporary Staff framework agreement will be extended to September 2018, and LUPC plans to join the national framework agreement for the next iteration.

As well as all of this, LUPC is currently tendering a new framework agreement for Catering Outsourced Services which is scheduled to go live in March 2018. The framework agreement will be divided into two Lots; Lot 1: Outsourced Contract Catering Services (National) and Lot 2: Office, Corporate and Event Catering (Greater London). Call off for both lots will be via further competition. A launch event for both this framework and the catering consultancy services framework already awarded will be held towards the end of April 2018 and will be a free event for all members of university purchasing consortia nationally to attend.

For the latest information on all agreements and award dates, visit: lupc.ac.uk



DID YOU KNOW...

LUPC was the first purchasing consortium in public service to publish a Statement on Slavery and Human Trafficking in 2015.



Responsible Procurement

As Chair of LUPC's Responsible Procurement Advisory Group, that brings together procurement professionals with sustainability managers and students drawn from the membership, I am pleased to present our first Annual Report.

The purpose of our group is primarily to formulate and recommend LUPC's Responsible Procurement Policy and Strategy, along with projects and actions by LUPC to deliver the strategy, ensuring that the programme has vigour and broadly reflects the values of LUPC's membership. LUPC has made strong progress across this programme during the year.

This year, LUPC adopted the new ISO 20400 Guidance Standard on Sustainable Procurement, which includes specific guidance on social responsibility in supply chains. Action Sustainability assessed us against the new standard, scoring us a creditable 3.71 out of 5. Lead consultant James Cadman said that "LUPC has clearly and unambiguously adopted Responsible Procurement as its methodology for procuring goods and services. LUPC's culture and approach, not least in relation to social issues and matters around modern slavery, are forward thinking, fully embrace best practice and set a good example to emulate." Our group aims to drive LUPC to improve its score over the coming year.

In late 2016, LUPC's Board committed funds for a Modern Slavery Project designed to explore ways of tackling human rights abuses in its supply chains. This has been developed in partnership with academics at the Business, Human Rights and the Environment Research Group at the University of Greenwich, led by Dr Olga Martin-Ortega, who was elected to the LUPC Board in 2015.

Our project team can provide advice and support to LUPC staff and the wider Membership on promoting respect for human rights in the supply chain and working with the supplier base to mitigate the risks of abuses.

Our Modern Slavery Project

The project has four principal workstreams:

1. The first output was our professional guidance, published in collaboration with the University of Greenwich, APUC and CIPS. Entitled Protecting Human Rights in the Supply Chain, a Guide for Public Procurement Practitioners, it is now available for free download from LUPC's website. The Guide will be followed by a series of free eLearning topics before the New Year.
2. During 2017 we have aimed to address the risk of human rights abuses through a pilot supply chain due diligence exercise for laboratory gloves, now well under way. Our intention is to establish whether alleged human rights abuses have yet been resolved by the suppliers and to advise our Members accordingly. It's also to gain first-hand experience of due diligence such that we can learn from the process and use the knowledge we acquire to inform our long-term planning for this activity.
3. Our third task under the Project aims to address a UK-based risk by initiating a series of supplier audits with our cleaning and security services contractors. Our framework agreements include clauses requiring our suppliers to demonstrate their ongoing commitment to ensuring that they take steps on our behalf to guard against human trafficking in their supply chains throughout the term of the agreement. This involves identifying the risks and implementing action plans to address them jointly with our contractors.
4. We recognise that our knowledge of the supplier base and its capability to supply responsibly requires a systematic method of gathering, processing and retrieving data about our supplier base. We are now building Equiano, our new Responsible Procurement database. The database is expected to be commissioned by the New Year.

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LUPC's Modern Slavery Statement is an excellent piece of work and the outcomes so far are really impressive. It must be gratifying to know that LUPC is making a material, measurable difference in the world and the lives of vulnerable people.

”

Jo McKelvey
Head of Procurement, Royal Botanic Gardens, Kew



DID YOU KNOW...

LUPC was the first UK public sector body and the first education sector body anywhere to be assessed against the ISO 20400 international guidance standard for sustainable procurement.

Responsible Procurement (contd)

In March, the UK Parliament's joint committee on human rights published its report on human rights and business. LUPC made five recommendations that, if implemented, would enable the Government to fulfil its obligations under the UN Guiding Principles on Business and Human Rights.

