OUR VISION

"To be the best collaborative partner that supports the needs of our members."

IN THIS ANNUAL REPORT

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Now in my second year as chairman of NEUPC, I am delighted to present our 2021-22 annual report.

It is pleasing that our member spend through our frameworks is starting to recover to pre-pandemic levels. During the year, £210.3m of member spend was channelled through collaborative spend, achieving £22.7m cash and non-cash benefits.

We also awarded five agreements valued at £132m, one of which was the new eMarketplace offering for low-value spend valued at £14m per annum.

As we exited the pandemic in April, we held our first in-person member conference in 2 years, themed ‘Procurement in Practice’, at the Royal Armouries in Leeds. With inspiring keynote speakers Sir William Atkinson and Penny Mallory and well over a hundred attendees, including members and suppliers. It was an encouraging return to meet in person.

I want to thank all the suppliers and sponsors for their contributions and for making it possible for us to deliver such an exceptional conference.

During the year, NEUPC returned a total of £100k of member annual subscriptions equating to a rebate of 44% to each of our university members. Additionally, UKUPC members received framework rebates to the value of £510k, with £205k being returned to NEUPC members.

I am sending my thanks to our members for their continued support. We have continued to deliver collaborative procurements that support the sector’s efficiency. I would also like to thank my fellow Board members and the NEUPC team for their continued commitment and dedication, meaning we can look to the future confidently.
Our 2020-21 report highlighted a decreased member spend of £32M compared to the prior year due to the pandemic. I am pleased to report that spend through our Frameworks this year is on an upward trajectory, increasing by £17m.

Contracting activity continued throughout the year with the national innovative Sustainable Furniture solution and an eMarketplace to manage low-value procurement transactions. Additionally, we also retendered roofing, deep cleaning and security services. The total value of frameworks procured during the year reached a contract value of £132M.

Working closely with UK University Purchasing Consortia (UKUPC), we assisted members by continually monitoring market trends and the impacts on crucial category areas and publishing a quarterly market insights report.

Supply shortages and price fluctuations were identified, enabling members to mitigate and plan operational risks depending on their own institutional needs. During April, the collaborative contracting team focused on the arrival of the Plastics Taxation requirement from the UK government. We developed a set of simple questions for the UKUPC supply chain, and responses were collated and shared with members to help shape future supplier discussions and help mitigate negative commercial impacts whilst endeavouring to keep plastics to a minimum through the HE supply chain.

This year we further enhanced our useful credit checking service via Creditsafe for all of our UKUPC members, including an additional service bolt-on of 10000 payment detail verification reports. This other provision will bring savings in cost and time for our many members when carrying out their due diligence checks.

It’s positive to note the positive feedback from our member survey undertaken during September 2021. We received feedback from every member institution. The responses provided important feedback and identified areas of improvement, which we addressed through an improvement action plan.

I want to thank our members for their continued support and the NEUPC team for their hard work and dedication.
This year our category groups have continued their efforts in awarding high-quality agreements suited to the needs of the HE and public sector, alongside providing forums for collaboration and discussion. During 2021/22, the following category group total spend was recorded.

<table>
<thead>
<tr>
<th>CATEGORY GROUPS</th>
<th>TOTAL SPEND</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audio Visual</td>
<td>£17,053,773.76</td>
</tr>
<tr>
<td>Catering</td>
<td>£2,576,621.50</td>
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<tr>
<td>Estates</td>
<td>£20,925,518.83</td>
</tr>
<tr>
<td>Furniture</td>
<td>£12,619,903.93</td>
</tr>
<tr>
<td>IT &amp; Telecoms</td>
<td>£72,118,494.92</td>
</tr>
<tr>
<td>Libraries</td>
<td>£22,774,592.91</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>£1,996,791.06</td>
</tr>
<tr>
<td>Postal</td>
<td>£812,763.26</td>
</tr>
<tr>
<td>Professional Services</td>
<td>£3,609,595.34</td>
</tr>
<tr>
<td>Soft FM</td>
<td>£6,286,684.20</td>
</tr>
<tr>
<td>STEMed and Laboratories</td>
<td>£29,704,543</td>
</tr>
<tr>
<td>Travel</td>
<td>£18,824,768.22</td>
</tr>
</tbody>
</table>
The focus of the AV Category has been on assisting users and potential users of the Audio-Visual Framework with advice on how to use the framework and the range of procurement options. A bespoke call-off document has been created and made available to framework customers to assist them. Several new affiliate members have joined the Consortium specifically to use this agreement. NEUPC Institutions recorded the highest overall annual spend on the framework during 2021/22, exceeding £17m, up by £6.3m from the previous year.

