



Market Insight Document

This document has been developed collaboratively by those responsible for contracting activity in Higher Education Consortia. The information included is intended to be used as a high level guide to market activity, risks and opportunities in the wake of significant disruption following Brexit, Covid and a variety of other international natural, political, economic and social events. The information included has been gleaned from a number of sources including directly from suppliers and appropriate news sources.

We encourage you to use this document as a reliable source of information, however we would advise that further guidance is sought on areas of particular significance for your organisation if required. There are regular national category group meetings across all areas which you are invited to attend, these meetings are a great forum to discuss challenges and share experiences. Alternatively, please do contact the appropriate responsible person in your regional consortium for advice on specific matters.

Contents

Hold down Ctrl and right click to utilise the hyperlink for each section below.

<u>ICT</u>	<u>4</u>
<u>Library</u>	<u>15</u>
<u>Estates, Facilities and Building</u>	<u>16</u>
<u>STEMed</u>	<u>44</u>
<u>Professional Services</u>	<u>48</u>

Category	Includes
ICT	AV, Computing, Telecoms, Library Systems
Library	Library
Estates, Facilities and Building	Catering, Cleaning, Security, Furniture, Janitorial, Workshop, H&S, Vehicles, Office Supplies (Stationery, facilities operations, water coolers etc), Utilities, Energy
STEMED	Medical, Laboratory, Veterinary
Professional Services	Travel, Legal, Consultancy Recruitment, Insurance, Printing, Carbon Offsetting Markets

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ICT <i>Includes: AV, Computing, Telecoms, Library Systems</i>			
<p>AV: The shortage of engineers and installers experience in the last couple of years is still ongoing, especially in the summer months as period of high demand</p> <p>The driver shortage / border delays caused by Brexit are well behind us.</p> <p>The market rate for daily rates for installation at peak time has increased. Integrators often use the same subcontractors.</p>	<p>AV: Product availability issues seemed to have been resolved. No shortages are reported and distributors are reducing the amount of stock. Leadtime's have vastly improved.</p> <p>The supply chain challenges are significantly better than they were during the peak of covid. There are still sporadic material shortages for certain components or suppliers and integrators are working through these by providing longer range forecasts, and by fully reviewing alternate options for installs. More recently we have experienced some issues on SY Panels due largely to software updates (which has also caused issues during installations on what used to be a very stable product).</p> <p>There is no major new technology but manufacturers are moving into the area of production of large screens and camera bars. This may reflect the hybrid working demands of AV equipment.</p>		<p>AV: There was some ongoing supply chain disruption from the Red Sea shipping crisis, however, this seems to have minimal impact on timelines for delivery currently.</p> <p>Suppliers are reporting that costs remain “stubbornly high” with little sign of deflation in the market. In addition, there are some cases where short notice increases are being imposed in the market. These are less frequent than 2023. Integrators continue to work closely with our strategic distribution partners to mitigate increases wherever possible.</p> <p>Other suppliers have mentioned that there are signs of additional discounts available from distribution due to a downturn in demand.</p> <p>Work continues towards a National Framework award for AV equipment and services, supplier engagement, bidding and tender evaluation have all made good progress with a high level of interest from</p>

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			the market. By the end of year, the HE sector will have two agreements in place for this key area of equipment/service.
	<p>Computing: Lead times on PC/Laptops/workstations are as below:</p> <ul style="list-style-type: none"> • Desktop PC's: 2-3 weeks • Laptops: 2-3 weeks • Desktop workstations: 2-4 weeks • Mobile workstations: 2-4 weeks <p>Monitors: 2-3 weeks</p> <p>Review meetings held with PC device OEMs in April and May 2024 indicate no underlying delays or issues to report and this has remained the case for the last few quarters.</p>	<p>Computing: HP Sustainability Summit coordinated with NDNA and held 15 May 2024 captured the direction of travel for most OEMs in this area. This includes 100% renewable energy within the business by 2025 and making the entire supply chain net zero for carbon emissions by 2040 for example. A revised, Category Manager-led Electronics Watch Factory Disclosure Process has been included in the latest revision of the NDNA Buyers Guide.</p> <p>In the last 6 weeks the Cabinet Office (CO) has been ramping up the pace at which they have been working with the eSender community. A further number of transparency notices have been made available by the CO being tested and worked upon by the eSenders (providers of procurement and tendering software that publish Public Sector procurement notices on platforms such as FTS and TED), to ensure the configuration of the suite of</p>	<p>Computing: The pound has risen to 1.31 USD in September. This may have a positive effect on pricing for computing if it continues.</p>

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		<p>notes an align with their existing system architecture.</p> <p>Some providers (such as LUPC’s framework supplier Merzell, which use to trade as EU Supply) are already making beta versions available of some of the Procurement Act 2023 (PA2023) procedures, for customers to test and feedback on.</p> <p>Another provider has advised that they are confident their solutions will be PA2023 ready because some of the new procedures are not dissimilar to how with their current systems serve their private sector clients.</p> <p>Some eSenders have remarked that they are now having fortnightly and even weekly development meetings with CO teams, whilst earlier this year these sessions were less regular. The accelerated pace is allowing providers to distribute new process templates to their customers in advance for testing and trouble shooting. This progress is also allowing</p>	

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		<p>providers to work on training materials and resources, which will be a key to the successful adoption of the new procedures.</p> <p>A substantial change element that is benefiting from this recent acceleration is the Central Digital Platform (CDP). In August some suppliers have been starting to receive further technical details of the API integration (Application Programming Interface) tools that will connect the CO's CDP to each providers' systems.</p> <p>Because of the sheer volume of records that will eventually be encompassed by the CDP, the CO advised they will be following a detailed communication plan with supplier base to ensure that they are aware of how the new CDP will work and understand how they must register on this platform prior to participating in any above threshold tenders.</p>	
<p>Software: Suppliers are reporting labour and skills shortages. It can be difficult for suppliers</p>	<p>Software: On 1st August 2023 Microsoft announced that it will be withdrawing the A1 license and changing how storage is calculated in</p>		<p>Software: Currency pricing risks are now mentioned by an increasing number of suppliers, who may use hyperscale vendors to host</p>

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<p>to retain skilled staff including consultants, support specialist and project managers. There is a risk that software implementations could be delayed or disrupted due to changes in consultants or lack of availability of skilled employees.</p> <p>Institutions are also experiencing challenges around recruitment of skilled staff.</p>	<p>education tenants; 100TB of pooled storage and an additional 50GB per A3 and 100GB per A5 licensed user added to the storage pool. This is to be negotiated by the sector. A planned lead in time of one year has been included by Microsoft.</p> <p>CCS will run aggregated competitions for public sector organisations on Microsoft renewals in November if institutions are interested.</p> <p>Microsoft has announced that it will split the Teams app license from Office 365. There is likely to be an effect on the sector negotiation strategy. Microsoft: Technology giant splits Teams and Office globally - BBC News</p> <p>SAAS Hosting is noticeably more prevalent in the sector and suppliers' tender submissions.</p> <p>Suppliers are becoming protective of their own terms and conditions and engaging less with public sector boilerplate terms. Many of the large software companies and technology giants have announced worldwide workforce cuts, as the tech industry suffers after years of boom.</p>		<p>applications. Contract pricing escalators may be used to control such pricing variations. Microsoft licensing changes could present an escalation of costs to the sector.</p> <p>Aggressive pricing strategies are being pursued by many software companies, such as Oracle around Java licensing and SAP on Qualtrics.</p> <p>Software pricing is likely to represent a high risk to institutions, as suppliers look for strategies to migrate applications to the cloud. Finance systems, HR Payroll and Student records system.</p> <p>Pricing pressures are evident and storage costs and daily rates are increasing. Recently Microsoft announced its intention to amend prices globally on a six-monthly basis due to currency fluctuations. The Microsoft negotiated deal is currently being finalised by Jisc.</p> <p>There is evidence that new SaaS models, including all implementation, development, hosting and support costs are being introduced in the tender</p>

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	<p>Artificial intelligence (AI) has become more prominent in software solutions. For example, CHAT GPT is being used by students/researcher, chatbots and helpdesks etc to provide product support. Anti-plagiarism software now includes an AI detection feature, which has been delayed by many institutions while they investigate accuracy, data processing involved and assessment techniques and policies within the institutions.</p> <p>Concerns have been raised by the Information Services (IS) community about the possibility of free of charge Java software becoming chargeable on a site wide basis should a license be invoked by any member of staff. The IS community is working with a UCISA group to investigate potential oncosts and liabilities. There are several alternative tools, both chargeable and free of charge that would be more competitive options for institutions.</p>		<p>process. Some suppliers are also proposing consumption based software models, which will have seasonal peaks and troughs in budgets aligned to peak usage periods.</p> <p>Many market leading software companies are now using a re-seller partner to bid for frameworks and act as prime-contractor for the Ts & Cs sign-up and customer Call-offs.</p> <p>VMWare have been taken over by Broadcom. The delivery model has been changed, which will affect all customers. All resellers have been reevaluated by Broadcom and the partners have been consolidated and migrated to a similar commercial model. Competitors of VMWare are viewing the change as an opportunity, but Broadcom insist that changes will be beneficial and are seeking to reassure VMWare customers. Broadcom will simplify the product mix and transition all VMware solutions to subscription licenses, with the end of sale of perpetual licenses. Some institutions have managed to continue the perpetual license for purchases in January 24 with support contracts.</p>

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			<p>Ongoing collaboration between SUPC, JISC, UCISA, and CCS regarding negotiating with Broadcom for a public sector deal. Many members facing significant pricing and support issues despite protestations from Broadcom that costs for many of our members have reduced and there are no service implications.</p> <p>Open source software is gaining market share within the UK Library Management System marketplace. e.g. Folio and Koha. For Institutions taking on the license fee full savings of the open source model there are wider commercial considerations to be taken into account. For example, some or all of the software is owned by an Open Library Foundation and supplied by an intermediate Managed Service Contractor.</p>
Data Centre: The demand for and rapid expansion of Data Centres continues to stretch labour demand, currently, 10% of positions in existing US data centres remain unfilled, a rate more than double the national average. Data Centre power usage is expected to increase, to illustrate this data centres accounted for only 3% of US total	Data Centre: Some materials shortages continue. Suppliers will continue to work with Institutions to manage project delivery. Data centre construction is a long process, and with current supply chain uncertainties may only worsen. Developers may claim one year to 18		Data Centre: The largest new artificial intelligence (AI) data centre in Europe, expected to create 1600 jobs and generate inward investment worth multi-billion pounds is planned for construction. Source: https://www.gov.uk/government/news/new-ai-data-centre-being-enabled-by-coal-authority-permits

