

HIGHER EDUCATION PURCHASING  
CONSORTIUM WALES

# ANNUAL REPORT



2020-21



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*The Higher Education Purchasing Consortium Wales' (HEPCW) constitution defines its mission as **“Supporting Higher Education Institutions in Wales in achieving value for money for stakeholders through the adoption of a strategic approach to collaborative procurement”.***

Underpinning this mission is a clear objective that institutions achieve value for money. In this regard procurement functions play a vital role. Both within the Higher Education (HE) Sector and at an All-Wales level, there is an acknowledgement that a collaborative approach to procurement can deliver cost effective solutions for goods and services where synergies exist.

Within the period covered by this report, 2019/20 and 2020/21, the Covid-19 global pandemic struck and has had a fundamental impact on how HEPCW and its members operate. Overnight the consortium and its stakeholders were required to adapt to new ways of working. The situation facing suppliers was similarly stark, with many required to furlough high numbers of workers. As a consequence, and given the uncertainties regarding funding, there has been a conscious effort by HEPCW to maintain levels of support to members.

In addition to responding to the challenges presented by the pandemic, 2 new Government initiatives were commenced during the year which will have a significant bearing on how procurement is undertaken going forward. Firstly, the UK Government launched a consultation exercise into the reform of Public Procurement, now that the UK is no longer a member of the European Union and can create its own public procurement regulations. The second element is legislation currently being considered by the Welsh Government – the Social Partnerships and Public Procurement legislation – which will require contracting authorities in Wales to include specific clauses and report benefits delivered in respect of social value for contracts that fall within the scope of the legislation.

A commitment has also been made by HEPCW to sign up to the NETpositive Supplier Engagement Tool for 2 years from March 2021. This tool provides members with access to information provided by suppliers regarding progress against sustainability action plans, and is a welcome addition to the toolkit of resources used by procurement professionals to effectively manage suppliers.

All of the above are covered in more detail elsewhere in this report.

The Procurement Manager's Report will cover performance in more detail, however key achievements for 2020/21 include:

### Fig.1

- Access to over 120 HE Sector and All Wales Agreements
- £77.1M placed through collaborative arrangements
- £65.7M placed through HE Sector managed collaborative arrangements
- £107.1M placed with Welsh suppliers
- Savings of £9.5M achieved through the use of HE collaborative arrangements
- Providing continuity of service throughout the Covid-19 pandemic
- Enhanced spend analysis and annual benefits statement for members
- Active participation in the UKUPC Board and its strategic sub-groups
- Engaging fully with HE Sector colleagues, Welsh Government and other stakeholders to ensure sharing of information and best practice.

The HE Sector in Wales continues to engage with Welsh Government's Procurement Division, Value Wales, and participates in a number of cross functional groups. In addition HEPCW continues to engage with the UK Universities Purchasing Consortia (UKUPC) on those initiatives which are aligned more closely to sector requirements and objectives.

Going forward it is likely that the HE Sector will face increased challenges and will need to respond positively to ensure that it continues to meet and exceed stakeholder expectations.

The UK's decision to leave the EU presents new challenges and opportunities that will impact upon all stakeholders, and HEPCW is well placed to support members in managing the resultant changes and impacts upon the supply chain. Procurement continues to play a significant role in supporting delivery of institutional objectives. HEPCW's support in this regard will be fundamental, and key priorities for the forthcoming year will include:

- Supporting procurement functions in demonstrating value for money
- Providing accurate spend data and analysis to support informed decision making and optimise opportunities for collaborative contracting
- Developing relationships and networks within the Welsh HE Sector procurement network to make best use of the skilled and finite resources.

My thanks are extended to all staff in member organisations involved in procurement and to all of our stakeholders without whose support and participation the consortium could not succeed. A special note of thanks is extended to Peter Standfast the HEPCW Procurement Heads Group Chair and Director of Procurement at Cardiff Metropolitan University following his retirement in March 2021. And finally my grateful thanks to Howard Allaway and Georgia Davies for their commitment and support of the consortium during these challenging times.



**Rob Williams**

**HEPCW Chair**





## INTRODUCTION

*This section of the report explores the procurement landscape in which HEPCW operates, and highlights the key achievements in respect of the Wales Procurement Policy Statement 2015 and the HE Sector collaborative procurement agenda. In addition the report provides key data in respect of expenditure analysis, levels of collaborative procurement and savings achieved through the adoption of collaborative procurement arrangements.*

In pursuance of its mission, HEPCW provides full support to 7 HE institutions and services to 2 HE institutions, 4 Further Education (FE) colleges and 1 specialist organisation within Wales.

Benefiting from mature, effective networks within the HE sector and Welsh public sector, HEPCW is well placed to support its members in the delivery of institutional objectives.

Operationally, it represents sectoral views on strategic groups at an All-Wales level and regional views within the HE Sector nationally. These services are delivered through a core team of 2 full-time personnel, supported by resources from the member institutions. This structure enables HEPCW to be agile, responsive and align its objectives with those of its members.

HEPCW membership during the review period was:

**Fig. 2**

**Full Members**

- Aberystwyth University
- Cardiff University
- Cardiff Metropolitan University
- Swansea University
- University of South Wales
- University of Wales Trinity St David
- University of Wales Registry

**Associate Members**

- Bangor University
- Coleg Gwent
- Coleg Sir Gâr
- Glyndŵr University
- Gower College Swansea
- Health Education Improvement Wales (HEIW)
- Neath Port Talbot College

- Managing the Netpositives contract.
- Producing annual benefit statements for members.
- Providing training, support and insights to members.