LUPC continues to be a Member of the International Learning Lab on Public Procurement and Human Rights. In April, LUPC's Director contributed to evidence submitted to an inquiry into establishing a Modern Slavery Act in Australia.

LUPC renewed its affiliation to Electronics Watch this year, the collaborative organisation monitoring global electronics supply chains. We included supplier due diligence and monitoring clauses in the latest iteration of HE's National Desktop and Notebook Agreement, a £440m national supply agreement managed by LUPC, giving us contractual rights to enter into dialogue with suppliers and collaborate with them to establish due diligence and mitigation strategies to address human rights risks.

In May, LUPC's annual conference, staged in partnership with Southern Universities Purchasing Consortium, included a major panel session for 80 attendees on the Modern Slavery Act. In June, in collaboration with the University of Westminster and Electronics Watch, LUPC staged a screening

of Complicit for Members and partners, a documentary by Heather White and Lynn Zhang. The film follows a group of workers in a Chinese electronics factory struck down by illnesses following prolonged exposure to toxic chemicals used in the manufacturing process.

I firmly believe that LUPC has demonstrated its commitment to Responsible Procurement and to delivering its ambitious strategy. In particular, LUPC will continue to work with partners and suppliers to gain first-hand experience of supply chain due diligence and of mitigating the risks to human rights.

As LUPC acquires knowledge and develops capability in this activity, the intention is to codify and communicate or the wider benefit of those practices that are found to be the most successful.



Alan Glover MCIPS
Head of Procurement, Kingston University
Chair, LUPC Responsible Procurement Advisory Group
November 2017

“LUPC will continue to work with partners and suppliers to gain first-hand experience of supply chain due diligence and of mitigating the risks to human rights.”

LUPC has this year been able to report on early success with Electronics Watch

In October 2015, Electronics Watch (EW) and its affiliates had learned about an NGO report on Wistron, a large server manufacturer in China, alleging serious labour rights violations including forced labour.

Students were reportedly forced to perform an internship unrelated to their vocational aspirations as a requirement for graduation. In addition, the student workers reported working hours as much as 10-12 hours a day, 6 days a week and 48 hours of overtime a month, all in excess of local legal limits.

EW responded by evaluating the evidence for the allegations and identifying, in specific terms, the risk of violations of Chinese law, the International Labour Organisation conventions, and the EW Code of Labour Standards. EW also recommended specific action for affiliates to take with their suppliers.

LUPC and other HE purchasing consortia that purchase these servers contacted their account management representatives at each supplier, spurring the major brands into action. All brands are committed to temporarily halting student labour at the factory and to ensuring compliance with the legal limits on student labour.

In December 2016, EW conducted follow-up off-site worker interviews and found no evidence of student labour.



DID YOU KNOW...
LUPC offers consultancy services to our Members for procurement and strategy projects.

Member Benefits

Membership of LUPC gives organisations access to more than 100 professionally tendered EU-compliant framework agreements across the range of categories below.



AUDIO VISUAL CATERING STEMED & LABORATORIES FURNITURE



PROFESSIONAL SERVICES ESTATES LIBRARY ICT & TELECOMS



OFFICE SUPPLIES UTILITIES TRAVEL & ACCOMMODATION

THE BENEFITS

Owned by our members for our members. Our agreements cover a wide range of goods and services and are tailored to our members requirements, saving both time and money.

Access to a diverse portfolio of **100+** EU compliant framework agreements.



GUARANTEED COMPLIANCE:
All framework agreements are tendered by experts and are compliant with all relevant procurement regulations, thus minimising risk of legal challenge.



GUARANTEED SAVINGS:
£36 MILLION
savings made collectively by institutions in 2016/17
120:1
Average return on investment



FULL ENGAGEMENT:
Members are consulted on all agreements prior to launch or re-tender. Full Members have voting rights and can stand for LUPC's Board and Exec Committee.



Regular updates on LUPC agreements and the latest procurement news.



Free entry to our annual Conference and discounted training offers.



Linked magazine quarterly subscription posted directly to you.

Monthly e-bulletin **SUBSCRIPTION**

SPEND ANALYSIS / ASSESSMENT

ANNUAL SPEND AND SAVINGS REPORT

We measure all savings and spend made through LUPC agreements, including a review on non-consortium spend that could be re-directed through our agreements, helping you to identify further potential savings.