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<p>power usage in 2023, projections suggest this could exceed 11% within the next decade. Source https://www.capacitymedia.com/data-centres-report</p>	<p>months for construction, these estimates often do not consider preliminary work such as assessment, planning, site selection and design. Supply chain disruptions are also affecting cost and timelines.</p> <p>According to Build In Digital https://buildindigital.com/data-centre-supply-chain-constraints-could-cripple-ai-growth, Data Centre construction Supply Constraints could affect the growth of AI, which relies heavily on high powered computing. According to research conducted by Rider Levett Bucknall (RLB) factors potentially affecting Data Centre construction include Increased environmental regulation, Disruptions from physical climate risk, Geopolitical disruption, Supply chain labour shortages, Exchange rate fluctuations and Armed conflict.</p>		
	<p>Networking The Supply Chain issues seen over the last few years has to some extent now dwindled, the current issue according to Cisco is a backlog of purchased equipment now waiting to be installed. The bottleneck has now moved downstream to</p>		<p>Networking According to the CISCO 2024 State of industrial Networking report, the top 10 Industry barriers to growth (in order) are shortage of skilled workers, Inflation, Cybersecurity risks, Supply Chain disruption, the rise of AI, competitors technology adaption, material shortages,</p>

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	<p>the implementation stage. Cisco estimates “there is an additional one quarter to two quarters worth of shipped orders in customers’ hands, still waiting to be deployed”. Quarter one product revenue growth of 9% has been seen over last year, compared to quarter 4 product revenue growth of 20%. Both ship and lead times and backlog have largely returned to normal levels,” according to Cisco CFO Scott Herren. Other vendors such as Arista Networks and Juniper Networks have reported similar normalization. Source: Networkworld</p> <p>Framework providers are not tied to one vendor and are keeping customers up-to date.</p>		<p>macro-economic climate & climate change.</p>
	<p>Printers and MFDs: The challenge on printers and MFDs is similar to the impact in other areas of IT, and other sectors where IT related components are embedded within the products i.e. motor vehicles.</p> <p>The supply chain remains challenging for printers and MFDs but like other areas is improving. Some institutions are re-evaluating their entire print fleet and</p>		<p>Printers and MFDs: In terms of pricing, raw material /component prices have increased so although the manufacturers have tried to absorb these increases and also the increased cost of freight from Asia, prices are now being put up by vendors. Several suppliers have indicated that pricing pressures may need to be addressed. The price of lease costs is under pressure at the moment, as various suppliers are</p>

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	<p>strategy so the demand is not as high as pre-pandemic. This industry did not suffer from excessive demand during the pandemic but the opposite issue, as workers moved home.</p> <p>There still may be some shortages of Printer Ink, Toner supply (largely due to transit issues with stock not being shipped) and some Printers being out of stock.</p>		<p>now requesting price increases due to the ongoing sharp rise in interest rates. No supplier pricing requests have been submitted as part of the Scottish Procurement MFD framework agreement.</p> <p>Konica have requested to submit a price increase for the Nepa2 Framework, once received this will be considered and if approved will require 30 days notice.</p>
	<p>Office Supplies - Paper (see 'commercial' column for further details)</p>		<p>Office Supplies - Paper Stockists and distributors have advised that there is some uncertainty within this changing industry, but stock is available as paper is in oversupply. Lead-times from mills were lengthy in early 2024 owing to the Red Sea disruptions but this is now settling slightly. However paper mills costs have risen due to increases in shipping freight which will see future price increases in paper products during 2025. The availability of “white box” paper (cheap unbranded product) is still more affordable from the Far East, but some are from unregulated sources so distributors need to be vigilant as it is unsustainable long term. UPM Mills are adjusting their production levels to meet lower volume</p>

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			<p>trends through temporary shutdowns and maintain profitability in an uncertain market. A few mill closures have taken place in Germany for graphic print, uncoated fine paper and newsprint production which reduces the supply in the market.</p> <p>Pricing is expected to increase in the next six months and into 2025 as a result of the above cost rises faced through the production, supply and distribution of paper products.</p> <p>Price is also affected by:</p> <p>Ongoing decline in demand and consumption of paper, particularly in Europe and production capacity has reduced with the ongoing trend of hybrid working and less office based staff. Year on Year volume on office supplies is down owing to this change in workforce pattern. Mills and stockists continue to focus more on producing cardboard owing to the increase in home deliveries coupled with the increased profitability the change of manufacture affords.</p>

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			<p>Whilst inflation in 2024 is slowly reducing, it is still unpredictable - whilst demand in products has reduced, the cost of utilities remains a challenge in maintaining reasonable manufacturing costs.</p> <p>Traditionally Lengthy fixed price deals are mostly disregarded as mills now routinely increase their pricing on a “take it or leave it” basis.</p>
Library			
	<p>Although Covid and recent supply chain issues around paper accelerated a switch from print to digital, there is still a strong demand for print due to accessibility (digital doesn't work for some), cost of digital, and also suitability of digital for subject matter (digital is particularly poor for Art).</p> <p>Import of hard copy materials from Europe is still tricky following Brexit, with increased costs and inconsistency at UK customs (eg. packages treated correctly).</p>	<p>Sustainability – UKUPC is working in the supply chain via Book Industry Communication (a not-for-profit book supply chain organisation) and sector bodies such as Jisc and SCONUL to better understand the practices and accreditations relating to the green supply chain. The aim is to find and bring through best practices into the library supply part of the chain both from a supplier and a member perspective.</p> <p>AI: publishers are looking closely at how end users may be using licensed content with AI, which is prohibited. Some publishers have simply reminded/clarified that this is not allowed but others have sought to amend contracts with clauses</p>	<p>Some more economically sustainable e-textbook models have begun to develop and anecdotally members seem to be achieving better value. It is too early for data to be available, though. Members are looking towards Open Access alternatives to e-textbooks. OA is still in an early developmental phase and there are challenges to success but budget cuts may well seed progress. Some members who have been spending significant sums on e-textbooks in recent years are planning to pivot towards OA in the next 2-3 years and some framework suppliers have started to offer hosting services for OA resources, which allows members to pay a platform fee to make</p>

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		<p>that are vague and expect the institution to accept liability. Pushback is happening and the international community is looking to agree wording for a suggested clause that everyone can use to push back.</p> <p>There is some discussion beginning about the inclusion of AI within library resource platforms and whether institutions want varying AI solutions across their third party platforms or a single solution that can overlay their digital presence.</p>	<p>OA content available with better and more consistent student experience.</p>
<p>Estates, Facilities and Building <i>Includes: Catering, Cleaning, Security, Furniture, Janitorial, Workshop, H&S, Vehicles, Office Supplies (Stationery, facilities operations, water coolers etc), Utilities, Energy</i></p>			
<p>General: Recruitment and retention continues to be an issue impacting labour across a few commodity and service areas.</p> <p>Construction materials saw an increase of 36% from May 2020 until May 2024, with a –3.3% change from May 2023 to May 2024.</p>	<p>General /Logistics/Hauliers: Global supply chain risks remain due to the passed introduction of revised import regulations post Brexit, sanctions against goods from certain origins and other ongoing geo-political situations, as well minor recruitment & retention issues.</p> <p>The World Container Index indicates that issues in the red sea are not currently impacting global trade routes with the prices dropping from the 12 month peak at the start of July 2024.</p> <p>The Italian Government announced changes to the mandatory shut down in</p>	<p>General/ Logistics/Hauliers: Border Control Checks: With the new UK Government’s first budget imminent a number of cuts and changes in revised policy have already been announced, with more expected to follow.</p> <p>The UK government’s Border Target Operating Model, which governs the importing of goods to the UK including from the EU is now approaching its third phase</p>	<p>General: The Bank of England’s Monetary Policy committee reduced the interest rate to 5%, the first reduction in rates since December 2021 but these are still higher than the majority of the preceding sixteen years.</p> <p>The CPI 12 month rate at July 2024 was 2.2% which is an increase of 0.2% from June.</p> <p>The Current Bank of England base rate reduced from 5.25% to 5%. As inflation has now risen above the 2% Government target, this may mean a rise again in the</p>

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	<p>August and the shut down now only lasts for two weeks, easing pressure on Furniture suppliers and the supply chain</p>	<p>The next phase of the model will be introduced at the end of October 2024 – This will include safety and security declarations for EU imports will come into force. Alongside this, the UK will introduce a reduced dataset for imports (with the goal being to reduce duplication in customs declarations).</p> <p>The UK government’s accessions to restore the NI government at Stormont may bring some changes to the Windsor Framework which controls the flow of goods to and from the UK to Northern Ireland and via there to and from Ireland and the EU has also been finalised.</p> <p>This was originally risk based and focused on the final destination of goods as below:</p> <ul style="list-style-type: none"> • The Green Lane will continue, seeing the flow of goods from UK to Northern Ireland with minimal certification or controls. • Where goods enter NI, but are destined for Ireland or the EU, these will continue to be subject to full EU controls on arrival in NI. • Labelling updates will have to be made – goods entering NI and 	<p>Base rate, which is next due for review on 19th September 2024.</p> <p>The Bank of England’s Monetary Policy Summary published 01 August 2024 states <i>“Twelve-month CPI inflation had fallen back to 2% in May and had remained at that level in June. CPI inflation is expected to increase to around 2¾% in the second half of this year, as declines in energy prices last year fall out of the annual comparison, revealing more clearly the prevailing persistence of domestic inflationary pressures.”</i></p>