We have held several reviews with suppliers and contributed to procuring a Broadcasting framework. Category meeting frequency will be increased to assist with knowledge transfer and marketing of agreements. It will focus on the final extension and relet of the Audio Visual: Supplies, System Design, Installation and Maintenance Framework agreement in 2024.
The NEUPC eProcurement Category Group has continued improving coordination and best practice discussions by forming user groups for the highly used systems. Groups are now in place for the Advanced (Science Warehouse) and Parabalis eMarketplace systems coordinating with other UKUPC colleagues alongside the NEUPC member Delta eTendering System.

The most significant development for the eProcurement group in 21-22 has been the award of the framework for a brand new offering of an eMarketplace agreement to facilitate Tail-end spend. The framework has been awarded on a sole supply basis to Amazon EU Sarl for up to 4 years, including potential extensions.

The eMarketplace will complement other systems and not compete against established integrated eMarketplaces. The framework will capture spend on areas that are infrequent purchases or multiple low-value purchases not covered by current frameworks. The national potential spend under this framework was estimated at £80m over the contract term.
The past year for the Estates Group has seen the renewal of the Roofing Services framework. The framework has been updated following consultation with stakeholders and working with NWUPC; the framework now covers the whole of the North of England and includes lotting specialisms for both new specialist installations plus proactive and reactive maintenance and repair. The specialist lots are split into regions to promote the inclusion of SME usage, with all five awarded suppliers classed as SMEs. The potential value of the framework was estimated at £25m over a 4-year period.

We have partnered with YorHub to provide input to renew the YorBuild 3 Medium works framework, continuing the construction requirement coverage for all members, including those using the NE5 agreements.

Last year brought drastic pricing fluctuations for services and materials in the Estates category. While there has been the minimum impact on framework pricing, members have been kept up to date with market data through regular information published by the Construction Leadership Council, supplier engagement and Category related publications.

Spend activity has improved with over £20m recorded during the last 12 months, unfortunately still down by £13m on the previous year due to impacts from COVID-19. Over the last year, presentations at the Estates Group have included updates on the post-Grenfell Fire Regulations and how the Fire Services and Equipment framework may be used, along with regular updates from YorHub.

The Estates Group has welcomed a new Chairperson, Mark Hayter, Head of Procurement at Leeds Trinity University, replacing the departing Chair Rob Cross from the University of Loughborough.
OFFICE SUPPLIES

NEUPC has actively participated in and attended all Category Framework review meetings, continuing a healthy degree of dialogue and team working with sector suppliers and the relevant Consortia leads. NEUPC member spend within the Office & Computer Supplies Framework during 2021/22 has seen an increase of 109% from the previous year, reaching £791,039, which is good news post Covid19 impacts on budgets. Regular group updates have been proactively managed and shared, notably pricing variables and supply chain pressures. Several national procurements have been supported by NEUPC this year, including Print & Office Supplies. In the future, the number of Category meetings will be increased to encourage participation and to provide members with the opportunity to provide feedback on supplier performance and input into the 12-month contracting programme. We will continue to engage with Suppliers on issues such as Corporate Social Responsibility, Social Value Initiatives and managing costs and supply chain pressure, all of which will interest the group.

