ANNUAL REPORT

2019 - 2020
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“Saving our members’ time, money and resources through collaborative procurement”
CHAIR’S REPORT

I am delighted to present the annual report for NEUPC. Certainly, it has been a challenging year for our members and NEUPC. Despite the unprecedented and unforeseen circumstances, we have continued to maintain our services and support our members.

In the year 2019-20 members spent £219.7m through collaborative agreements which secured £9.6m and £15.6M cash and non-cash benefits respectively. In addition, members spent a further £39.5m through frameworks led by our partners TEC and TUFO, securing a further £2m cash and £2m non-cash benefits to their institutions collectively.

One of the highlights of the year came in September 2019, when NEUPC hosted the Conference on University Purchasing (COUP), the most important conference for HE Procurement professionals. The theme “Mission Ready: HE Procurement for the Next Generation” drew upon the link between the University of Leicester as a key contributor for UK space research and the National Space Centre. The event attracted over 280 delegates from across the UK HE sector, who were presented with not only a varied and engaging workshop programme, but also inspiring keynote speakers including Prof. Brian Cox OBE. I’d like to thank all the suppliers and sponsors once again, their contributions made it possible for us to deliver such an exceptional conference.

I’m also proud that we took the opportunity to host the first ever COUP Procurement Awards. It was a fantastic evening celebrating procurement excellence in the HE sector, showcasing best practice, inspiring teams and celebrating the hard work that is demonstrated every day. With categories including ‘Outstanding University Procurement Team’ and ‘Sustainable Procurement Initiative’, the entries for each category clearly demonstrated the passion and pride of professionals working in HE procurement.

Our CIPS Study Centre continues to grow with our model of contextualised learning yet again yielding pass rates higher than the UK average. As our members moved to online teaching at their institutions, we did the same, and have continued to support our professional learners via webinars.

We will be hosting a joint virtual conference with NWUPC during 2021, as we continue to encourage collaboration and development, despite social distancing restrictions.

I extend my thanks to my fellow Board members and the NEUPC team for their continued commitment and dedication. And to our members, thank you for your support and contributions - working together we have been able to continue delivering collaborative procurements and services to increase efficiencies in our sector.
The challenges we have faced in the second half of the financial year have been enormous for our members, suppliers, staff and the UKUPC consortia. However, and despite this, we have continued to work normally and support our membership.

We quickly and seamlessly moved to home working, supported by our IT capabilities and implementing our business continuity plan. Despite the severe impact of the first lock down restrictions across our members and suppliers, we continued with our contracting programme and where necessary and in consultation with bidders, extended tender return deadlines. During the year we retendered 7 frameworks valued at £23m per annum with estimated secured cash benefits of £1.8m. In addition to this, we also awarded 8 new collaborative agreements estimated at £106m per year, with potential cash benefits of £10.8m.

Through the use of NEUPC agreements, UKUPC consortia members will collectively receive £372k worth of supplier rebates, of which £205k will be paid to NEUPC members.

The impact of Brexit and prospects of leaving the EU without a deal, brought many issues for our members and NEUPC. In preparation for our EU departure, we held several topical webinars and conducted a supply chain risk assessment assessing supply continuity.

Without doubt the key highlight of the year was planning and hosting COUP 2019. COUP is hosted by NEUPC once every 12 years, each UKUPC Regional Consortia, hosting every 2 years in turn. Planning for such an event was a massive challenge and an opportunity to showcase NEUPC’s innovative capabilities. We invested in high profile key-note speakers and celebrated procurement excellence within the HE sector through the first COUP Procurement Awards.

To offset income reductions due to the pandemic, we have implemented a series of measures to reduce our expenditure and minimise our losses in the year. Thankfully, we have steadily built our cash reserves over many years’ and this will help see us through the pandemic. We will, however, continue to monitor and manage our finances closely and take further measures should they be necessary. We will also continue to listen to our members and continue to support as best we can.

I would like to thank our members for their continued support and the NEUPC team for their hard work and dedication.