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		<p>destined for the NI market only, will have to be labelled ‘not for EU’ and are prohibited from being placed on the EU market.</p> <ul style="list-style-type: none"> • Labelling changes began on 1st October and will be rolled out on a phased basis with depending on the product type involved with some goods not being affected until October 2024, or July 2025. <p>A new version of the Common Assessment Standard was released by Build UK on 1st July to include questions taking the changes to the Building Safety Act into account</p>																									
<p>Waste: The HGV driver shortage no longer seems to be an issue and the situation has improved significantly, this in part is down to employers increasing wages and improving employee benefits for HGV drivers as well as investing more money into training, and also in part down the government schemes rolled out to ease the situation such as a relaxation of drivers hours and funding made available for HGV driver trainees.</p>	<p>Waste: As the industry is heavily reliant on vehicle fuels, the previous increase in fuel costs had a big impact. Fuel prices continue to fluctuate and we have seen prices drop in recent months (latest figures below).</p> <table border="1" data-bbox="593 1241 1108 1337"> <thead> <tr> <th colspan="5">Pump prices UK</th> </tr> <tr> <th>Date</th> <th>1 Dec 2023</th> <th>1 Feb 2024</th> <th>1 May 2024</th> <th>1 Aug 2024</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Pump prices UK					Date	1 Dec 2023	1 Feb 2024	1 May 2024	1 Aug 2024						<p>Waste: In April 2024 the Scottish Government announced that they were ditching their goal of reducing emissions by 75% by 2030 and instead would be focusing on the overall goal of reaching net zero emissions by 2045 (five years earlier than the UK Government’s target for this).</p> <p>To meet the Scottish Government’s target of Net Zero by 2045, Scotland still</p>	<p>Waste: UK Landfill taxes shall increase by £1.60 per tonne from April 2024 :</p> <table border="1" data-bbox="1675 1058 2184 1228"> <thead> <tr> <th>Material sent to landfill</th> <th>Rates from 1 April 2023</th> <th>Rates from 1 April 2024</th> </tr> </thead> <tbody> <tr> <td>Standard rated</td> <td>£102.10 tonne</td> <td>£103.70 tonne</td> </tr> <tr> <td>Lower rated</td> <td>£3.25 tonne</td> <td>£3.30 tonne</td> </tr> </tbody> </table> <p>Source - gov.uk</p> <p>In April 2024, the Department of environment, food, and rural affairs</p>	Material sent to landfill	Rates from 1 April 2023	Rates from 1 April 2024	Standard rated	£102.10 tonne	£103.70 tonne	Lower rated	£3.25 tonne	£3.30 tonne
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	<table border="1"> <tr> <td>Unleaded petrol</td> <td>145.71</td> <td>140.55</td> <td>149.54</td> <td>143.42</td> </tr> <tr> <td>Diesel</td> <td>154.10</td> <td>149.35</td> <td>157.64</td> <td>149.10</td> </tr> </table>	Unleaded petrol	145.71	140.55	149.54	143.42	Diesel	154.10	149.35	157.64	149.10	<p>The waste management sector also depends on fuel oil for a wide range of activities beyond its fleet of vehicles. Waste transfer stations and materials recovery facilities place significant strain on the power supply, frequently requiring the deployment of diesel generators. The removal of subsidies for 'Red Diesel' in these operations continues to affect numerous operators.</p>	<p>have a challenge ahead in order to reduce emissions. To achieve these milestones Scotland must meet recycling targets by ending landfilling of biodegradable waste and significantly reduce food waste and aim for a more rapid transition to a fully circular economy in Scotland. This is being driven in part by the introduction of carbon measurement and associated charges and EfW and waste incineration facilities will be included in the UK ETS from 2028.</p> <p>Scottish Government has pledged £70 million to help improve local recycling collection infrastructure as well as developing a future model of recycling collection that aim to make it easier for householders and businesses to make the right choice when it comes to dealing with waste however, it now remains to be seen how this funding has been spent as there is a lack of information on what difference this funding has made in practice.</p> <p>There has been an increased focus on the management of waste containing (POPs) Persistent Organic Pollutants particularly in (WUDS) Waste Upholstered Domestic Seating and SEPA guidance has been issued</p>	<p>(Defra) published its first policy statement on the UK's deposit return scheme (DRS), delaying the scheme until October 2027. The timeline for the implementation is split into 3 phases:</p> <ul style="list-style-type: none"> Phase 1: Regulation and deposit management organisation (DMO) appointment (by Spring 2025): Regulations in place in all administrations, and DMO(s) appointed. Phase 2: DMO Set-up (Spring 2025 to Spring 2026): This period allows for the establishment of DMO(s) capable of effectively managing the DRS on behalf of industry. Activities will range from infrastructure development to digital and IT setup, and retailer and producer engagement. Phase 3: Rollout (Spring 2026 to Autumn 2027): The final phase focuses on operational readiness, including the establishment of national collection infrastructure, retailer preparations for return point installations and consumer engagement campaigns. By October 2027, the DRS will be fully operational across the UK.
Unleaded petrol	145.71	140.55	149.54	143.42										
Diesel	154.10	149.35	157.64	149.10										

Labour (costs, shortage, abundance)	Supply Chain (logistics – costs and delays, import export risks, raw material shortages/availability of supply)	Regulatory (new legislation, legal cases, Procurement regs, sustainability)	Commercial (currency fluctuation, taxes, demand)
		<p>to support waste holders in classifying and assessing their Waste Upholstered Domestic Seating (WUDS) to help ensure that it is managed in an appropriate manner).</p> <p>Further clarity is being sought on how this may impact circular economy opportunities https://www.sepa.org.uk/media/tnoa12he/waste-upholstered-domestic-seating-containing-pops-guidance.pdf</p> <p>This is also affecting WEEE materials and equipment https://www.sepa.org.uk/media/594293/pops.pdf</p> <p>Waste suppliers are supporting institutions on how to assess and process waste which may contain POPs to ensure they remain compliant.</p> <p>Wales: The Welsh Government has introduced a new recycling law which applies to all workplaces in Wales. The new law came into effect on 6 April 2024.</p> <p>More information can be found Here</p>	<p>The policy paper can be found here</p> <p>The introduction of the Deposit Return Scheme is now delayed until at least October 2025, will affect the volumes and quality of plastic, glass and can recycles within institution’s waste streams and the frequency of collections and potential rebates should be considered at any review points.</p>

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<p>Catering: Hospitality and leisure businesses across the UK are being urged to reconsider traditional CV based hiring practices to help ease the staffing crisis that has been impacting the sector since the Covid-19 pandemic. This approach to recruitment may find its way into catering supplier and other hospitality commodities in the public sector.</p>	<p>Catering: Avian Flu: There have been no outbreaks of avian flu in the UK since 14 February 2024. Egg production levels are beginning to rise slowly, and some costs of production are coming down (eg. Feed). Halal Chicken is still in short supply and continuing to be difficult to source.</p> <p>Following a 14 day lull in confirmed incidents from 21st July 2024 in the Red Sea, tensions have escalated again with some incidents in the area reported by the UK Maritime Trade Operations (UKMTO). The issues with the Red Sea have not seen as much disruption as first envisaged, however, costs for importers are higher.</p> <p>The bad weather throughout the UK in recent months has seen a reduction of crop production of potatoes, carrots, broccoli, and cabbage. These issues are forcing increased pricing and we are seeing more issues with quality of these produce.</p> <p>The rain has also negatively impacted the UK's wheat harvest, which is predicted to be down by 30%. This could have an</p>	<p>Catering: Some reports suggesting that there could be delays at borders when the EU implement their Entry/Exit System. The new EU Entry Exist System (EES) is a new IT based system that will register the entries and exits of all non-EEA citizens to and from Schengen area into a central database. It will replace the stamping of passports at borders and will automatically enforce the 90/180 days. The new IT system will register the person's name, type of travel document, biometric data (ie fingerprints and captured facial images) and the date and place of entry and exit.</p> <p>The UK's Agriculture and Horticulture Development Board's campaign promoting meat came under fire over "outdated" nutrition recommendations.</p>	<p>Catering: In the 12-months to July 2024, average food prices faced by UK households (as measured by ONS' CPI index) increased to 1.4%, up marginally from 1.3% in June 2024 (food and non-alcoholic drink prices increased by 1.5% in July 2024). This is the first month that the rate for food has risen since March 2023.</p> <p>In the 12 months to July 2024, overall inflation, measured by ONS CPI, was 2.2%, up from 2% in June 2024. An increase in the overall rate was widely predicted and is largely due to prices of gas and electricity falling by less than they did a year before.</p> <p>Despite the marginal rise in the overall rate, some food sub-groups continue to have negative inflation rates indicating lower prices compared to 12 months previously, including Fish (-4.2%) and Milk, Cheese and Eggs (-0.2%). Oils and fats (9.2%) and Sugar, chocolate etc. (5.1%) had the highest rates across food sub-groups.</p> <p>International rice prices have remained elevated amid lingering export curbs and</p>

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	<p>adverse effect on pricing.</p> <p>A new Food Foundation study flagged that some plant-based meat alternatives are high in salt.</p>		<p>strong purchases by some Asian countries. However, early prospects for 2024/25 point to world production reaching a fresh peak, which could revive rice utilization growth and push stockpiles to a record high.</p> <p>Global meat production is forecast to expand marginally in 2024, driven by an increase in poultry meat production, notwithstanding possible negative impacts stemming from extreme weather events, the spread of animal diseases and thin profit margins.</p> <p>There are concerns that October’s budget may hit HE catering services adversely combined with higher energy costs leading to lack of consumer confidence.</p>
<p>Meat & Poultry Labour shortages continue within the food supply chain as numerous sectors continue to experience challenges with recruiting and retaining sufficient workforce. Sectors affected include farming sectors such as pigs, eggs, poultry, red meat, dairy, arable and edible horticulture; primary processing including meat processing.</p>	<p>Pork: Germany has reported several new outbreaks of ASF this summer, closer to their western border. If the disease continues to spread west there could be significant issues with trade, especially if an outbreak occurs in Spain, the largest exporter.</p>		<p>Feed / Grains: ICE Wheat Futures have crept back up since 03-Feb-24 and for the week ending 17-Aug-24 they stood at £187.27 per tonne from £169.71 in Feb. This is also a -£1.09 change on year. Soyameal as of 17-Aug-24 is £353 per tonne, down £78 since Jan-24, and down £80 change on year.</p>