## COLLABORATIVE PROCUREMENT

Collaborative Procurement underpins the work of the consortium and is recognised as good practice within the policy statement. The HE sector has long embraced the philosophy that efficiencies can be achieved through a collaborative approach for the procurement of common and repetitive commodities. A number of opportunities for collaboration are available, but the most common approaches utilised by HEPCW members are:

- Collaboration within the HE Sector
- Collaboration on an All Wales basis
- Collaboration on a UK basis

A portfolio of collaborative arrangements drawn from all of the above approaches have proven to be effective within the HE Sector.

Fig.3 provides an overview of expenditure placed through collaborative procurement arrangements in 2019/20 and 2020/21.

## DELIVERING VALUE TO OUR MEMBERS

HEPCW's mission is to support its members in delivering value for money from its procurement activities. It does this through a number of activities including:

- Managing collaborative procurement agreements.
- Representing members on sector and government organisations.
- Updating members regularly via a monthly newsletter.
- Co-ordinating, analysing and benchmarking annual spend data in conjunction with Atamis.

**Fig. 3**

Type	2019/20 Expenditure	2020/21 Expenditure
HE Sector	£55.8M	£65.6M
All Wales	£1.6M	£2.2M*
Other	£10.3M	£11.7M
Total	£69.7M	£79.5M

\*Figures only available up to 31 March 2021.

The methodology used to determine the value of expenditure placed through the HE sector collaborative arrangements is common across all regional UKUPC (see Fig. 4). HEPCW member institutions are provided with expenditure reports on a quarterly basis, so that data can be reviewed and amended in a timely manner, if inaccurate information has been submitted by suppliers.

The above demonstrates that the expenditure reported by suppliers via the HE Sector collaborative arrangements has seen an overall increase of 17.7% in 2020/21 compared with 2019/20 data.

As stated in previous annual reports, there is a degree of duplication of arrangements available on a HE Sector level and an All-Wales basis due to the nature of the commodities purchased. It is acknowledged that for some instances a HE Sector approach delivers better value, and that for others an All-Wales approach provides greater benefit. A range of factors must be considered to determine which approach is the more suitable and HEPCW's role is to ensure that member institutions are fully informed to support key decision making.

**i) HE Sector Collaboration**

HEPCW works effectively alongside its counterpart UKUPC and national groups, with which it enjoys progressive and successful relationships. The joint contracting programme provides a comprehensive and mature collaborative portfolio, and includes commodities that are not within the remit of the All Wales Contracting Programme. Fig. 4 provides details of the UKUPC organisations.

**Fig. 4**

- Advanced Procurement for Universities and Colleges (APUC)
- HEPCW
- London Universities Purchasing Consortium (LUPC)
- North Eastern Universities Purchasing Consortium (NEUPC)
- North Western Universities Purchasing Consortium (NWUPC)
- Southern Universities Purchasing Consortium (SUPC)
- The Energy Consortium (TEC)
- The University Catering Officers (TUCO)

Operationally, HEPCW manages a number of HE Sector National, inter-regional and consortium framework agreements and represents its members on a number of collaborative procurement arrangements, National Working Parties (NWP) and tender working groups. In order to maintain effective sectoral engagement it is important that HEPCW contributes to the national HE Sector collaborative programme. In 2020/21, HEPCW has continued to be represented upon and participate in the following UKUPC groups:-

- UKUPC Board
- Joint Contracting Group
- National Communications Group
- National Systems Group
- Responsible Procurement Group
- Hunter User Group
- National ICT Category Group
- Higher Education Procurement Association (HEPA) Board
- HEPA Learning & Development Group
- Apple Tender Working Party (Agreement Lead)
- National and Inter-Regional Tender Working Parties

As a consequence of the pandemic, and the greater use of conferencing technology, the frequency of meetings of each group has increased significantly since March 2020. Before that time, the majority of groups met on a quarterly basis. This has now changed and with the exception of the UKUPC which meets fortnightly, all other groups meet on a monthly basis or as required. This change has ensured that there is significantly greater communication amongst the consortia enabling accelerated decision making.

The UKUPC has developed a strategy and this is underpinned by the business plans of the strategic sub groups. An annual report is published by the UKUPC and is available to members.

Fig.5 provides a breakdown of the number of agreements managed by the UKUPC (including TEC and TUCO) by expenditure category that were available to HEPCW members during the review period.

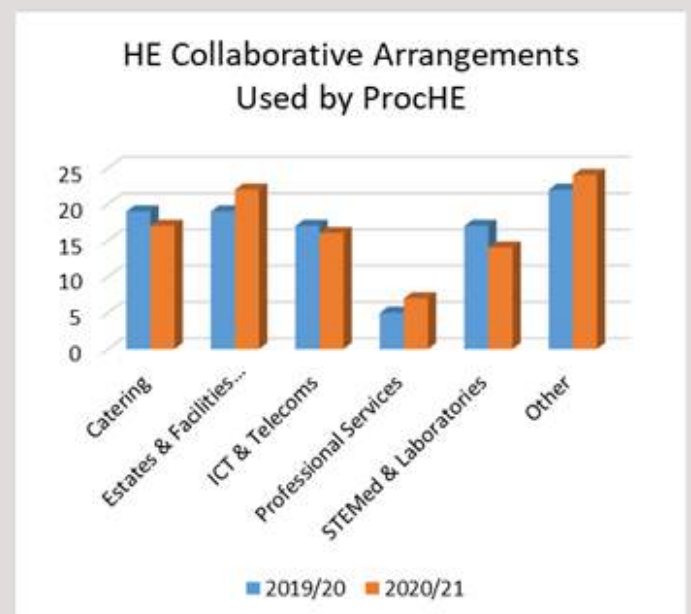
Fig. 5



(Source: HE Contracts)

Fig.6 provides a breakdown of the number of agreements managed by the UKUPC (including TEC and TUCO) by expenditure category that were used by HEPCW members during the review period.