Frank Rowell | CEO
**CATEGORY HIGHLIGHTS**

This year our category groups have continued their efforts in awarding high quality agreements suited to the needs of the HE sector, alongside providing forums for collaboration and discussion. During 2019-20 the following agreements were awarded.

<table>
<thead>
<tr>
<th>Agreements</th>
<th>Value Per Annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Professional Services - Project Management Related Services Lot 1-4</td>
<td>£80m</td>
</tr>
<tr>
<td>Asbestos Removal Services</td>
<td>£9.5m</td>
</tr>
<tr>
<td>Signs and Signage</td>
<td>£8m</td>
</tr>
<tr>
<td>Minor Works Framework Agreement</td>
<td>£100m</td>
</tr>
<tr>
<td>Cleaning and Janitorial Supplies</td>
<td>£32m</td>
</tr>
<tr>
<td>Courier Services Lot 1-3</td>
<td>£30m</td>
</tr>
<tr>
<td>Mechanical Works Framework Agreement for North-Eastern Universities</td>
<td>£12m</td>
</tr>
<tr>
<td>HE Data Centre Management Equipment and Infrastructure framework</td>
<td>£8m</td>
</tr>
<tr>
<td>Window Cleaning Services</td>
<td>£4.6m</td>
</tr>
<tr>
<td>Fighting Equipment and Associated Services</td>
<td>£36m</td>
</tr>
<tr>
<td>Life Sciences Reagents, Kits and Consumables</td>
<td>£75m</td>
</tr>
<tr>
<td>Arts Materials</td>
<td>£5.5m</td>
</tr>
<tr>
<td>Minor Works Lot 1A</td>
<td>£100m</td>
</tr>
<tr>
<td>Window Cleaning Services for NE Universities</td>
<td>£1m</td>
</tr>
<tr>
<td>NE5 Telephone and Data Cabling</td>
<td>£14m</td>
</tr>
</tbody>
</table>

**Estates**

In 2019-20 NEUPC worked collaboratively with YorHub to provide essential HE focused input for the retender of their well-utilised construction framework. The newly refreshed Major Works framework was awarded during April 2020 with specific coverage for NEUPC regions. The award of this key framework provides more choice for our members and provides an easy to use, compliant route, giving access to several key suppliers within this market.
**IT & Telecoms**

The NEUPC led Data Centre Management Equipment and Infrastructure framework was awarded during January 2020, replacing the previous iteration whilst including a wider scope along with enhanced sourcing options for members to select. The offering now includes the provision of Modular and mobile data centre infrastructure, edge/micro data centre infrastructure, and infrastructure as part of modular or prefab units. The framework has been enhanced to provide further price clarity and includes a range of rate cards. Institutions also have more call off options available when utilising the agreement and will appeal to members.

**eProcurement**

During the year, the NEUPC eProcurement group identified a significant priority in aiming to find a national solution for helping to manage member tail end spend. NEUPC commenced an innovative collaborative procurement project for an eMarketplace which is aimed to help aggregate up to £79m of sector spend over 4 years. The year ahead will see the delivery of this key national initiative.

**Soft Facilities Management**

A busy and focused contracting year for Soft Facilities culminating with 3 popular Frameworks being awarded, culminating with a combined potential spend value of £67m. This is made up of the retender of the Cleaning & Janitorial and Window Cleaning agreements, and the launch of a brand new HE sector focused Firefighting equipment and associated services framework.

**Laboratory**

This year brought the delivery of a brand-new laboratory agreement, the Life Sciences Framework. It is the first agreement of its kind within the sector, offering a range of consumables and options for most higher education laboratories. The project incorporated considerable pre-engagement with institutions and suppliers, this ensured the offering covered the latest market capabilities balanced with the bespoke needs of institutions wishing to use this new route to purchase. The agreement seeks commercial benefit for commitment and can bring commitment discounts back to members.
Audio Visual

Driving the largest UKUPC collaboration to date for Audio Visual, led by NEUPC in partnership with HEPCW, SUPC, and LUPC to deliver a new £300m framework agreement for Audio Visual: Supplies, System Design, Installation and Maintenance. Overcoming significant changes in scope and size of the previous agreements, the new framework provides for every eventuality, with regional lotting, and options for large or small contracts available.