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	<p>Pork: Q2 cost of production saw a decrease of 12% in energy prices compared to Q1, but there was an increase in fuel costs.</p> <p>Beef: UK beef production is forecasted to be 2024, up 0.3% compared to 2023. In 2025, changes in slaughter are expected to lead to a further 2.6% reduction in beef production.</p> <p>Lamb: Total sheep meat production is expected to fall by 3% to 278,000 tonnes in 2024. This is driven by a fall in the lamb crop impacting on slaughter levels of new season lambs.</p> <p>Lamb: The schallenberg virus and blue tongue virus have been highlighted as likely to impact sheep numbers throughout 2024 as there have been an increased number of cases but it has been assumed the impact will be minimal but impact remains a larges uncertainty.</p>		<p>Pork: 2024 has seen very little movement in prices compared to previous years and supply remains tight and demand remains subdued. Consumers remaining sensitive to prices, reducing volumes purchased and switching to cheaper proteins.</p> <p>Beef: GB deadweight cattle prices have been relatively resilient during the first half of 2024. Cheaper primary cuts such as mince are expected to do well, and any rises in scratch cooking could further benefit mince due to its low-price point. Increased cattle slaughter and growth in import levels have put more supplies onto the market, which pressured prices particularly through the spring. Regardless, prices have persisted at historically high levels so far this year, supported by robust consumer demand, and underpinned by strong cattle prices in Irish and European markets.</p> <p>Poultry: Chicken prices are fairly steady</p> <p>Lamb: The lamb prices so far in 2024 have been hugely volatile supported by a smaller carryover compared to 2023,</p>

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			<p>which alongside a delayed NSL crop, has led to fewer supplies available. This has offered supply side drivers to prices, in a period of higher-than-expected demand. A smaller number of imports will also support domestic prices as NZ & AUS exports are focused on other destinations.</p>
<p>Sandwiches Labour Shortages: There is a significant shortage of workers, particularly in roles that require specific skills. This shortage is affecting the entire supply chain, from production to retail.</p> <p>Recruitment and Retention: Attracting and retaining staff has become increasingly difficult. Factors such as low wages, demanding work conditions, and competition from other sectors are contributing to high turnover rates.</p> <p>Seasonal Workforce: The industry relies heavily on seasonal workers, many of whom are from overseas. Changes in</p>	<p>Sandwiches Weather Impact: Adverse weather conditions have significantly disrupted the supply chain, affecting the availability and cost of ingredients.</p> <p>Logistics Issues: Ongoing logistical challenges, including transportation delays and increased fuel costs, are causing disruptions in the timely delivery of goods.</p>	<p>Sandwiches Recent cases of Listeria monocytogenes and E. coli bacteria causing deaths and severe illness highlight the importance of being diligent about maintaining high standards when handling chilled foods. The British Sandwich & Food to Go Association has worked closely with the Food Standards Agency and NHS, with some businesses responsibly withdrawing products rather than take any risks that ingredients they use might be involved.</p>	<p>Sandwiches Health-Conscious Options: Consumers are increasingly seeking healthier choices, including salads, wraps, and plant-based meals. This trend is driven by a growing awareness of health and wellness.</p> <p>Sustainability: Eco-friendly packaging and sustainably sourced ingredients are becoming more important to consumers. Businesses that prioritize sustainability are seeing increased demand</p>

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<p>immigration policies and the availability of visas have made it harder to secure this essential workforce.</p> <p>Automation: To mitigate labour shortages, there is a push towards automation. However, the transition is slow and requires significant investment, which not all businesses can afford.</p> <p>Government Policies: The new Labour government has introduced measures to address these issues, including extending the seasonal worker visa route and focusing on domestic employment and skills development.</p>			
	<p>Fresh Produce: Shipping & supply – no issues at present.</p>	<p>Fresh Produce: Up until now, EU imports to the UK have been subject to certain distinctions compared to imports from the rest of the world. Meaning documentation and imports from the EU have been quicker and easier to complete.</p> <p>The changes in import checks are being phased rather than implemented all at once to ease the transition. Starting 31st Jan '24 to 31st Oct '24. The implementation of these full border controls on EU imports will bring them in line with the requirements for imports from the rest of</p>	<p>Fresh Produce: UK Crops: Now moving into Autumn. The continued wet weather is having an effect on crops such as leafy salads and some berries as we are now starting to see more incidences of moulds & mildews in the field. Due to the high water content crops are also a more delicate and prone to bruising after harvest.</p> <p>Spain: Thunderstorms and flooding in Murcia has delayed the planting of Winter crops which could affect harvests later in the year.</p>

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		<p>the world. In doing so, this does mean that EU imports will face increased administrative processes, with potential delays, especially initially whilst these procedures are put in place.</p> <p>So far Fresh Fruit & Vegetable suppliers have reported little disruption to the supply chain due to the change in UK Border Control.</p> <p>Suppliers continue to work with the Federation of Wholesale Distributors (FWD) regarding any concerns on potential cost impact of these border control changes. Although given the majority of imports (including their packaging/ingredients) are managed directly by suppliers, framework wholesalers are unable to provide any estimated impact at this time. However, following an initial review it would indicate that the media coverage on this matter, unsurprisingly appears slightly exaggerated.</p> <p>As a result, given the classification detailed above, (i.e. as 'low risk'), any impact on cost for products which framework wholesalers source and directly import appears to be minor.</p>	

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<p>Fish & Seafood Lack of human resource remains an issue for the industry. Those key people who pick, prepare and pack your fish, and the drivers who deliver are in extremely short supply. There are issues throughout the entire supply chain in respect to this issue, and the impact suppliers are seeing is higher prices through the higher labour costs needed to attract and retain staff, and delays and interruptions throughout the logistics process as a result of staff shortages. Implementing more efficient machinery to assist in the processing of seafood will help here.</p>	<p>Fish & Seafood In terms of frozen fish lines there are still issues with the Suez, so imports are taking at least 10 more days. Freight rates went up, but has stabilised and come back down a little, but still inflated. The world’s global situation is uncertain, so there are increased risks for imports. There are no major issues to report in terms of fish availability, other than the usual seasonality.</p> <p>Freight rates have spiked again with suppliers currently paying more to import their fresh and frozen lines.</p> <ol style="list-style-type: none"> 1. We reported earlier this year that Houthi rebels are targeting ships transiting the Suez Canal in solidarity with Palestinians. As a result, the world’s largest shipping firms have been pausing shipments through the Red Sea after attacks along the crucial international trade route. There is significant congestion in the port of Singapore due to many vessels being re-routed around the cape of good hope as a result of these issues. Congestion leads to 	<p>Fish & Seafood Quotas are set to impact the cost of cod. The USA have banned other products of Russian origin to include salmon, cod, pollock and crab harvested in Russian waters or by Russian vessels and processed in another country. This is increasing pressure on supplies of cod from Norway and prices are firm as a result.</p>	<p>Fish & Seafood Increased demand for prawns and other species (impacted by the ban on Russian products) from US and Asian markets will impact pricing and look set to increase between now and Christmas. The same pricing spikes can be expected for Salmon on the run up to Christmas with prices peaking in the next two months before dropping down again in the new year.</p> <p>Other commercial factors impacting supply include increases in the minimum wage, transport rates, fees for imports (called the ‘common user charge’ to pay for “world class border facilities”).</p>

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	<p>demurrage costs, which adds cost to products</p> <ol style="list-style-type: none"> 2. With the total transit times extended each way, shipping lines are adding more vessels. However, capacity is constrained, which means upwards pressure on rates. 3. Spot rates and insurance costs are increasing rapidly on all affected trades. This has led to an increase in freight cost. 4. Containers out of Rotterdam, the largest port in Europe, are being delayed due to increased volumes and limited capacity. It can take up to 3 weeks to come to UK ports. This is in addition to demand on imports increasing due to forthcoming Christmas volumes. Demand exceeding supply creates upward price pressure. 5. EU imports have been affected by the new costs for clearance. These charges include customs clearance, health documents, public health charges, customs duty, customs deferment and documentation fees. These are predominantly affecting deli lines, 		

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	but also sea bass and bream to a more limited extent.		
Alcohol There are still difficulties in recruiting and retaining staff. Driver availability continues to be challenging but is improving. Additional costs to maintain and employ staff.	Alcohol Pricing continues to be problematic with ongoing freight delays and higher costs. Suppliers have increased stock levels to compensate for delays. Brand owner increases to offset against inflation and the rising cost to manufacture beers, wine and spirits continue to impact distributor pricing. Within the alcohol category the most significant cost driver is the increase in the cost of glass which has had a big effect on cost of goods.		Alcohol Brand owners continue to reduce the ABV of their products.
CICS (Catering Innovation Concept Services) There are still difficulties in recruiting and retaining staff. Driver availability continues to be challenging but is improving.	CICS (Catering Innovation Concept Services) There are still issues with the Suez, so imports are taking at least 10 more days. Freight have spiked again. Suppliers must closely monitor price fluctuations to ensure their businesses are well-prepared for any future challenges. Where possible, they are holding good stocks on ranges to mitigate for any inbound supply problems.		