Fig. 6



(Source: Hunter)



**ii) All-Wales Collaborative Procurement**

Management of the All Wales contracting programme rests with the Welsh Government Commercial Division. HE institutions benefit from having access to a number of collaborative arrangements and a fully funded spend analytics service.

In terms of collaborative contracting, the number of All Wales Agreements let and managed centrally by Welsh Government's Commercial Contracting team has reduced. This follows the review of the National Procurement Service (NPS) in 2018, which recommended that a leaner central procurement function should emerge. Since the review, the central team has concentrated on delivering and managing a smaller number of opportunities that result in the award of agreements that have a high level of adoption amongst the stakeholders.

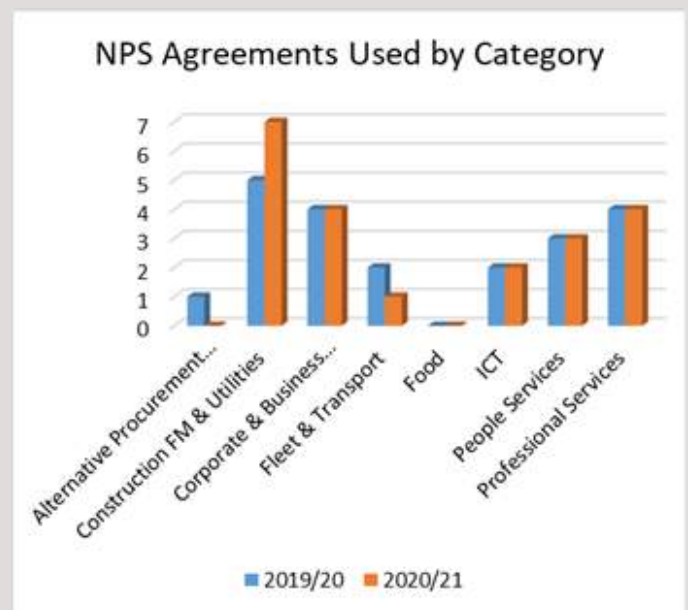
For other commodities previously covered by NPS managed agreements, these are now being taken forward by other Welsh public sector contracting authorities, thereby using the procurement expertise and market understanding within Wales. All Wales agreements currently let and managed either by Welsh Government or a stakeholder contracting authority are available to all contracting authorities in Wales. This approach may provide opportunities for the HE sector to lead on agreements in future.

Regular contact has been maintained with Welsh Government representatives via a standing invitation to the HEPCW Procurement Heads Group (PHG).

HEPCW has continued to act as a key point of contact for the HE Sector with the Welsh Government Commercial Division.

Fig.7 provides an overview of the number of NPS managed arrangements used by HEPCW HE Sector members during the review period. There are in excess of 20 agreements that are available for use. For information, the All Wales Personal Protective Equipment (PPE) Agreement falls under the People Services category.

**Fig. 7**



(Source: NPS)

Details of expenditure placed through the use of NPS managed arrangements are provided in Fig.3 in this report.



In March 2020 the UK was gripped by the Covid-19 global pandemic and a period of lockdown was announced on 23rd March 2020. In the previous week advice had been given to work from home if possible, and consequently the HEPCW staff were able to immediately comply with this instruction.

The procurement environment, like many others, changed overnight both in the way that teams were functioning and the introduction of a furlough meant that many commercial stakeholders were either able to offer either a limited service, or no service for a period of time.

Given the levels to which the pandemic affected the sector, the response to the challenges was exceptional. In a very short space of time institutions had arranged for staff to be able to work from home, to have access to hardware and software that enabled staff to carry out their roles and to provide an environment for those who needed to remain on campus that was as safe as possible. The level of collaboration amongst consortia increased dramatically, supported by access to conferencing technology, and key efforts were directed into providing a supply of appropriate personal protective equipment (PPE).

Closer working relationships were established with NHS organisations to support the sourcing of products that met the required safety standards.

During this time there has been significant impact upon supply chains and regular communications were prepared by UKUPC to update stakeholders on the price and availability of PPE via the HE National Framework Agreement. Details of the expenditure incurred by members in respect of PPE are provided below, along with details of the usage of collaborative arrangements.

**Fig. 8**

**Proc HE Code UD - Safety & Personal Protection Equipment**

	<b>2019/20 Expenditure</b>	<b>2020/21 Expenditure</b>
Members' Expenditure	£1,659,973	£762,291*
HE Sector Agreement Expenditure	£16,911	£74,259
NPS All Wales Agreement Expenditure	£6,070	£72,291**

\*Figure excludes expenditure for University of Wales Trinity St David (UWTSD), as expenditure details have yet to be received.

\*\*Figure represents spend from 1st August 2020 to 31st March 2021



Wider supply chain issues were experienced during the initial lockdown when a high volume of suppliers not engaged in categories that were deemed essential were required to furlough staff and operatives. This impacted upon the sector's ability to undertake planned procurement activities as suppliers and their supply chains were unable to respond with accurate and sustainable proposals.

Emergency legislation supported public sector bodies in allowing existing arrangements to be extended beyond their scheduled expiration until such time that the procurement could be undertaken. It also permitted the award of emergency contracts where time constraints were such that conducting formal competitive procurement exercises were not feasible.

Whilst the above measures contributed to the sector successfully navigating the global pandemic, the delay in delivering planned procurements has impacted the sector's joint contracting plan. This has resulted in arrangements that were scheduled for delivery in 2020/21 being delayed, with both constraints in resources and market uncertainties around availability of products and volatility of costs being contributing factors.