POSTAL

NEUPC continues to support the National Postal Operations Group as the main point of contact with member institutions. The group, composed primarily of operational staff, meets regularly and benefits from framework information and guidance on procurement matters.

The main tendering focus for 2020/21 in the postal area has been the award of the Mail Services Agreement, which has been expanded to cover both UK Business Mail and International Mail.

The agreement formalises a compliant route to market in an area used by all HE institutions whilst also covering the additional scope of Hybrid Mail as an emerging market. The framework was launched in May 2021 and was accompanied by an innovative NEUPC launch video presentation for members.
The Professional Services Category spend, and agreements were reviewed, and we have established four re-tendering projects during 2022-23; NERARS, Debt Collection, Occupational Health, and Travel.

NEUPC will be involved in these projects alongside other UKUPC members. It’s positive to note that this category has seen a £1.2m increase in spend over the last 12 months.

The main framework awarded during the year was for Graduation Services which NEUPC took part in the design and evaluation.

During the year, the Professional Services Category Group meetings continued bi-annually. The group continued to debate new opportunities, share best practices in established areas of member spend, and explore potential new avenues for framework agreements.
SOFT FM

The Soft FM category group delivered two retendered frameworks this year: Security Services and Cleaning Services. Both frameworks are situated in lower-paid sectors of the economy; therefore, we have paid particular attention to ensure that the Responsible Procurement element of the tenders was covered in detail.

For the first time, both frameworks included specific scored technical questions on staff pay, modern slavery, diversity, and welfare. We also included a mandatory provision where suppliers must pay their staff the real living wage where universities stipulate this requirement.

In addition to the tenders delivered this year, there has been much focus by the category group on market conditions and the economics impacting this category. In particular, Cleaning and Janitorial Supplies supply has been highly volatile and challenging to manage. Working together as a group, we shared experiences and utilised the expertise of framework suppliers to help us understand our market conditions.

The information has been shared amongst group members to help them make more informed decisions on sourcing, with some members delaying re-tendering activities to avoid market price increases. The insight has highlighted the impact of global commodity pricing and how energy pricing has affected the production of paper products and transport costs of all products.

The collaboration between members and suppliers has been excellent, and we will look to build on this over the coming 12 months and beyond.
NEUPC was key in delivering the General Lab Equipment and Lab Gases Framework agreements, launched in Q1 2021. Both Frameworks have been well received and heavily utilised since their award.

NEUPC led the strategy for creating a Life Sciences procurement that aims to amalgamate aspects of three Frameworks into one single agreement, enabling members to purchase Equipment, Materials and Services from one source. This is the most significant consolidation exercise ever conducted in this category and is aimed at increasing supplier visibility and helping facilitate a simplified route to the market. The preparatory stages have all been completed, and the Framework will be awarded by March 2023.

We have also taken an active role in the national UKUPC STEMEd Group to establish key areas of the national procurement strategy for the next three years. NEUPC have committed resources to support the tendering, evaluation, and award of three Frameworks in 2022/23, including High-Value Lab Equipment (HVLE), IRLA Lab Consumables and Electronic Components.
This year NEUPC delivered our latest iteration of our National Furniture Framework. The framework went live in February with an advertised value of £282m. Even with the transition from an old agreement to the new one, this has not negatively impacted member spend in this category, increasing from £2.7m to £12.6m this year. A core initiative of this procurement is sustainability; as such, we included a dedicated lot to encourage reused and recycled furniture. This is the most diverse HE furniture agreement procured to date, offering a wide range of products and services.

For the first time within the HE sector, we have included a specific sub-lot for a joint supplier-NEUPC-led initiative to design, create and launch our sector’s very own eMarketplace to sell or give away good quality furniture, saving universities money whilst reducing their overall carbon impact.

A team of 30 representatives from across the UK HE Consortia delivered this innovative framework, demonstrating true collaboration and providing a framework for the needs of members.

We launched the new agreement with a recorded member implementation meeting and met with suppliers to ensure the framework’s requirements were understood.