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<p>Milk & Bread Labour costs continue to increase, with the NLW increasing by 9.8 per cent to £11.44 an hour from 1st April.</p> <p>Suppliers report challenges with recruiting HGV drivers again; there is great demand as they are in short supply.</p> <p>Those with bakeries report sporadic, short term staff absence but nothing significant that would affect their production capabilities. Vacancies are still hard to fill especially for night shift bakery jobs.</p>	<p>Milk & Bread Milk & Dairy: Due to high amounts of rain and low temperatures hindering grass growth - yields per cow have fallen resulting in a drop in milk production levels. The major milk processors have uplifted their pricing to improve volumes and availability and to help farmers with rising costs. Any drop in milk volumes do directly impact wholesale dairy prices and availability. The cost of butter, cheese, cream and yogurt are all set to rise going into the autumn period.</p> <p>Framework suppliers must closely monitor price fluctuations to ensure their businesses are well-prepared for any future challenges. Where possible, they are holding good stocks on ranges to mitigate for any inbound supply problems. EU butter stocks are running tight with decreasing production, and we've already seen butter prices jump significantly in August.</p> <p>Bread: there have been cost price increases for raw materials and finished goods especially in dried fruit and cocoa. Suppliers are reviewing their product ranges and commercials to decide on how best to react to these cost pressures.</p>	<p>Milk & Bread Sustainability remains a big area of focus at present, but this does come with a cost to the business as well.</p> <p>According to a very recent survey of 700 members conducted by the National Farmers Union (NFU), 15% said they are thinking about stopping milk production, while a further 7% said they plan to quit completely by the end of 2024.</p>	<p>Milk & Bread Dairy markets remain volatile and have been on the rise since June as processors pay a higher price for milk to ensure supply availability and to help farmers with rising costs.</p>

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Catering Light & Heavy Equipment:	<p>Catering Light & Heavy Equipment: Aluminium: Aluminium prices rose continuously for the first 5 months of 2024. Key factors have been lessened supply, sanctions on Russian aluminium, and increased demand from China. Prices are expected to continue on an upward trend for at least the next 5 years. Aluminium, alongside copper, steel, zinc, and nickel, is highly sensitive to changes in economic activity due to its extensive use in industrial applications and construction.</p>	Catering Light & Heavy Equipment:	<p>Catering Light & Heavy Equipment: Market forces: In May, Bunzl acquired Nisbets. Nisbets put out a statement in June that they will continue to operate as a stand-alone business.</p>
	<p>Hot Beverages: Coffee - Price increases due to uncertainty in supply. This is alongside continuing shipping issues and the continuing rise in demand.</p> <p>Tea – Short term supply shortages on Black Tea due to Red Sea disruptions as a result of attacks on freighters. Shipments have been re-directed taking 10-14 days longer and at an increased cost.</p>		
	<p>Disposable Catering Supplies (Tuco)</p> <p>Delays / Freight: Some suppliers are experiencing delays as a result of the troubles experienced in the Red Sea / Suez Canal. The delays are due to alternative</p>	<p>Cleaning & Janitorial Products</p> <p>Regulations play a significant role in the UK cleaning product supply industry. Compliance with strict safety and environmental regulations ensures that</p>	<p>Cleaning & Janitorial Products: It is worth noting that some of the increases which we have seen have been manufacturer’s ‘surcharges, especially on paper products, something suppliers have no control over. However, suppliers</p>

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	<p>routes being used around the Cape of Good Hope which is reportedly adding up to 3 weeks onto lead times. Products. Products potentially to be impacted include:</p> <ul style="list-style-type: none"> • Disposable gloves • Overshoes , Oversleeves • Hair nets • Disposable aprons • Disposable catering supplies / food packaging <p>Costs: Delays caused by Red Sea diverts are impacting shipping costs as freight liners are charging more for containers to cover the extra costs incurred as a result of changing to longer shipping routes. This will could potentially result in increased costs for the items listed above if tensions do not ease within coming months.</p> <p>Cleaning & Janitorial Products: Availability is increasing but delays and increased pricing still possible. The Supply Chain has stabilised for the majority of Janitorial supplies, in particular, gloves and bin bags are much more readily available at a much more competitive price than last year.</p>	<p>the products meet quality standards and do not pose any undue risk to users.</p> <p>The introduction of CLP labelling, changes to the Biocidal Product Regulations (BPR) and the introduction of Eco-Label products, all make for a safer and sustainable future for the cleaning sector.</p> <p>One of the prominent trends in the UK cleaning product supply industry is the increasing demand for eco-friendly and sustainable cleaning solutions.</p> <p>Consumers are becoming more environmentally conscious, driving manufacturers and suppliers to provide and develop products that have a reduced impact on the planet while still maintaining high efficacy.</p> <p>Biodegradable ingredients, refillable packaging, and reduced chemical content have become sought-after features along with independent verification for the avoidance of “green washing.”</p> <p>CHSA (Cleaning and Hygiene Suppliers Association) have an accreditation scheme</p>	<p>are continuing to remove the surcharge for some items, which allows them to provide more competitive pricing.</p> <p>The increase in the price of paper mulch has had a knock-on effect on supply chain costs for paper products including paper towels. These costs increases will likely filter through the supply chain to institutions</p>

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		for distributors and manufacturers This is one suggested method to guarantee quality, size etc, as some labelling and descriptions can be misleading. The CHSA ensures transparency during their regular audit process.	
<p>Construction: Contractor labour shortages continue in key areas such as :</p> <ul style="list-style-type: none"> Senior project managers Welders Roof Installers Cladding Installers Steel fixers Joiners / Dry wallers Electricians Labourers <p>With 40% of the current workforce aged 50 or over recruitment will be needed to cover retirement, etc. and recent research showed an additional 19,550 workers will need to be recruited between 2024 and 2028 to meet the expected demand.</p> <p>The change in working practices to 4 day weeks, reduced desire for overtime and unwillingness to travel is also having an impact.</p>	<p>Construction: Inflation in M&E relates subcontractor provision has been recorded at 7% over the last quarter which is the highest in the industry. This is accounting for significant increases to project costs with the average tendering package rising 2.5% from the previous quarter overall.</p> <p>Cuts in interest rates are expected to increase work in the construction sector which may impact on timescales of projects.</p> <p>Sub-Contractors feedback of significant issues accessing required levels of insurance due to industry credit levels. Availability of performance bonds and insurance for retrofits and cladding projects are driving selection and cost issues.</p>	<p>Construction: Steel pricing have been dropping in the past 3 months and hit a new 1 year low in August 2024.</p> <p>Changes in UK immigration policies and dramatic increases in associated salary thresholds from January 2024 are expected to impact on labour shortages.</p> <p>The latest edition of the Joint Contract Tribunal's (JCT's) Minor Works Building Contract family has moved its optional fluctuation clause online. Minor Works is designed for use on short-lasting, small and simple construction projects in the public and private sector, according to the JCT</p> <p>The latest version of the Common Assessment Standard was launched by Build UK at the start of July. This includes a specific section now on Building Safety</p>	<p>Construction: In the main construction materials pricing has stabilised, and steel and timber prices have reduced, offsetting some rises in concrete costs and are no longer the driving reason for increase construction costs.</p> <p>Cost of insulation material are rising due to a combination of increased production costs and demand.</p> <p>Labour costs remain the consistent rising factor along with risks being priced in to tenders. Delays in Client decisions making is also considered to have a cost impact</p> <p>The Bank of England cut the base interest to 5% in August 2024 and it is expected to drop to 4.5% by end of 2024.</p> <p>AtkinsRéalis shared their latest Tender price index, as below, at a recent event in March 2024.</p>

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<p>It is expected that recent immigration changes and rises in salary thresholds from January 2024 will have an impact and CLC continue to lobby government for dispensation in work VISA for construction skilled areas.</p> <p>Apprenticeships are not managing to fill the gaps either with over 31,000 apprentices starting each year over the past five years, but 40% of them dropping out over concerns of the quality of training and tight schedule demands.</p> <p>Retention of skilled electricians is currently difficult due to high profile government projects recruiting staff. Framework suppliers in the NE have not been affected to date.</p>		<p>following the revisions to the Building Safety Act which went live earlier this year.</p>	<table border="1"> <tr> <td>2024</td> <td>2.00%</td> </tr> <tr> <td>2025</td> <td>2.50%</td> </tr> <tr> <td>2026</td> <td>3.00%</td> </tr> <tr> <td>2027</td> <td>3.50%</td> </tr> </table>	2024	2.00%	2025	2.50%	2026	3.00%	2027	3.50%	<p>This is one firm’s view and others may be more conservative in setting budgets.</p> <p>The S&P Global UK Construction PMI jumped to 55.3 in July 2024, above market expectations of 52.7 and up from June's 52.2, indicating a significant monthly expansion in the construction sector. This growth extends the current five-month streak of expansion, with the rate of growth being the quickest since May 2022. All three categories of construction experienced increased activity in July, with housing projects showing a return to growth. Commercial activity also saw a solid increase, but civil engineering saw the fastest expansion in almost two-and-a-half years.</p> <p>Main contract awards in the education sector and detailed planning approvals declined against both the previous quarter and last year. More positively, project</p>
2024	2.00%											
2025	2.50%											
2026	3.00%											
2027	3.50%											

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			<p>starts grew on the preceding three months.</p> <p>Reports from Construction Leadership Council in Mays Product Availability statement confirm that there is good stock levels across the board in construction materials but there is price volatility in timber related products and PIR insulation.</p> <p>Tariffs will be removed sooner on UK exports of construction materials, including bricks and tiles, to Vietnam. UK companies will also be able to access government procurement markets in Malaysia and Brunei. The deal will lead to a 3 per cent increase in construction services exports, the DBT estimates.</p>
<p>Consultancy Services: Increases in demand (see Supply Chain) resulted in recruitment and retention issues for a number of discipline area but these are now minimal.</p>	<p>Consultancy Services: Increased demand and activity across a range of range of consultancy services (Engineering, Building, Surveying, Renewable Energy, Carbon Assessment and Management) has led to many contractors having fuller order books and, even with additional recruitment, capacity issues have been experienced for short notice requests or projects with a tight completion timescale.</p>		<p>Consultancy Services: Current pricing for most Frameworks, through capping of rates continues to provide some stability. Preferential pricing should be sought for any call-off contracts, especially term-based contracts. Early engagement of consultants will help secure preferential rates and the best consultants available.</p>

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	<p>Mitigation: Market Engagement and Contractor capability/capacity assessments via Framework Agreements are recommended to gain feedback and understanding of current market activity levels and existing or future capacity. This will enable appropriate deadlines for completion of tenders / RFQs and project timescales to be set therefore maximising potential returns, choice of contractor and project success factors.</p>		
	<p>Timber & Building Supplies: The EU sanctions banning the import of all timber products from Russia and Belarus seem to have stabilised with the UK now using alternative birch ply suppliers found across Europe, which is producing exactly the same grades as their Russian counterparts at a competitive price point.</p> <p>Demand for timber-engineered products is continues to be strong and prices have continue to be stable. Materials are in good supply with production volumes remaining steady.</p> <p>M&E Contractors report in Framework Review Meetings that supply chains are relatively stable but some products have</p>		<p>Timber & Building Supplies: Higher Energy and Carbon costs continue to impact any heat formed or forged products, including bricks, cement, plasterboard, etc.</p>