# PROCUREMENT REFORM



The UK formally left the European Union (EU) in December 2019 and the subsequent transition period expired on 31st December 2020. The UK has agreed a limited trade deal with the EU so that goods both exported to and imported from the EU are free of tariffs.

As a consequence the UK is no longer required to comply with the EU Procurement Directives, and in December 2020, the UK Government published a Green Paper outlining proposals to reform public procurement processes. A 3 month period of public consultation followed during which comments were invited.

There was considerable debate within the HE Sector regarding how best to respond to the proposals, and within the procurement community it was felt that it was important to:

- Encourage all institutions to respond to the consultation so that many voices were heard
- Submit a consolidated response on behalf of institutions
- Submit a response from UKUPC focusing on those aspects of the proposed reform that would impact upon the nature of the agreements and services that are currently provided, and how collaborative agreements can be used.



A survey was produced which summarised the key proposals and issued to institutions to gather feedback. There was excellent engagement from the sector with 137 institutions responding to the survey. HEPCW's observations in respect of the proposals, along with those of the other UKUPC organisations, were included in a joint response that was submitted on behalf of the UKUPC.

As part of the consultation process, Welsh Government also conducted a survey of public sector bodies in Wales and formally responded. At the time of the consultation it was unclear whether all of the proposed reforms would apply in Wales although it has since been confirmed that reforms will apply in England and Wales.

A response on behalf of the UKUPC was formally submitted to the Cabinet Office on 9th March 2020. At the time of writing there have been no further updates to advise when the next stage is scheduled, although it is anticipated that additional information will be forthcoming in early 2022.





In March 2021, the Welsh Government conducted a consultation exercise in respect of its draft Social Partnerships and Public Procurement Bill, to which all HEPCW members were invited to respond along with stakeholders from other sectors. The key themes underlying the draft Bill are:

- Social Partnerships
- Fair Work
- Socially Responsible Public Procurement

Further information relating to the consultation exercise can be found at <https://gov.wales/draft-social-partnership-and-public-procurement-wales-bill>

Whilst the draft Bill does not extend in its entirety to the HE Sector, it is anticipated that the socially responsible public sector procurement proposed requirements will apply. As the sector nationally has been adhering to a responsible procurement approach for a number of years, many of the requirements contained within the draft Bill are already being undertaken by HEPCW members as this is recognised as being effective responsible procurement practice.

Under the initial proposals, institutions would be required, along with other public sector buying organisations in Wales, to include specific social value related clauses in procurements that were within scope of the draft legislation. Additional reporting requirements along with prior agreement from Welsh Government in the event that an organisation did not wish to, or could not include specific clauses in contracts were a cause for concern amongst HE Stakeholders, including Higher Education Wales and the Welsh Higher Education Finance Directors Group (WHEFDG). There was also concern that the draft legislation could conflict with the charitable status of institutions.

Despite these concerns, the sector has welcomed the draft legislation and views it as a positive development. As part of the consultation exercise, HEPCW co-ordinated the submission of a response on behalf of the procurement community within Welsh HEIs, and submitted its own response in respect of the proposals.

A further meeting was held with Welsh Government in August 2021 to discuss concerns. At the time of writing no further information has been received regarding the timescales for the implementation of the new Bill, although it is anticipated that an update may be available in early 2022.





## MEMBERS' SERVICES

HEPCW provides a range of value added services to its members, the key features of which are outlined below. These services deliver the outcomes identified by HEPCW as “Opportunities for Enhanced Collaboration” and agreed by the HEPCW Board in 2018.

## SUSTAINABLE PROCUREMENT

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In order to support its members in managing the sustainability risk within their supply chains, in February 2021 HEPCW committed to a 2 year subscription of the NETpositives Supplier Engagement Tool on behalf of itself and its members.

The tool provides an online portal for suppliers to register and then create sustainability action plans to address the key risk areas encountered through its operations and supply chain management. Once the Sustainability Action Plans have been created suppliers can then access the portal to update their plans, either through completion of existing actions or the identification of new actions as new risks are identified or targets are amended. All of HEPCW's members have individual accounts for the portal and can access the frequently held NETpositives user forum webinars.

NETpositives was selected as the most appropriate tool given its user friendly interface and wizard driven Action Plan development tool. Furthermore it has been widely adopted within the HE Sector and a significant number of suppliers used by HEPCW members have already registered and created Action Plans. Suppliers need to create one report only and can then make this available to all of the customers it serves, thereby reducing the need for duplication.

During the period covered by this report, all HEPCW users have been trained in the use of the online tool. HEPCW has also been proactively contacting those suppliers who provide goods and services to its members via HE Sector Framework Agreements to either register on the tool, develop Sustainability Action Plans or update existing plans.

## ANNUAL BENEFITS STATEMENTS

An annual statement is provided to members by 30th November each year providing an overview and headline benefits achieved through the use of collaborative arrangements for the preceding academic year. (see Figures 16 and 17) This is supplemented by a detailed report issued in January which provides a breakdown of efficiencies by individual category.

## SPEND ANALYSIS

Spend analytics services are provided to the members via a third party provider, Atamis, which is fully funded by Welsh Government until July 2022. Under this arrangement, Atamis undertake an annual spend analytics exercise to categorise institutional expenditure and this information is available to HEPCW and members (who can only view their institutional data) via an online portal. The service enables each institution to have all of its expenditure classified by line item detail and as such there is no deminimis below which spend is not classified.

The service is mature and the portal is updated frequently with additional functionality. This ensures that institutions are able to report spend not only by category, but also by groupings such as:

- Local suppliers
- Welsh based suppliers (details of expenditure can be found in Fig. 9)
- Supplier Size (small, medium and large)
- Modern Slavery Act compliance (publication of Modern Slavery Statement where required)
- Commitment to the Code of Practice: Ethical Employment in Supply Chains



## MONTHLY NEWSLETTER

Since 2019 HEPCW has published a monthly newsletter for its members, which provides information on new agreements, markets analysis, supply chain risk, training opportunities and forthcoming events.