The brand-new Art and Craft Materials Framework was launched in May 2020, shaped by technical specialists across the artistic disciplines to provide lots covering Fine Art, Graphic and Crafting Materials, and Art Papers. With a specific and relevant product basket, this agreement services a niche market by offering solutions to both art departments and student shops.

Professional Services

Following requests from members for more framework focused events to be held in the North, with support we hosted a dedicated Legal Service event during November 2019. The event provided the perfect opportunity for procurement and legal professionals to network and share thoughts on best practices on key topics such as GDPR, Charitable Governance and managing complex procurements. Feedback from suppliers and attendees was extremely positive and we look forward to organising future framework specific events.

Furniture

This year the category group led on the national Floor Coverings agreement. A superseding framework with a difference, the NEUPC procurement strategy broke new ground by enabling global manufacturers and local flooring contractors to tender for places on the same framework agreement. This new arrangement facilitates access to the big-name brands, all the while promoting the availability of local, small sized enterprises for the physical fitting and maintenance activities. The framework has aided the contractors to obtain credit facilities with manufacturers and to grow their businesses, thereby stimulating the local economies. The framework represents the widest collaboration yet amongst the UKUPC for the floor coverings commodity.
Undeniably the biggest challenge of this period has been the COVID19 pandemic and the disruptive effect it has had on both our professional and personal lives. At NEUPC, we have endeavoured to support our members and their procurement activity by providing information, resources and guidance throughout the pandemic.

**PPE sourcing tool:** To support members in locating key PPE products and to encourage joined up purchasing where possible, NEUPC developed a simple to use PPE Sourcing Tool. The tool provided essential product information enabling members to locate stock swiftly and easily during the most pressured period for COVID related product sourcing and ordering. Members were encouraged to consider their requirements and given opportunities to engage in group purchases to maximise efficiencies. Framework Suppliers were excellent in supporting the sector in this activity and continued to provide regular updates on stock levels where required.

**On-site Testing Guidance:** NEUPC, in conjunction with LUPC produced a guide to utilising the UKUPC Frameworks to support institutions purchase test kits. This time-critical project involved understanding what the suppliers could provide, the differences between the various tests on offer and the options available. The result was a comprehensive guide for members and other suggested Frameworks which could help such as Occupational Health agreements for more ‘managed service/outsourced’ requirements.

**Creating a COVID19 Compliant Workplace:** In a year where “Social Distancing” and “New Normal” forced a dramatic re-think about our office and teaching spaces. NEUPC were quick to consult with the furniture framework suppliers to present a library of rules and solutions to ensure any return to work after initial lockdown could be compliant and safe. The NEUPC guide to Creating a COVID19 Compliant Workplace featured, space planning guidance, protective screen products, touchless sanitiser stations, home working furniture collections and home delivery options. The guide has been a permanent news story on the NEUPC website, and has featured prominently on the HEPA website, and Digests.
RESPONSIBLE PROCUREMENT

During 2019/20 we continued to develop increased focus on responsible procurement and implementation of the NEUPC Responsible Procurement Policy and Action Plan. Activities undertaken this year have included:

- Issued a supplier self-assessment questionnaire for contract management with an embedded sustainability focus which was implemented in August 2019.
- Delivered a responsible procurement Prezi pre-recorded webinar for use with suppliers to understand our approach to Responsible Procurement.
- Developed ‘Embedding Responsible Procurement’ Training for NEUPC Category Managers and shared with the Responsible Procurement Group for their use.
- NEUPC’s Procurement staff helped us to achieve CIPS Corporate Ethics Certification – we were the first HE Consortia to achieve this important accreditation.
- Worked with the University of Sheffield on a joint intern project on sustainability risk analysis.
- Undertook an independent review of our Responsible Procurement evidence file which demonstrated mapping of our category management and procurement processes to ISO20400. Seventy five percent of the criteria demonstrated evidence of leadership which also confirmed NEUPC is operating at Flexible Framework Level 5.
- Surveyed members on the local authority Social Value Themes Outcomes and Measures (TOMs) and utilised the results to develop a new Responsible Procurement and Social Value Policy which was published in October 2020. The new policy includes enhanced social value considerations for tenders and contract management.
- Together with other HE consortia, we formed a UKUPC Responsible Procurement Network, meeting frequently to standardise the Responsible Procurement approach across consortia and develop common tools and guidance.

We also launched sustainABLE, our biannual sustainability and responsible procurement newsletter. Working with members and suppliers, sustainABLE is one way in which we share information, initiatives and ideas which help to maximise the impact of procurement across economic, social and environmental considerations. Inside you will find lots of examples of sustainable ideas in practice and NEUPCs approach to procuring responsibly.
NEW LOOK WEBSITE

In March 2020 we launched our new look website, providing members with a more user-friendly site packed with information and resources. Once logged in, members can view resources linked to best practice, responsible procurement, support for Brexit and COVID19, along with category group information (including contact details of your fellow group members).

If you’ve not yet registered, it takes just two minutes to sign up at www.neupc.ac.uk/register

PROCUREMENT SHARED SERVICE

Now in its fifth year, our Procurement Shared Service continues to support our members on a not-for-profit basis, using NEUPC in-house resources.

Our flexible service is tailored to support our members’ needs, from one-off procurement projects to strategic procurement support. Our team are skilled in reviewing and revising policies and procedures, undertaking spend analysis and conducting service reviews, running further competitions and providing support and guidance on high-value tenders.

Leeds Trinity University, Leeds Arts University and the University of Bradford have all benefitted from this service over the last year, providing short to long-term resources where required.
NEUPC were pleased to host the Conference on University Purchasing, held from 3rd– 5th September 2019 at the University of Leicester. The theme for the conference; Mission Ready: HE Procurement for the Next Generation reflects Leicester's role as a key contributor to UK Space Research.

The inspiring keynote sessions were kicked off by Dr Maggie Aderin-Pocock OBE, a Scientist and Broadcaster who explored how the moon landing mission met the procurement and logistical challenge with over 400,000 contractors involved. Delegates also heard from Malcolm Harrison, Group Chief Executive Officer of CIPS discussed how CIPS can help HE sectors achieve maximum value from the Supply Base, with businesses requiring procurement professionals to have significantly broader skill sets to deliver value for money and ensure security of supply. The conference is about sharing practices and inspiring others - from space science and mountaineering to coding for a supercomputer, Dr Suzie Imber, Associate Professor of the University of Leicester delivered a truly inspiring talk. Discussing how she applied her experience with resilience, risk and teamwork from the high mountains to her astronaut training.

The conference programme was diverse in content, with over 25 workshop sessions delivered by industry experts, covering a range of topics for the 280 delegates attending, from Career Development to Counter Fraud and from Sustainable Actions Plans to Dynamic Purchasing Systems.

The Conference also gave delegates the opportunity to meet and network with over 85 suppliers in the Exhibition Marquee, including the main conference sponsors Key Travel. On the 4th September delegates, suppliers and sponsors attended 'A Night at the Space Centre', to network amongst the exhibits, be taken to the edge of the Universe in the Sir Patrick Moore Planetarium, and snap selfies with Chewbacca, Darth Vader and the Storm Troopers!
The final day of the conference was opened by Professor Brian Cox OBE, to discuss the 'Value of Curiosity' showcasing great curiosity equals great reward. Brian Cox highlighted the immense value arising from exploration of the Universe and how this leads to the continued economic success of universities as world funding leaders. The Conference itself was closed by Dr Kevin Fong, Consultant at University College Hospital, who has also worked for NASA, who delivered an engaging speech on 'Risky Business', providing an insight into planning, human reactions, engineering and psychology to understand the risk and decision-making process.