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	increased lead times still. Specifically Ground Source Heat Pumps, Air Heat Pumps and some electric switches for specific brands of alarms and lifts.		
	<p>Soft FM Security: Although recruitment issues have improved, staff retention remains an issue partly due to the lower pay offered in this service area and the increase of costs of living and additional training/license costs which are forcing staff to consider other roles or rethink career opportunities.</p>	<p>Soft FM Security: Changes in UK immigration policies and dramatic increases in associated salary thresholds from January 2024 are impacting on labour shortages.</p> <p>A new professional security operative apprenticeship scheme was announced by the government as a route for those wanting to join the private security industry and for those already in employment wishing to progress.</p> <p>The apprenticeship will provide training in core skills as well as allow employees to choose a specialism such as:</p> <ul style="list-style-type: none"> • Operational Security Operative • Cash and Valuables in Transit • Mobile Security Patrol • Security Control Room Operative 	<p>Soft FM Security: One of the major factors which impacts on pricing is the annual increases in the minimum wage and living wage as many institutions request contractors to support these as part of any call-off contracts and therefore rates can increase annually to reflect any changes to the National Living Wage (minimum wage) and Scottish Living Wage (as set by the Living Wage Foundation).</p>

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	<p>PPE, Work & Sports Wear: Reduction in production of certain materials in the Asian market have now been lifted, however, there may still be extended lead times being quoted for some products.</p> <p>Lead times are starting to show an improvement to pre covid times having gone through a period of stabilisation. Shipping and raw material costs have also shown a trend downwards in recent quarters which has overall helped the wider picture for the supply and demand of PPE, Clothing and Uniforms, but this element still remains above pre pandemic levels.</p>		<p>PPE: Although pricing seems to have stabilised slightly, increases affecting pricing are due to several factors are continuing to have an influence on prices around the world. Primarily:</p> <ul style="list-style-type: none"> • Fluctuation in the value of the British Pound against some currencies • Utilities, labour, and warehouse rent costs • Industry specific related increases caused by the introduction of the UKCA safety standard, PPE Regulation and the new Safety Footwear Standard EN ISO 20345:2022.
<p>Furniture: Cost of living increases continue to impact the labour market and associated costs.</p> <p>The British Furniture Manufacturers (BFM) Wages Survey 2024 has found that economic uncertainty is the most significant factor influencing wage awards this year, followed by margins and the new National Minimum Wage. 91% of participating UK furniture manufacturers are planning to increase wages by an average of 4.9%.</p>	<p>Furniture: Clients in most sectors of the UK economy, including Universities are updating their workspaces to facilitate agile working methods and a number of furniture suppliers have designed new products which provide solutions to help them to achieve this.</p> <p>Volatility in global markets for raw material prices, energy costs, increased/high container prices etc</p>	<p>Furniture: There have been minimal delays related to checks and documentation requirements on goods imported to the UK post Brexit. This may change once the UK's 'Border Target Operating Model' moves to their next phase in October 2024.</p> <p>Legislation that came in to force regarding the Waste Upholstered Domestic Seating (WUDS) in Scotland has not appeared to have impacted circular economy opportunities.</p>	<p>Furniture: Core product list pricing has been held for HE/FE Furniture Frameworks but the pricing of more bespoke items has been affected due to material price and labour cost increases.</p> <p>The furniture market is reasonably buoyant at present. Clients in most sectors of the UK economy, including Universities are updating their workspaces to facilitate agile working methods</p>

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<p>Labour costs remain at a relatively inflated level due to the cost of living crisis seeing significant increases in rates for all labour supply chains, between 3% and 6% this year across supply chains from components to third party suppliers.</p> <p>Labour shortages are dependent on location, but handling the peaks and troughs, particularly in the summer months can be problematic.</p> <p>Whilst inflation is starting to decrease, the cost for labour is not decreasing in-line with this, and as such, suppliers expect labour costs to remain at these inflated levels for the foreseeable future</p>	<p>continue to have significant consequences for manufacturers. Where highlighted, suppliers have confirmed they are managing internally to protect customers, but that they will have to continue to monitor.</p> <p>The supply chain has been fairly steady with raw materials generally available. Suppliers report they have not suffered any shortages, they try to buy components 6 months in advance and keep a stock of products to ensure they can meet lead times. Third-party suppliers have not had any problems with shortages of material or components</p> <p>Since Covid, many component parts that used to be purchased from China and the Far East are now purchased from European suppliers who close down for the full month of August. This ongoing switch is also the cause of the larger than average price rises in the furniture industry over the past 24/30 months as European sourced components are generally up to 50% more expensive than the Chinese versions</p>	<p>No new regulations are impacting the furniture markets</p> <p>There has been a noticeable upturn in requests for information on supplier’s sustainability programs and how they are working to net zero carbon in the next few years. A lot of companies in the industry are employing a dedicated environment/sustainability resource. There are more requests for controlled and sustainable materials from customers. Areas targeted include carbon reduced steel production and accredited woods from legal and sustainable sources. Due to this, the sourcing of these materials is taking longer as suppliers introduce new suppliers and diversify their supply chains. The ongoing commitment to net zero etc for all parties, will at some point, result in additional costs, be that as fleets are renewed and moved to more fuel-efficient sustainable alternatives, or the need to provide more resources to identify and mitigate the carbon generation in activities.</p> <p>Because of ergonomics in the workplace and support for students there has also</p>	<p>Suppliers report Brexit is hurting the industry with lots of red tape and added cost. A lot of the industry have turned to purchasing from UK base suppliers for components if able. Some of the smaller components still need to come from China or mainland Europe.</p> <p>Suppliers in the sustainable furniture category are struggling to make an impact in the University market. The Universities that have asked for sustainable furniture have by and large been for small numbers of products which are not cost effective to get back into use. Clients want sustainability but not wanting to pay for it, which is really a budgeting disconnect.</p> <p>Exchange rates are manageable, suppliers generally feel they can mitigate much of the fluctuation in the currency markets. Shipping costs and funding costs are too high and difficult to control</p> <p>Whilst the formation of a new government has seen limited impact to activities, suppliers are keen to see what changes the chancellor proposes in the October budget, which could have beneficial or detrimental impacts to business</p>

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	<p>Product that is imported from afar has experienced delays due to activity in Ukraine and the Gulf region. This is mainly an output from the crisis in the Middle East. Shipping lines are increasingly opting to avoid the Suez Canal route into Europe and are now going around the south of Cape Horn, which is increasing the shipping time by 2/3 weeks. This is also driving the cost up. Since the start of 2024, some suppliers have seen costs increase some 300%. This may have huge impacts on some framework providers. Logistics costs are becoming such a high percentage of the overall job that opportunities to recycle, refurbish and sustain are sacrificed due to lack of customer budget</p> <p>The recent poor flax harvest as resulted in some unexpected fabric cost increases which may need to be passed through the supply chain, however, this has not made a significant impact so far on commercial offers.</p>	<p>been a rise in request from furniture companies and manufactures asking for support in the curative areas so they can support their customers in this specialised area of the furniture industry</p>	
	<p>Vehicles: Production levels have recovered and there is widespread availability for most vehicles, with many manufacturers now expanding the range of hybrid and electric models available.</p>	<p>Vehicles: Low Emission Zones were introduced across Aberdeen, Dundee, Edinburgh and Glasgow on 31st May 2022 and local grace periods were in place across these cities however these came to an end on 1st June</p>	<p>Vehicles: The price for used vehicles continue to drop but these are still above pre-covid value. Some models and variants of vehicles still carry a premium beyond normal market levels.</p>

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	<p>However, some vehicle parts are still subject to restricted availability restrictions and longer lead-times for more customised commercial and domestic vehicles are being quoted by comparison.</p> <p>For the short-term hire industry, providers who experienced issues in supply are now rebuilding stock levels however some of these will not return to pre-covid levels as some contractors have reduced the number of outlets and coverage due to drops in demand.</p> <p>The advice remains to try to give as much notice as possible of any hiring requirements to ensure availability of the required vehicles.</p>	<p>2024 and enforcement of LEZ is now ongoing. Institutions will be required to consider replacing vehicles to enable access to certain areas or routes depending on the emission standard of the vehicles in their fleet.</p>	<p>Lease costs remain much higher on used vehicles compared to new in some examples this can be circa 4% for a new vehicle and upwards of 11% for a used vehicle.</p>
			<p>Plumbing Pricing has been stable due the stabilising of the pricing of raw materials such a copper and iron ore. The frequency of pricing review opportunities on the Framework Agreement has been reduced to secure longer termed fixed pricing.</p>
	<p>Energy: As reported in June, European wholesale energy prices had fallen as we came out of winter, reaching a low point in late</p>	<p>Energy: Regulatory methodology and high energy prices are impacting the non-commodity element of UK energy delivered prices.</p>	<p>Energy: Global and, in particular, European and UK Futures energy markets have been rising again since the spring, although that trend</p>