## ANNUAL EFFICIENCY REPORT

The Higher Education Funding Council for Wales (HEFCW) undertakes an Annual Efficiency Review for the sector which is submitted to Welsh Government. HEPCW is able to support its members in the completion of returns via the provision of data in respect of expenditure and savings achieved through the use of sector specific collaborative arrangements (please see Fig.9 for details).

The most recently published report covered the period 1st August 2019 to 31st July 2020. For this report, the use of the Procurement Value Survey (PVS), which is managed by HEPA, was piloted amongst a number of member institutions. This approach was taken in an attempt to simplify reporting procedures, reduce duplication, and enable institutions to benchmark performance against sector peers.

The following extract is taken from the report submitted by HEFCW and provides details of the institutional efficiencies recorded during the period under review by those institutions that participated in the PVS pilot:

The table below details the consolidated cash and non-cash releasing procurement efficiencies resulting from the UK HE Procurement Value Survey (PVS) undertaken via HEPA. It covers efficiencies for the academic year 2019/20 for the University of Wales, Trinity St David, University of South Wales, Wrexham Glyndwr University, Cardiff University and Swansea University.

Sector Procurement Efficiencies Table HEPA PVS Information 2019/2020 (Representing procurement undertaken at University of Wales, Trinity St David, University of South Wales, Wrexham Glyndwr University, Cardiff University and Swansea University).

Category	Description	Delivered £M
Total procurement efficiencies reported via the HEPA procurement PVS.	Efficiencies information covering price reduction, added value, risk reduction, process re-engineering and sustainability.	6,475,219

The following table details the cash and non-cash releasing procurement efficiencies for the academic year 2019/20 for Bangor University, Aberystwyth University and Cardiff Metropolitan University.

Sector Procurement Efficiencies Table 2019/2020 (Representing procurement undertaken at Bangor University, Aberystwyth University and Cardiff Metropolitan University).

Category	Description	Efficiencies Delivered £M
Sector National or Regional Contracts	Contracts let by the HE sector using HE consortia	1,942,495
National Procurement Services (NPS) agreements	Collaborative agreements let on behalf of the Welsh public sector for common and repetitive goods and services. Contracts let by the Welsh National Procurement Service (NPS)	13,090
Local Contracts	Contracts set up on a local institutional level across all areas of institutional procurement expenditure	446,186
One off projects	One-off procurements, e.g. Capital expenditure, Research equipment etc	304,929
E Procurement Efficiencies	Use of e-procurement. e.g. e-marketplace, etrading, e-sourcing tools, procurement cards, xchangewales tools etc.	28,399

The total sector procurement efficiencies including E Procurement reported for 2019/20 was £9,210,318. This includes data from all HEPCW members, some of which were not included in the PVS pilot

It is hoped that from 2020/21 reporting, all institutions will be in a position to participate in the PVS. The online tool has been modified to include a question set for HEFCW that should enable members to submit the required responses for the Efficiency Review.

In addition to reducing the need for duplication, an anonymised summary of the responses to the Procurement Value Survey is shared by HEPA once the responses have been analysed. This will enable members to benchmark their performance against other similar sized institutions that have participated in the survey.







## OVERVIEW

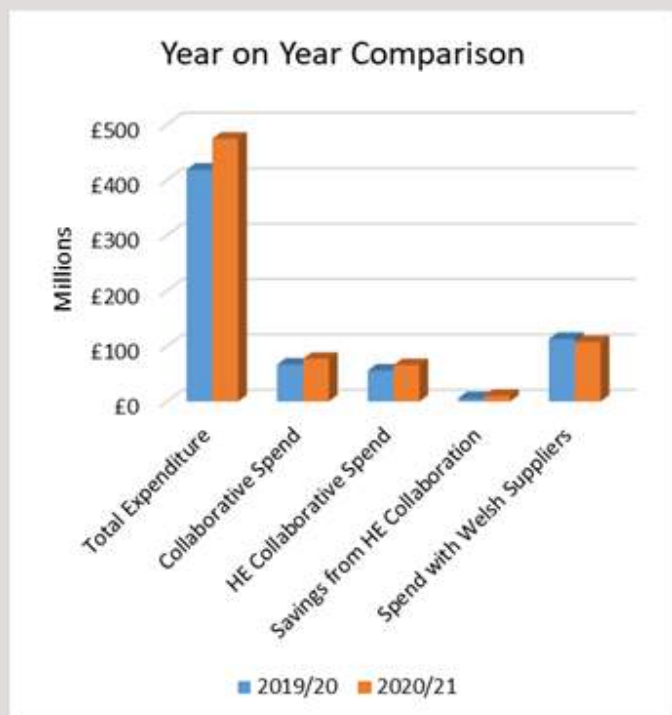
*HE Sector members' influenceable expenditure in 2020/21 was £474M compared with £418M in 2019/20. This represents an increase of 13.4% compared with the previous year's expenditure. It should be noted that the figure for 2020/21 does not include data for the University of Wales Trinity St David, as this had not been received by the time this report was published.*

Please note that the collaborative spend and savings figures include data for HEPCW HE sector members. The Total Expenditure and Spend with Welsh Suppliers in 2020/21 only does not include data for the University of Wales Trinity St David.

The following section of the report explores these areas in more detail.

Fig.9 provides an overview of year on year performance for a number of key measurements.