As is customary at COUP, a Gala Dinner was held on the final night, starting with a drinks reception sponsored by Gresham, leading to an evening of entertainment with Rory Bremner. Our guests were entertained with caricaturists, magicians and the incredible Gastby Band making their way around tables. At this memorable evening NEUPC were pleased to present, for the first time, COUP Procurement Awards 2019. The prestigious awards evening recognised excellence in HE procurement and celebrated the achievements of University Procurement professionals and teams.

NEUPC would like to thank members across all consortia who were able to attend the conference and the suppliers for their continued support of COUP and HE Procurement.
NE5 UPDATE

Our estates collaborative partnership with the five members in the North East continue to develop a programme of frameworks, and during the year four agreements were awarded.

- Mechanical Works Framework Agreement for North Eastern Universities
- Window Cleaning Services for North Eastern Universities
- Minor Works, Lot 1A Framework Agreement
- Telecoms & Data Cabling Framework Agreement for North Eastern Universities

Due to the pandemic, many of the social value projects encouraging careers in the construction industry were placed on hold, however work is underway on the “Building Better Futures” project. This is set around the story of the Newcastle Helix development, a 24-acre hybrid city quarter in the centre of Newcastle, and focuses on the various roles that women have played across a range of careers in construction, who helped make the Helix a reality. The videos will offer an overview of a range of professions and will be followed up with further information and guidance, should any of the young people want to investigate a particular career.

The videos are backed and funded by NEUPC and the Universities of Durham, Newcastle, Northumbria, Sunderland and Teesside, and with the animation being created by TUCan (an innovative in-house digital production studio, based at Teesside University). Hollie Statham (Design Manager at Bowmer & Kirkland) and Jonathan Hunter (Partner at GSS Architecture) have done a fantastic job, in designing, creating and delivering this piece of work. The videos are due to be launched in spring 2021.

DELTA ePROCUREMENT PLATFORM

Our Delta eProcurement Platform is now in its fourth year of use and continues to deliver benefits to our 12 members using the shared platform and service. In the forthcoming year we will be looking to renew the agreement and will be working with members to continue the success of the platform.
NEUPC continues to support development of Procurement talent within the sector through our CIPS and apprenticeship programmes. It was an unusual year, as the COVID19 pandemic and associated lockdows meant that teaching delivery had to quickly move online. Our study sessions are now delivered remotely by Microsoft Teams, and although exams were cancelled in both March and May, we supported the affected students by extending the teaching year over the summer and arranged for study books to be delivered to their home addresses.

Despite these challenges, our students excelled with NEUPC pass rates well above the UK rates and most modules achieving a 100% pass rate. Fourteen CIPS students achieved a CIPS qualification during the year and ten apprentices completed their apprenticeship - with some excellent work-based projects on topics such as contract management, sustainability risk, sustainable travel, centralised deliveries and sourcing investigations into promotional goods and car hire procurement.

During 2019-20 we successfully re-tendered for Register of Apprenticeship Training Provider re-appointment. We also were required to undertake CIPS and Leeds City College self-assessment reports and remote audit, which we are pleased to inform that NEUPC passed with good reviews.

**LOOK AHEAD**

The disruption and impact of the pandemic will continue to be challenging for NEUPC and our members and we will work closely with our members and suppliers across all categories of expenditure identifying further opportunities to deliver efficiencies.

As we look ahead to the new financial year, NEUPC will tender 3 brand new agreements along with 5 retenders at an estimated total value of £243m. One such procurement will result in awarding a contract for an eMarketplace, which will enable members to manage tail end low value and volume items. The marketplace will compliment established frameworks using both traditional finance systems and P-Cards.

We will continue to work and consult with members and UKUPC consortia regarding proposed changes to the procurement regulations, responding collectively to consultations. And identify training needs due to any changes in legislation or government guidance.