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	<p>February. The rally that began then has continued throughout the summer, albeit in fits and starts. Rising tensions in the Middle East, Israeli action inside Iran, and Houthi activity in the Red Sea have all been caused for concern. More recently however attention has been on Ukraine’s incursion into Russia, which has been in the vicinity of Sudzha, the point at which the remaining Russian gas enters Ukraine for transit to Europe.</p> <p>One or two LNG export facilities have been closed for unexpected maintenance. Although strong Asian demand now shows sign of waning, against a cooler weather forecast for autumn, and European gas demand is still only showing signs of modest recovery. Also some of the more opportunistic Asian demand increase is expected to soften, following the price rises.</p> <p>Gas-in-store is plentiful in Europe, and is expected to be full well ahead of winter. We are in the throes of the Norwegian maintenance season, which was unexpectedly extended last year, and the market is mindful of that. Speculative length in European gas markets is at an all-</p>	<p>Mitigation: TEC continue to challenge regulatory bodies and work closely with supplier regulatory departments to influence positive outcomes where possible.</p>	<p>may have stalled for the moment. Heightened geo-political risk, may be coming up against physical buyers’ willing to pay.</p> <p>Futures prices are still relatively high in historic terms, and likely to remain so until at least 2025 with some market commentators suggesting power averaging above £80/MWh for the rest of the decade.</p> <p>Balancing services for electricity had been increasing as low levels of renewable generation last year has meant ‘firming’ services involve more financial risk and providers have excited the market. This trend may also have stalled, as wholesale prices have fallen. Still, some of the cost increases have been significant, particularly where they are linked to future energy prices.</p> <p>Renewable Energy Guarantees of Origin (REGO), the certification for ‘green’ energy, pricing has increased dramatically due to UK suppliers no longer being able to utilise European Guarantees of Origin for their ‘green tariffs’ from April 2023.</p>

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	<p>time high, which indicates prices will be volatile for some time.</p> <p>Fundamentally the gas market is adequately supplied in the near term, but for the next two winters, Europe is still vulnerable to a prolonged cold winter, until new LNG supplies come on (predominantly in the US), expected in 2025.</p>		<p>Since last report e-Power REGO auction clearing all technologies hangs around the £12 to £14 range, the last round (May 24) clearing at £14. Cleared at £5 after the end of the compliance period.</p> <p>Perhaps move away from these and utilise the ‘saving’ to further invest in energy efficiency.</p>
	<p>Postal Services / Mail Services: Royal Mail have withdrawn from the UKUPC Postal Services Framework Agreement.</p> <p>Scottish Institutions can still access their services via the Scottish procurement Cat A Postal Services Framework Agreement which is due to expire on 30th June 2025 and preparations are now in place to re-tender for the new Framework Agreement that will commence 1st July 2025.</p>		<p>Postal Services / Mail Services:</p>

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STEMED <i>Includes: Medical, Laboratory, Veterinary</i>			
<p>It is anticipated that AI's impact Laboratory work will generate more automated processes in the laboratory than has been seen in the past. Automation companies are already significantly reducing human touch points to increase efficiency and efficacy. To mitigate against the reliability and reproducibility risks that manual intervention often brings, mistakes can be reduced via data analysis automation, which is a natural result of using AI correctly and responsibly. With regards to job security, experts predict that the types of roles who – in the future - may likely be at risk can include data entry clerks, lab technicians and assistants.</p> <p>Tasks involving specialised sample handling, complex protocols, intuition-driven activities, final decision-making, and oversight will continue to require human specialists, at least in the medium term. Creative endeavours and abstract reasoning will similarly rely on human ingenuity, though automation will provide additional support.</p>	<p>Consumable suppliers continue to hold increased stock levels with supply chains for bottleneck items such as consumables having more agility built in. Framework suppliers are confirming that they have built further resilience into the supply chain</p> <p>Instability due to conflict and geopolitical issues in the Red Sea and the wider Middle East has seen the world container index triple from c\$1681 per 40' container in September 23 to c\$5181 per 40' at the end of August 24. Prices have been falling since mid-July but it remains to be seen if this is a sustainable decline.</p> <p>STEM suppliers are not currently reporting any issues around disruption due to instability in the Red Sea.</p> <p>Framework suppliers are confirming that they have built further resilience into the supply chain from lessons learned over the last three years.</p> <p>Although congestions at ports remains an issue in the UK and Europe, investment is</p>	<p>The UK Government has published the National Quantum Strategy, which sets out a ten-year vision and plan for quantum in the UK, committing to spend £2.5 billion to research, innovation, skills and other activities in that period, as well as committing an additional £80 million over the next two years towards key activities</p> <p>Under the new Strikes Act, border force workers in ports and airports may lose the right to strike, with minimum service levels being mandated. This should be monitored closely as this has serious Human Rights ramifications.</p>	<p>In general, suppliers continue to keep much tighter reins on their budgets with profit margins having been squeezed due to increased input costs and a general more cautious approach to risk. This has also affected marketing budgets which would previously have funded “added value” benefits such as free consumables etc with equipment purchases. Increased cost of exhibitions and marketing events are making suppliers more selective as to which events to attend.</p> <p>China is no longer considered the centre for lowest cost lab equipment manufacturing it once was, due in part to rising staffing costs there.</p> <p>Sustainability is high on the agenda at contract management meetings, but sales continue to focus on lower price (and usually less sustainable) options. Suppliers are starting to see more university Sustainability staff join meetings that hitherto were only for procurement and technical stakeholders.</p>

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	<p>being made in systems and procedures to manage traffic in the long term.</p> <p>In terms of the semi-conductor supply chain, there are fewer material shortages as the industry has beginning to improve resilience through geographic diversification. The EU Chips Bill ring fences investment in semiconductor manufacture in the EU and associated countries. The market will continue to see de-globalisation over the coming years as there is a push to decrease reliance on manufacture in the Far East.</p> <p>Pressure on raw material prices particularly for consumable products such as laboratory plastics was being affected by the volatility in the oil prices due to geopolitical issues.</p> <p>Raw materials prices have stabilised with the prediction that these will come down further next year. In terms of Laboratory Chemicals and Consumables, prices have overall remained stable for 2024. Some suppliers are however indicating that fixing pricing for consumable items is difficult due to oil price fluctuations.</p>		

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	<p>Pricing for steel and stainless steel has continued to fall in 2024. This should start to be reflected in the pricing of products such as lab refrigeration, safety cabinets, autoclaves and stainless steel medical and lab furniture. However, this pricing is still higher than historical averages.</p> <p>A number of labs consumables suppliers continue to develop green product ranges and recycled products where possible with increased “green catalogues” and reward schemes for using them. Some are also offering assistance to institutions to reduce the use of single use plastics and increase the use of green chemicals.</p> <p>There is very palpable increased awareness among suppliers and customers of plastic consumables, many of which bottleneck items. Suppliers are taking creative measures to manage these issues. Aside from pipette tips, some institutions are looking at other common lab components to recycle, such as centrifuge tubes, which offer high recycling potential due to the high volumes required by the sector.</p>		

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	<p>The global industrial gases market is forecasted to grow by over 7% until 2032 and this increased demand will likely drive price increases.</p> <p>Lab gases have gone through a turbulent 12 months Price increases have previously been driven by shortages in the helium and nitrogen market but supply is now returning to a more manageable level. Helium is, however, a finite resource and alternatives to this as being explored, particularly Nitrogen and Hydrogen.</p> <p>Staff in our sector are looking at implementing systems that monitor the use of laboratory inputs such as gases, water, chemicals and consumables. These are software applications that can automatically extract and analyse data from instrument logs to provide procurement teams with real-time insights into how and when equipment and consumables are being used in the lab. Existing technologies and solutions are also being enhanced with artificial intelligence, which is developing at high speed and will likely play an increasingly</p>		

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	<p>important role in data analysis and interpretation for procurement planning.</p> <p>Electronic component suppliers report that the semi-conductor market is now stabilising. There had been rumours of shortages to come, but thankfully this has not materialised resulting in some pricing stability.</p> <p>Across the board electronics suppliers have seen a slight slump in the market with service level distributors down on the previous year by double digits. No specific areas have seen a surge, but it shall be interesting to see what impact the advances in AI have on the development board market.</p>		
Professional Services <i>Includes: Travel, Legal, Recruitment, Insurance, Printing, Audit, Occupational Health, Carbon Offsetting</i>			
<p>Travel: Bigger presence of artificial intelligence will have an impact on automatization of travel booking and expense reporting tasks, and will support predicting and preventing travel disruptions.</p>	<p>Travel: The main supply chain disruptions are caused by airports and rail strikes, which are impacting on flights and train journeys cancellations not only in the UK, but also across whole of Europe.</p> <p>TMCs are working at normal service levels, the supply chain behind it is continuing to</p>	<p>Travel: Sustainable initiatives will impact on price increases in all supply chains which will on a plus side contribute to the sectors ambition on carbon neutral targets.</p> <p>Sustainability issues remain high profile but behaviour changes at root cause are slow to impact given budget control remains with the stakeholders who dictate method and class of travel in majority of</p>	<p>Travel: From 1st April 2024 Air Passenger Duty (APD) rates have increased in line with the Retail Price Index (RPI) levels. This will affect airlines and other aircraft operators, which are likely to pass the additional tax cost to their passengers in increased air fares. This is expected to impact individuals travelling to long-haul rather than short-haul destinations.</p>

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	<p>cause delay, increased costs and disruption.</p> <p>On 19th July mass IT systems outages impacted airlines, railways and airports causing disruptions for travellers across the world. Although, the booking systems are now back online, the impact will continue to be felt for some time, as travel management companies and their external partners are completing the backlog created by the outage.</p>	<p>instances due to lack of specific Travel Policies in member institutions.</p> <p>As businesses increase focus on sustainability, travel programmes are featuring greater visibility at the point of sale of carbon footprints and greener travel options. This is a benefit to increased availability of data and reporting but behaviour must change at grass roots and this is an area of vulnerability with stakeholders who hold budgets/ research grants.</p> <p>The European Travel Information and Authorisation Scheme (Etias) was due to be introduced in November 2023, but has been postponed to 2025. When it launches, UK passport-holders will need a visa-waiver to visit any countries in Europe’s passport-free zone, the Schengen Area.</p> <p>Holidaymakers will need to apply online and pay a fee of €7 (around £6) before travelling. The authorisation is expected to be valid for three years, or until the passport expires.</p>	<p>Although TMCs clients face higher fares, it is observed that their travel costs are not increasing as much. This is because of successful implementation of corporate travel policies and subsequently - behavioural change.</p> <p>Policy changes are likely to have direct impact on universities financial standing and therefore decreased travel budget, particularly international travel.</p>