Fig. 9



# MEMBERS' EXPENDITURE

A breakdown of total expenditure by institution is provided below. The information is expressed by:

- i) Total spend per institution for 2019/20 and 2020/21,
- ii) each institution's spend as a percentage of the total expenditure incurred by members

Fig. 10



Fig. 11

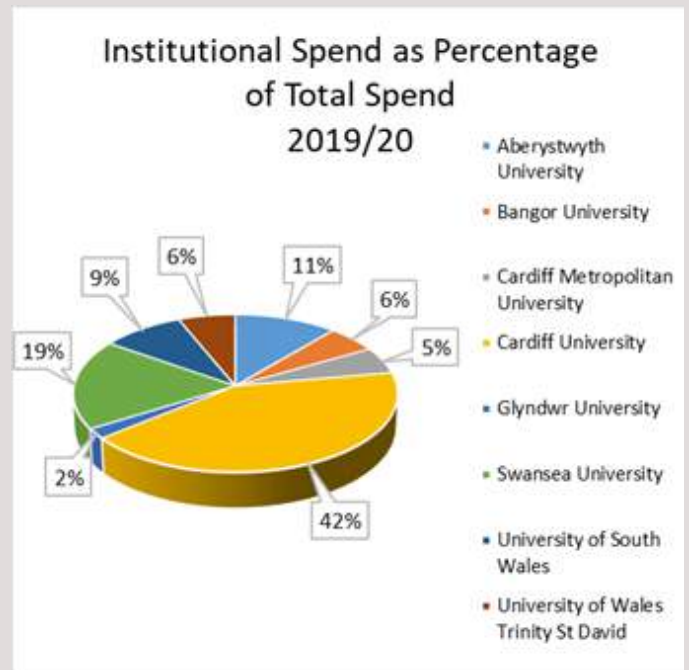
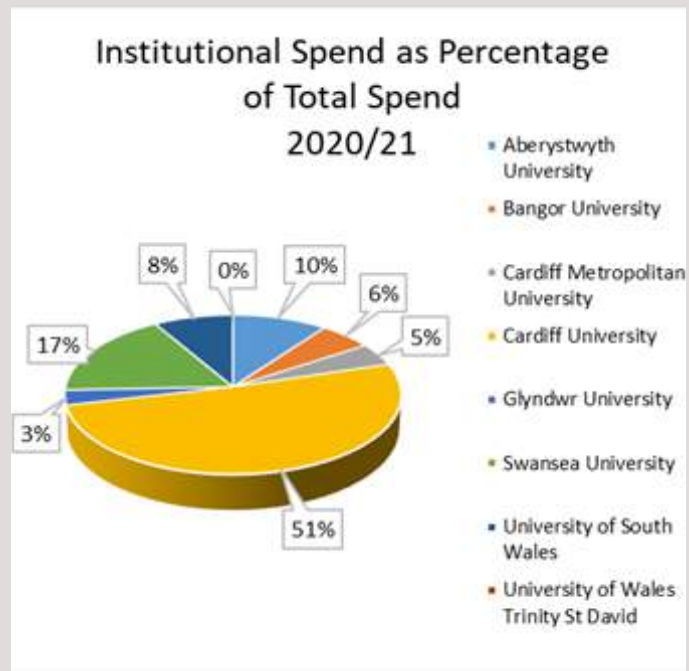


Fig. 12





## COLLABORATIVE SPEND ANALYSIS

The following section provides details of expenditure by category incurred through HE Sector managed collaborative arrangements in 2019/20 and 2020/1. The data has been provided by suppliers and is presented as:

- i) Total spend through HE Collaborative arrangements by Category
- ii) Total spend per institution through HE Collaborative arrangements, and
- iii) Each institution's spend as a percentage of the total HE Collaborative arrangements expenditure incurred by members.

**Fig. 13**

Category	Spend via HE Collaborative Agreements (£M)	
	2019/20	2020/21
Audio Visual & Multimedia	2.7	5.4
Library Books & Publications	5.1	5.8
Catering	3.7	0.6
Furniture, Furnishings & Textiles	2.3	1.9
Janitorial & Domestic	0.2	0.3
Utilities (Gas etc.)	20.0	20.4
Computer Supplies & Services	11.1	23.0
Laboratory	4.4	6.4
Workshop & Maintenance (inc. Engineering)	0.2	0.0
Printing, Reprographics & Photocopying	0.1	0.1
Professional & Bought-in Services	1.6	0.9
Stationery & Office Supplies	0.7	0.4
Travel & Transport	3.4	0.0
Vehicles, Fleet Management	0.1	0.0
Estates & Buildings	0.3	0.3
Facilities Operations	0.2	0.2
<b>Total</b>	<b>56.1</b>	<b>65.7</b>

(Source: Hunter)

Fig. 14 provides details of institutional expenditure via collaborative arrangements.