During 22/23, we will be launching our Circular Economy Furniture eMarketplace and continuing to promote all aspects of the framework whilst encouraging suppliers to continue to deliver exceptional service to members whilst offering innovative and sustainable solutions.
Travel has seen a resurgence to the point where the market has struggled to keep up with demand. Travel Management Companies TMCs have been unable to recruit the staff to replace those lost during the pandemic, and as such, customers are facing issues around offline support in particular. It’s positive to note that the travel category has seen an increased spend from members of over £18m this year which is reassuring to see following the negative impacts of COVID-19 during the previous two years.

The re-introduction of a more frequent Travel Category Group meeting in January 2022 has provided members with a platform to share experiences and work together on potential solutions. The formation of the new group will allow our suppliers to address the sector travel leads. It will be an essential element of the re-tender process due to be conducted during 2022–23. Additionally, there has also been regular contact with the British Travel Council to ensure members are supported effectively with their travel issues with various suppliers across the category. However, support and outcomes have varied regarding how suppliers can do this for multiple reasons, from staffing to systems to the sheer volume of demand.
NEUPC continues to support the development of procurement capability within the sector through our accredited CIPS and apprenticeship programmes. As restrictions eased, teaching delivery returned to a mixture of in-person workshops and webinars for 25 students working towards obtaining their CIPS levels 4-6 qualifications.

We are pleased to report that it was another successful year with pass rates well above UK rates, with ten students gaining CIPS qualification across Levels 3, 4 and 6.

NEUPC was successfully audited by CIPS and also completed an application to continue as a registered Apprenticeship Training Provider.

The NEUPC procurement team continue to hold CIPS corporate ethics accreditation for another year.
In May 2022, the NE5 Estates Group welcomed a new Category Manager, Jon Lisle – MCIPS, replacing Michael McGill.

This appointment allowed relations to be refreshed with all NE5 members, with an introductory and account management exercise taking place between June and September to further understand framework usage and demand following the COVID pandemic. In September 2022, a 2-year Contracting Programme was agreed upon with NE5 to provide a clear delivery plan going forward, involving a combination of existing framework extensions and renewals whilst also factoring in two new requirements originally identified by the group at the end of 2021.

The two new framework requirements currently being researched are Renewable Energy Solutions and Works for Listed/Historic Buildings.

Following on from the success of the Newcastle Schools event held in 2021, an equally successful Schools Event was held at Teeside University in July 2022, where students from five local schools attended an engaging day of practical workshops and presentations to promote apprenticeship opportunities in the construction sector. The workshops were delivered by some of NEUPC’s long-standing framework providers in professional services and major construction works and received extremely positive feedback from both students and lecturers. Further school events are planned for 2023 and 2024.

Over the last six months, a full review of all NE5 framework providers’ industry accreditation and certification was completed, and all Buyers Guides were updated, allowing our clients to continue to access the frameworks with confidence.
DIRECTORS STATEMENT

These accounts are not the company’s full statutory accounts. The Income and Expenditure Account and Balance Sheet on pages 17 and 18 are extracted from the full statutory accounts approved by the Directors on 23 November 2022 and on which the auditors have given an unqualified opinion.

The statutory accounts, which should be consulted for a complete understanding of the company’s financial affairs, will be submitted to the Registrar of Companies.

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2021

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<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
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<tbody>
<tr>
<td>Turnover</td>
<td>£1,142,983</td>
<td>£1,002,105</td>
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<tr>
<td>Administrative expenses</td>
<td>£976,647</td>
<td>£1,026,882</td>
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<tr>
<td>Operating surplus</td>
<td>£166,336</td>
<td>-£24,777</td>
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<td>Interest receivable</td>
<td>£2,321</td>
<td>£3,167</td>
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<tr>
<td>Surplus on ordinary activities before taxation</td>
<td>168,657</td>
<td>-£21,610</td>
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<tr>
<td>Tax on surplus on ordinary activities</td>
<td>£21,964</td>
<td>-£1,709</td>
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<tr>
<td>Surplus for the Financial Year</td>
<td>£146,693</td>
<td>-£19,901</td>
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## BALANCE SHEET AS AT JULY 2022