SPEND ANALYSIS TOOL

Measure spend analytics using the Spend 360 platform and integrate in to your own local procurement operations.



ANNUAL SCOPE 3 CARBON EMISSIONS REPORT

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

BENCHMARK YOUR PERFORMANCE

LUPC has a limited resource to cover the cost for Members who wish to undertake Procurement Maturity Assessments. These are professional assessments of your current procurement capability, which can be used to drive improvement and help make the case for additional resource.

SERVICES



SHARED PROCUREMENT SERVICE – 'ENSEMBLE PURCHASING'

London's shared procurement service and cost-sharing group. Providing a capacity for on-going professional procurement to smaller LUPC Members without an in-house procurement team.

FREE EU PROCUREMENT ADVICE

On any procurement, strategy or project issue.

DISCOUNT - BRAVOSOLUTIONS'S E-TENDERING PORTAL

A powerful end-to-end procurement process management system providing secure, EU compliant tendering and automated analysis tools.

ACCESS TO CREDITSAFE

A fast, consolidated online credit referencing service - understand UK ratings and limits, check supplier credit and digest those reports.

PROFESSIONAL PROCUREMENT CONSULTANCY SERVICE

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

MEMBERSHIP – THE ENERGY CONSORTIUM (TEC)

Allowing access to collaborative energy buying arrangements for the public sector.

MEMBERSHIP - AIRMIC

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

Accounts 2016/17

Income and Expenditure Account for the Year Ended 31 July 2017

	2017		2016	
	£	£	£	£
Turnover		1,299,334		1,194,617
Staff costs	677,921		611,623	
Depreciation	12,746		12,366	
Other operating costs	536,929		574,030	
		1,227,596		1,198,019
Operating (loss)/surplus		71,738		(3,402)
Interest receivable and similar income		1,458		2,671
		73,196		(731)
Other finance costs		2,861		2,809
(Loss)/surplus before taxation		70,335		(3,540)
Tax on (loss)/surplus		15,366		1,029
(Loss)/surplus for the financial year		54,969		(4,569)

Directors' Statement

The income and Expenditure Account and Balance Sheet set out on this page are extracts from the full statutory accounts which were approved by the Directors on 8 December 2017 and on which the auditors have given an unqualified opinion. The statutory accounts, which should be consulted for a full understanding of the financial affairs of the company, will be submitted to Companies House.



Balance sheet 31 July 2017

	2017		2016	
	£	£	£	£
Fixed assets				
Tangible assets		15,527		28,273
Current assets				
Debtors	478,229		687,246	
Cash at bank	665,574		683,336	
	1,143,803		1,370,582	
Creditors				
Amounts falling due within one year	206,024		502,640	
Net current assets		937,779		867,942
Total assets less current liabilities		953,306		896,215
Provisions for liabilities		91,555		89,433
Net assets		861,751		806,782
Reserves				
Retained earnings		861,751		806,782
		861,751		806,782

Auditor's Statement

We have examined the Income and Expenditure Account and Balance Sheet set out on this page and confirm that these statements have been accurately extracted from the full statutory accounts for the year ended 31 July 2017.

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



LUPC Governance

BOARD

Dr Andrew Young (Chair)