Fig. 14

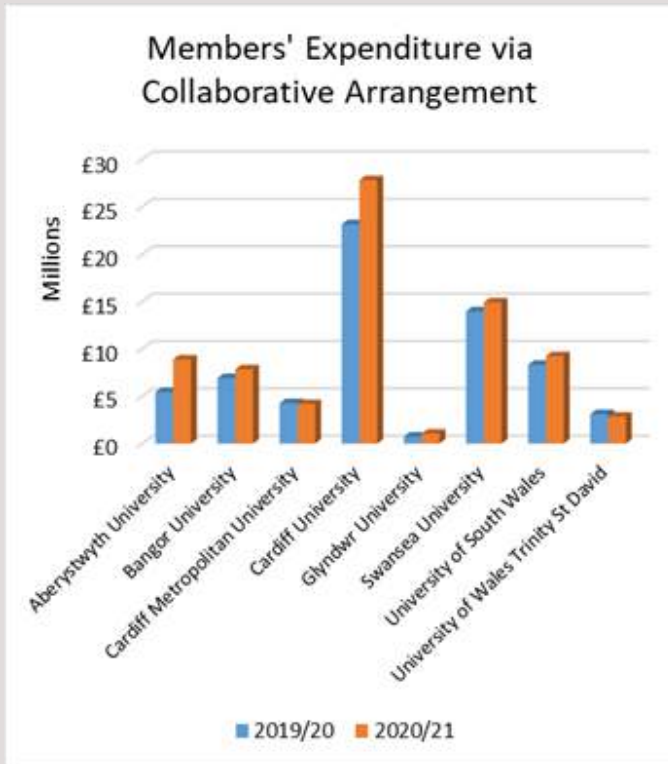
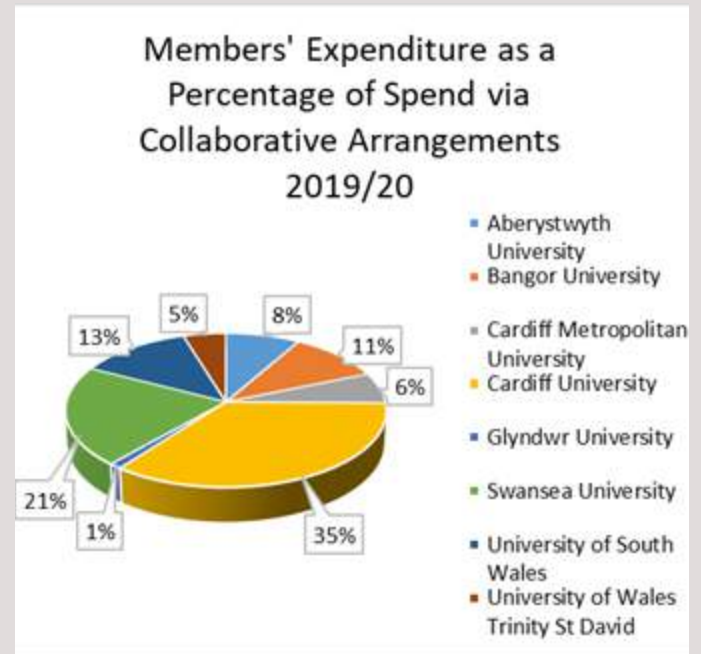
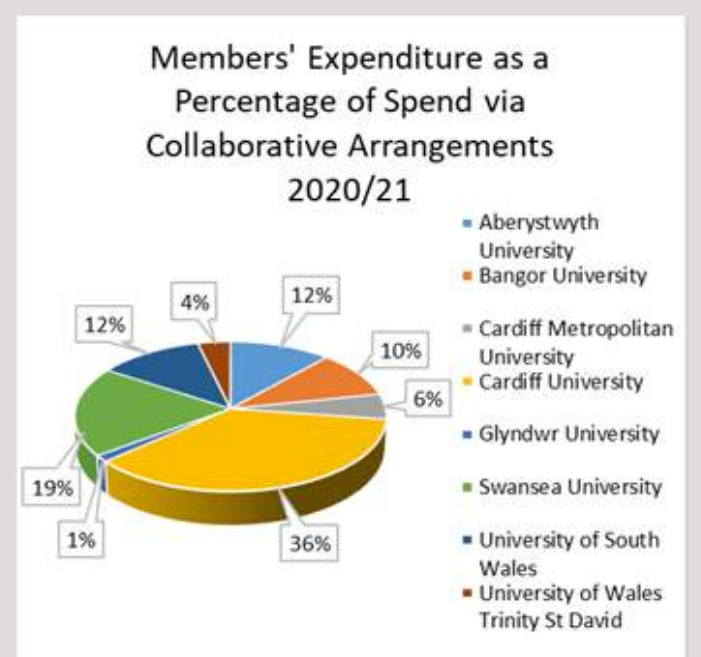


Fig. 15



Figs. 15 and 16 provide details of institutional expenditure as a percentage of spend via collaborative arrangements in 2019/20 and 2020/21 respectively.

Fig. 16



## SAVINGS



*The savings achieved by members through the use of national and inter-regional collaborative contracting arrangements can be found in Fig.17.*

All of the savings have been calculated in accordance with the national HE Sector agreed savings methodology. The use of these agreements delivered overall savings of £5.5M in 2019/20 (9.8% of expenditure placed through HE managed collaborative agreements) in and of £9.5M in 2020/21 (14.5% of expenditure placed through HE managed collaborative agreements). The figures exclude savings achieved through the use of non HE Sector collaborative agreements where savings figures are not available. Any savings made though local contract arrangements or process efficiencies are reported on an institutional basis and are outside the scope of this report.





Fig. 17

Category	2019/20		2020/21	
	Spend via HE Collaborative Agreements (£M)	Savings via HE Collaborative Agreements (£M)	Spend via HE Collaborative Agreements (£M)	Savings via HE Collaborative Agreements (£M)
Audio Visual & Multimedia	2.7	0.3	5.4	2.6
Library Books & Publications	5.1	0.0	5.8	0.1
Catering	3.7	0.7	0.6	0.1
Furniture, Furnishings & Textiles	2.3	0.2	1.9	0.2
Janitorial & Domestic	0.2	0.1	0.3	0.1
Utilities (Gas etc.)	20.0	0.7	20.4	0.5
Computer Supplies & Services	11.0	2.0	23.0	4.6
Laboratory	4.4	1.2	6.4	1.0
Workshop & Maintenance (inc. Engineering)	0.2	0.0	0.0	0.0
Printing, Reprographics & Photocopying	0.1	0.0	0.1	0.0
Professional & Bought-in Services	1.6	0.0	0.9	0.1
Stationery & Office Supplies	0.7	0.1	0.4	0.1
Travel & Transport	3.4	0.0	0.0	0.0
Health & Safety and Security	0.1	0.0	0.0	0.0
Vehicles, Fleet Management	0.1	0.1	0.0	0.0
Estates & Buildings	0.3	0.1	0.3	0.1
Facilities Operations	0.2	0.0	0.2	0.0
<b>Total</b>	<b>56.1</b>	<b>5.5</b>	<b>65.7</b>	<b>9.5</b>

(Source: Hunter)

Fig. 18 provides details of savings made by institutions through the use of HE Sector collaborative arrangements.