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</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>£7,208</td>
<td>£10,394</td>
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<tr>
<td><strong>Current assets</strong></td>
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<td></td>
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<tr>
<td>Debtors</td>
<td>£609,041</td>
<td>£804,415</td>
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<tr>
<td>Cash in bank</td>
<td>£762,056</td>
<td>£660,228</td>
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<tr>
<td>Creditors - Amounts falling due within one year</td>
<td>£341,056</td>
<td>£490,178</td>
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<tr>
<td>Net Current assets</td>
<td>£1,111,306</td>
<td>£974,465</td>
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<tr>
<td><strong>Total assets less liabilities</strong></td>
<td>£1,118,541</td>
<td>£984,859</td>
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<tr>
<td>Provision for liabilities - deferred taxation</td>
<td>£11,754</td>
<td>£1,284</td>
</tr>
<tr>
<td>Capital and Reserves</td>
<td>£1,130,268</td>
<td>£983,575</td>
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</table>
We look forward to procuring three brand new frameworks in the year ahead, mainly in the estate category and including a refresh within the Laboratory category. NEUPC will lead a procurement which will consolidate three current frameworks into one life science framework with a value of approximately £200m. We also plan to complete seven re-tenders to replace existing agreements within the Estates, Soft Facilities, and IT categories. Specifically, we will continue developing a new Mechanical and Electrical works framework within Estates covering the entire NEUPC membership. In addition, the Asbestos Consultancy and Removal frameworks will be renewed.

The anticipated spending for our contracting plan over the year ahead will reach a total value of £366m.

In 2023 we will launch our first HE Circular Economy Furniture eMarketplace platform and continue promoting all aspects of the new Sustainable Furniture framework. The marketplace aims to change how furniture is obtained and used across our sector, encouraging the reuse of good quality, used furniture, reducing the need to go to landfills and reducing carbon footprint.

We will progress our Responsible Procurement activities and help to deliver the UKUPC Responsible Procurement Strategy using the new UKUPC streamlined shared resources. We will see improved member offerings via Electronics Watch Affiliate membership, ongoing supplier sign-up to the UN SG Code of Conduct, and enhanced benefits to the Net Positives Supplier Tool.

Finally, we look forward to meeting you at the UKUPC Conference 2023 - the University of Exeter on 6 - 7 September 2023. LUPC and SUPC are collaborating to deliver this event for all members of UKUPC, bringing together procurement professionals from across the sector.
NEUPC FULL MEMBERS

- Bishop Grosseteste University
- Durham University
- Leeds Art University
- Leeds Beckett University
- Leeds Trinity University
- Loughborough University
- Newcastle University
- Northumbria University
- Nottingham Trent University
- Sheffield Hallam University
- Teesside University
- 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 Sheffield
- University of Sunderland
- University of York
- York St John University

NEUPC BOARD OF DIRECTORS 2021/2022

T P Brannon
Director of Procurement
University of Leeds

F Rowell
CEO
NEUPC

A P Stephens
(Resigned 25/11/21)
Director of Finance
Loughborough University

J J Jones
(Resigned 25/11/21)
Director of Procurement and Insurance
University of Birmingham

S A Coll
(Resigned 25/11/21)
Head of Procurement
Leeds Beckett University

M I Garfield
Director of Estates and Facilities
Newcastle University

S J Newitt
(Appointed Chair 25/11/21)
Chief Finance Officer
Northumbria University

C P Jones
Director of Finance
University of Derby

J K Trotter
(Appointed 25/11/21)
Director of Procurement and Projects
University of Leicester

E R Tidswell
(Appointed 25/11/21)
Head of Procurement
University of Sheffield

J C Lindley
(Appointed 25/11/21)
Director of Finance
University of York