Chief Operating Officer
London School of Economics
& Political Science

John Garnham

Finance Director
University of East London

Dr Olga Martin-Ortega

Reader in Public International Law
University of Greenwich

Mark Blaney

Finance and Resources Director
Royal College Of Anaesthetists

Catriona Boulton

Director, Estates and Facilities
Goldsmiths University of London

Carl Teigh

Finance Director
Regent's University London

Amanda White

Director of Finance
Royal College of Art

Andy Davies

Director
London Universities Purchasing Consortium

Neil Greenwood

Director of Finance & Corporate Services
Natural History Museum

Pam Nelson

Director of Finance
London Metropolitan University

EXECUTIVE COMMITTEE

Mitch Dalgleish

Head of Procurement
University of Westminster

Joanna McKelvey

Head of Procurement and Contract
Management
Royal Botanic Gardens, Kew

Michelle McCann

Head of Procurement
Goldsmiths, University of London

Alan Hill

Head of Procurement
Institute of Cancer Research

Colette McArdle

Head of Strategic Procurement Unit
London Metropolitan University

Caroline Heckscher

Procurement Director
University of London

Daniel Barry

Head of Procurement
Royal Holloway, University of London

Andy Davies

Director
London Universities Purchasing Consortium

Chris Philpott

Head of Procurement
University of East London

Sue Weston

Director of Procurement
Jisc

Anthony Latham

Head of Procurement
Science Museum Group

2017 MEMBERS

FULL MEMBERS

Aga Khan Foundation UK
(part of Aga Khan Development Network)
Aga Khan University, The Institute for the Study
of Muslim Civilisations
Alexandra Palace
Birkbeck
British Council
British Film Institute
British Library
British Museum
Centre for Applied Science and
Technology (CAST)
CITB - ConstructionSkills
Courtauld Institute of Art
Goldsmiths, University of London
Guildhall School of Music and Drama
Harris Federation
Heythrop College
Historic Royal Palaces
Horniman Museum and Gardens
Imperial War Museum
Institute of Cancer Research
Institute of Ismaili Studies
International Students House
Jisc
Kingston University
London Academy of Music and Dramatic
Art (CDD)
London Ambulance Service NHS Trust
London Business School
London Metropolitan University
London School of Economics & Political Science
London School of Hygiene & Tropical
Medicine (LSHTM)
London South Bank University
Museum of London
National Archives
National Gallery
National Institute Biological Standards
& Control (NIBSC), incl CPRD & MHRA

National Physical Laboratory
National Portrait Gallery
National Theatre
Natural History Museum
NBI Partnership
NHS Blood & Transplant (NHSBT)
Public Health England
(incl Heath Protection Agency)
Queen Mary, University of London
Ravensbourne
Regent's University London
Richmond University
Royal Academy of Dramatic Art (CDD)
Royal Academy of Music
Royal Botanic Gardens, Kew
Royal Central School of Speech & Drama
Royal College of Anaesthetists
Royal College of Art
Royal College of General Practitioners
Royal College of Music
Royal College of Surgeons of England
Royal Holloway, University of London
Royal Veterinary College
School of Oriental & African Studies
Science Museum Group, Science Museum
London (SMG)
Sotheby's Institute of Art
South West London & St Georges
Mental Health NHS Trust
St George's, University of London
Tate incl Modern, Britain, Liverpool and St Ives
TeachFirst
The Francis Crick Institute
Trinity College, London
Trinity Laban Conservatoire of Music & Dance
UK Shared Business Services Ltd (UK SBS)
Universities UK
University of East London
University of Greenwich
University of London
University of the Arts London (UAL)
University of Westminster

Victoria & Albert Museum
Wellcome Trust
Zoological Society of London
(incorp Institute of Zoology)

FURTHER EDUCATION MEMBERS

Bank of England
Barking & Dagenham College
Barnet & Southgate College
British Academy of Management
Bromley College
Capital City College Group
Carshalton College
City & Islington College
City Literary Institute
City of Westminster College
Creative Process
Croydon College
Ealing, Hammersmith & West London College
Equality Challenge Unit
Fashion Retail Academy
Guildford College
Hackney Community College
Havering College of Further & Higher Education
Havering Sixth Form College
HCUC College Group
House of Commons - UK Parliament
House of Lords - UK Parliament
K College
Kensington & Chelsea College
Kingston College
Lambeth College
Lewisham Southwark College
(previously LeSoCo)
Morley College
Newham College of Further Education
North East Surrey College of Technology
(NESCOL)
Redbridge College
Richmond Adult Community College
Richmond Upon Thames College

South Thames College
Tower Hamlets College
University Academy of Engineering South Bank
Westminster Adult Education Service
Westminster Kingsway College and City
& Islington College
Woodhouse College
Working Men's College

ASSOCIATE MEMBERS

Bradford College
Brunel University
Cambridgeshire & Peterborough
Probation Trust
City University
Cranfield University
Edge Hill University
Glasgow Caledonian University
Gwent Probation Board
Herefordshire Council
History of Parliament
Institute of Adv Legal Studies, UoL
Institute of Education
Isle of Wight NHS Trust
King's College London
Kirklees Borough Council
Lancashire County Council Schools
Loughborough University
NHS London Procurement Programme
The Energy Consortium
The University of Buckingham
University College London
University of Hertfordshire
University of Liverpool
University of Portsmouth
University of Roehampton
University of Surrey

*All information correct as of December 2017



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