We have made great progress embedding responsible procurement within our tenders and have set ambitious plans to build upon our credentials and meet our responsible procurement objectives.

As the pandemic continues to impact our business, the board of directors will continue to monitor NEUPC finances closely and take appropriate steps to ensure NEUPC remains financially sustainable.
ACCOUNTS

Directors Statement
These accounts are not the company’s full statutory accounts. The Income and Expenditure Account and Balance Sheet set out on this page are extracts from the full statutory accounts which were approved by the Directors on 24 November 2020, and on which the auditors have given an unqualified opinion. The statutory accounts, which should be consulted for a full understanding of the financial affairs of the company, will be submitted to the Registrar of Companies.

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2020

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<thead>
<tr>
<th></th>
<th>2020 £</th>
<th>2019 £</th>
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<tbody>
<tr>
<td>Turnover</td>
<td>1,163,166</td>
<td>1,214,433</td>
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<tr>
<td>Administrative Expenses</td>
<td>1,206,860</td>
<td>1,102,614</td>
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<tr>
<td>Operating Surplus</td>
<td>(43,694)</td>
<td>111,819</td>
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<tr>
<td>Interest receivable</td>
<td>4,456</td>
<td>5,641</td>
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<tr>
<td>Surplus on ordinary activities before taxation</td>
<td>(39,238)</td>
<td>117,460</td>
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<tr>
<td>Tax on surplus on ordinary activities</td>
<td>(6,408)</td>
<td>22,152</td>
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<tr>
<td>Surplus for the financial year</td>
<td>(32,830)</td>
<td>95,308</td>
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BALANCE SHEET AS AT JULY 2020

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<thead>
<tr>
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<th>2020 £</th>
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<tbody>
<tr>
<td>Fixed Assets</td>
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<tr>
<td>Tangible Assets</td>
<td>21,917</td>
<td>38,129</td>
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<tr>
<td>Current Assets</td>
<td></td>
<td></td>
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<tr>
<td>Debtors</td>
<td>298,370</td>
<td>590,296</td>
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<tr>
<td>Cash In Bank</td>
<td>863,938</td>
<td>713,560</td>
</tr>
<tr>
<td>Creditors - Amounts falling due within one year</td>
<td>144,204</td>
<td>267,075</td>
</tr>
<tr>
<td>Net current assets</td>
<td>1,018,104</td>
<td>1,036,781</td>
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<tr>
<td>Total assets less Liabilities</td>
<td>1,040,021</td>
<td>1,074,910</td>
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<tr>
<td>Provision for liabilities - deferred taxation</td>
<td>2,983</td>
<td>5,042</td>
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<tr>
<td>Reserves - Income and expenditure report</td>
<td>1,037,038</td>
<td>1,069,868</td>
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Full Members

Bishop Grosseteste University
Durham University
Leeds Arts University
Leeds Beckett University
Leeds Trinity University
Loughborough University
Newcastle University
Northumbria University
Nottingham Trent University
Sheffield Hallam University
Teesside University
The University of Sheffield
University of Birmingham
University of Bradford
University of Derby
University of Huddersfield
University of Hull
University of Leeds
University of Leicester
University of Lincoln
University of Sunderland
University of York
York St John University

NEUPC Board of Directors 2019-20

A Stephens (Chair)
Finance Director
Loughborough University

F Rowell
CEO & Company Secretary
NEUPC

T Brannon
Director of Procurement
University of Leeds

S Coll
Head of Procurement
Leeds Beckett University

J Jones
Director of Procurement and Insurance
University of Birmingham

I Garfield
Director of Estates and Facilities
Newcastle University

S Newitt (appointed 23 January 2020)
Chief Financial Officer
Northumbria University

C Jones (appointed 16 November 2020)
Finance Director
University of Derby

H Punchihewa (resigned 1 August 2020)
Former Director of Finance
University of Derby

M Riddleston (resigned 3 February 2020)
Director of Finance
University of Leicester

R Hebblethwaite (resigned 14 October 2020)
Assistant Director of Finance
University of Sheffield

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