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		Results of General Election 2024 and the new Labour Government are likely to have significant impact on Higher Education sector.	
<p>Legal: Inflation continues to put pressure on labour costs and framework suppliers seek to increase rates to retain staff (or attract new lawyers) and offset increases in business costs. The framework is limiting increases allowed to below inflation and provides various cost options to members.</p> <p>Legal services continue to develop the use of AI (Artificial Intelligence). Dedicated AI for legal work was once only accessible by the largest firms. This is no longer the case. There is an increasing range of commercial products, making it easier for smaller firms to benefit. And several systems are available online for anyone to use, at very low cost. Staff might use these occasionally and casually, even without the firm formally adopting AI as part of its work.</p> <p>The cost and speed benefits these systems bring could be a major advantage to firms that adopt them. This may particularly be</p>		<p>Legal: Training for the Procurement Act has now been released as e-Learning and can be accessed via https://www.gov.uk/guidance/the-official-procurement-act-2023-e-learning This does not apply to Scotland.</p> <p>Work for impacted UKUPC members linked to the new legislation to provide new PA23 Framework documents including ITT and related Terms and Conditions is ongoing with Brodies LLP following a mini competition under the national Legal Framework.</p>	<p>Legal: Demand for UK legal services remains high in areas impacted by Brexit which trigger regulatory changes. This is particularly notable in commercial and procurement law. Members may find longer engagement times in these specific areas.</p>

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<p>the case in the current hard economic times.</p> <p>Law firms are exploring how they can adopt artificial intelligence to create operational efficiencies, which in a longer term can reshape the legal practice industry.</p>			
<p>Recruitment: Difficulty recruiting skilled resource in particular for IT, hospitality, audit and financial services. Suppliers looking at international market to meet recruitment needs.</p> <p>Salary remains an important consideration, but learning, development and training are critical to keeping candidates and current employees with the institutions.</p> <p>Results of General Election 2024 and the new Labour Government are likely to have significant impact on Higher Education sector. See section ‘Regulatory’ for details.</p>	<p>Recruitment: A shortage of candidates and rising costs of living means a lot of people are changing jobs for higher salaries. Retention strategies that focus on ‘great place to work’ and other benefits are becoming increasingly unattractive.</p>	<p>Recruitment: Results of General Election 2024 and the new Labour Government are likely to have significant impact on Higher Education sector.</p> <p>Policy changes in the following areas will have direct impact on recruitment services:</p> <ul style="list-style-type: none"> - immigration policies affecting international staff - immigration policies affecting international students 	<p>Recruitment: Costs of recruiting increasing due to availability of candidates.</p> <p>Commission rates remain stable, but wages are on the increase in a lot of sectors.</p> <p>Policy changes are likely to have direct impact on universities financial standing and therefore decreased recruitment as well as rationalisation of human resources.</p> <p>Existing staff’s morale is likely to be affected and result in voluntary redundancies and further vacancies.</p>
<p>Insurance: Like several other professional services, the industry continues to face challenges, albeit surmountable, around both the active recruitment and retention of staff.</p>	<p>Insurance: The market has stabilised slightly with providers being clearer about their ability and capacity to service particular areas. Some organisations may struggle with supply depending on risk profile and may</p>	<p>Insurance: Higher scrutiny of claims and information required by underwriters. Insurers may be more assertive in policy term extensions, coverage and limits.</p>	<p>Insurance: Well-managed risks with a break-even (or better) loss ratio claims-versus-premium position should be able to either maintain their rating or find an alternative insurer at similar cost.</p>

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<p>This particularly applies to those in senior roles.</p>	<p>find that they have to split their cover across several insurers to cover risks.</p> <p>There has been some competition for well-managed risks and a new team within the ZM leadership group may lead to renewed interest in the future. Placements remain scheduled in many instances with insurers unwilling to provide 100% cover in its entirety where larger sums are involved.</p> <p>The Directors & Officers (D&O) and Cyber market environments were characterized by healthy competition and abundant capacity. Reinsurance renewals in 2024 to date have seen a steady improvement, with increased capacity and reinsurer appetite leading to rate reductions for Property catastrophe risk and improvements in terms and coverage at mid-year.</p> <p>Some capacity constraints remain in PI, Crime, and Casualty/Liability.</p>	<p>Appropriate disclosure is vital, it controls the narrative, creates underwriter confidence, puts the risk at the ‘top of the pile’, reduces the risk of underinsurance/ averaging and supports appropriate loss scenario testing. Strong Business Continuity Plans that demonstrate embedded risk management from senior level to all the way down, is increasingly important.</p>	<p>Globally, the outlook for Property, D&O and Cyber has improved through 2024 and this has been reflected in lower or stable quotes for well-managed risks. Competition fuelled by insurer growth ambitions led to buyer-friendly Property market conditions for example, the US market, in particular, experienced its most favourable conditions in almost seven years.</p>
			<p>Insurance Cyber: Many firms removing Cyber cover for new and existing customers and/or vastly increasing premiums.</p>
			<p>Insurance PI (Financial Lines):</p>

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			A very difficult market with historic underpricing of risk by suppliers leading to insufficient allowance for claims. Prices have and are increasing drastically and insurance is being refused to some.
			Insurance Property: Rising prices arising from increased reinsurance costs, high claims, and prevailing risks which include climate change.
<p>Printing: The printing industry digital transformation is causing a shift in demand with bigger focus on web-to-print platforms enhancing customer experience by providing them access to customised and fast print.</p> <p>Declining volumes in areas of printed media and print publications has seen reduction in labour and capacity.</p> <p>Volumes for traditional print methods remain on the decline along with printed media, which has seen reduction in labour and capacity in recent years. Demand in digital media remains popular with shorter print runs and more need for personalised products.</p>	<p>Printing: A continuation in the change in demand as profile of the industry changes. These include changes in working patterns (hybrid working) and sustainability considerations.</p> <p>The ongoing conflict in in Gaza is having a limited impact on logistics through the Suez Canal and Red Sea adding a couple of weeks to shipments coming from the Far east.</p>		<p>Printing: Alongside the ongoing decline in areas of printed media such as catalogues and flyers, the demand for products such as greeting cards is also reducing owing to digital alternatives in the marketplace.</p> <p>The market remains uncertain at this time, with changes in the supply market and reducing capacity in particular areas.</p> <p>Pulp costs may still slowly increase following incremental uplifts over the last 12 months as the price of wood steadily increases. Shipping and freight costs also appear to be uncertain following hikes in container prices and recent issues in the Red Sea.</p>

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<p>Audit: A shortage of personnel with auditing skills still exists, so suppliers are often committing or allocating staff to projects up to a year in advance. There are even higher demands on personnel with specialist audit skills such as IT audit, data analytics, and cybersecurity.</p>	<p>Audit: The lack of trained resource is limiting capacity at most firms, meaning new clients are difficult to onboard even with reasonable notice. Firms are being very clear about their capacity or not to service particular areas or customers. Regulatory changes or high profile issues has also caused increased materiality review and a need for more specialist input required in audits.</p>	<p>Audit: Tighter regulations due to high profile corporate failures has had an impact on the extent of audits.</p> <p>The Chartered Institute of Internal Auditors is reviewing and updating its two codes of practice.</p> <p>The Financial Services Code of Practice and The Code of Practice for Private and Third Sectors. These provide and industry benchmark for best practice internal audit in these sectors, as well as a gauge by which stakeholders (including regulators and audit committees) can assess the role, function and effectiveness of internal audit functions.</p> <p>The aim of the review is to reflect evolving practice, including the new Global Internal Audit Standards and developments in the UK Corporate Governance Code, and to correct any unintended consequences that may have arisen in the application of the codes.</p> <p>The revised codes will be published in September 2024.</p>	<p>Audit: The competitive landscape has led to substantial salary increases across the board. Audit firms are willing to pay a premium for top talent.</p> <p>Fees for audit work have increased by 20-30%.</p> <p>Some firms feel that they cannot be competitive due to procurement exercises price/quality ratios and organisationally set fees.</p> <p>Overall, the demand for audit and tax services is very high which is pushing some fee rates up by extraordinary increases.</p>
Occupational Health:	Occupational Health:	Occupational Health: A Government consultation focuses on	Occupational Health:

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<p>The All Party Parliamentary Group on Occupational Safety and Health has produced a report highlighting the short and long terms issues in occupational Health in particular focusing on Occupational Health Physicians (OHP) in the industry and the growing shortage of OHP's. The report highlights concerns for the future and call it a crisis with 64% in industry being over 50, and 50% likely to retire in next 10 years (without adequate replacements).</p>	<p>AI and wearable devices/technologies are being used more to predict trends and identify and measure risks more accurately. There is an increased focus on mental health and wellbeing, preventative care and the ergonomic issues of remote working.</p>	<p>the role of the Government, OH providers and employers, in increasing OH coverage across the UK, within the broader context of enabling better workplace support to improve productivity and prevent ill-health related job loss.</p>	<p>Demand for occupational health services continues with increased demand for mental health and wellbeing programmes.</p> <p>The focus and mix of service delivery has changed post-covid with an increase in remote workers and a change to how services are delivered which has an impact on the commercial models for organisations.</p>
	<p>Carbon Markets: EU Carbon Pricing is still very dynamic in the European markets with prices particularly which may push prices higher. Prices still down on this time last year with an upturn since Feb 24.</p> <p>UK Carbon UK prices have fallen across the last 12 months and are volatile. They seem set to follow this pattern for the coming month.</p>	<p>Carbon Markets: The UK government has increased the budget for this year's renewable energy auction to a record £1.5 billion, focusing primarily on offshore wind projects. This boost, welcomed by the renewables industry, aims to help quadruple offshore wind capacity by 2030.</p> <p>The Climate Change Act commits the UK government by law to reducing greenhouse gas emissions by at least 100% of 1990 levels (net zero) by 2050. This includes reducing emissions from the devolved administrations (Scotland, Wales and Northern Ireland), which currently</p>	

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		<p>account for about 20% of the UK's emissions.</p> <p>UK Government implemented PPN 01/24: https://www.gov.uk/government/publications/ppn-0124-carbon-reduction-contract-schedule</p> <p>This provides standard T&Cs to support contract specific decarbonisation objectives to be set and delivered, and provides a framework to monitor and assess the Supplier's decarbonisation performance.</p>	