Fig. 18

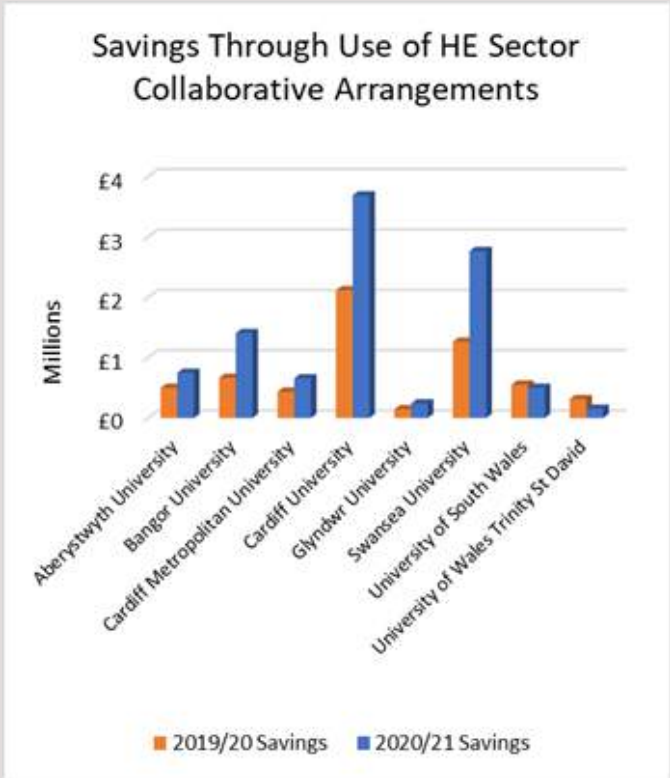


Fig. 19 provides details of the institutional savings made through the use of HE Sector collaborative agreements, expressed as a percentage of each institution’s expenditure incurred through these arrangements.

Fig. 19





Georgia Davies was appointed to the role of HEPCW Administrator, initially on a fixed term contract and on a permanent basis from July 2019. In order to develop HEPCW resources so that it can support the members more effectively, particularly through the opportunities identified, Georgia has studied for and successfully achieved CIPS Level 4 Diploma in Procurement and Supply.

In October 2019, the HEPCW Board considered a paper that recommended the creation of an additional post within the HEPCW structure to provide further support to the members. The proposed role of Procurement Officer was identified as being able to support members in undertaking local collaborative procurement exercises and co-ordinating and leading collaborative call-off arrangements from existing framework agreements. Unfortunately, as a consequence of Covid and the uncertainties around revenue, the recruitment has been delayed.

HEPCW has funded each institution with 1 place on an online Contract Management Training session. Further training sessions and webinars have also been promoted during the review period. These have been virtual events and in general are well attended. Online training sessions mean that members do not incur travelling time and expense and thus are more accessible for all stakeholders.

During the period under review, online training sessions have been facilitated via numerous sources, including but not limited to:

- UKUPC organisations
- HEPA
- External services providers including framework suppliers
- Welsh Government
- Cabinet Office
- Crown Commercial Services
- Chartered Institute of Procurement and Supply (CIPS)

HEPCW has promoted 67 free webinars to its members in 2020/21 which cover a broad range of procurement related topics. The following is a short list of some of the topics that have been covered:

- How to Manage Tender Like a Pro
- Quick Wins to Achieving Efficiency
- Making DPS Work for You
- Deciding Which Set of Procurement Regulations Apply
- Procurement and Brexit
- Social Enterprise
- Responsible Procurement
- Setting Your Scoring Criteria Early
- Adopting a Risk Based Approach to Travel



Additional services are available via the UKUPC network and it is pleasing to report that a number of Welsh HEIs have engaged with SUPC/SUMS to undertake a Procurement Maturity Assessment (PMA). These exercises have supported institutions through completion of a strategic review of the procurement function, and builds on the groundwork established through the Procurement Fitness Check programme conducted by Welsh Government in 2015.

The PMAs have been instrumental in allowing institutions to develop procurement strategies, functional objectives, continuous improvement and resourcing plans to support organisational strategies. These will support procurement functions in delivering key objectives and responding to and preparing for current and future challenges respectively.



## FORWARD LOOK



As we emerge from the pandemic it is likely that new blended approaches to working will be in place with a balance of office based and remote working undertaken. The technology is available to support HEPCW in continuing to provide help and support to its members via these arrangements.

In the next 12 months there are 4 key areas that will have an impact on public procurement in Wales and HEPCW is well positioned to support the sector in meeting the challenges. These are:

- Procurement Reform Bill
- Social Partnerships and Public Procurement Bill
- Supporting members in delivering against Carbon Zero action plans
- Managing the impact of change in sector regulator in 2023 from HEFCW to the Commission for Tertiary Education and Research (CETR). This may also present opportunities for HEPCW to develop further its services portfolio.

In addition, HEPCW will review its resourcing levels to ensure that it is suitably equipped to support its members in meeting organisational objectives.

With regards to operational matters, HEPCW will continue to manage the national and inter-regional agreements that it has awarded on behalf of the sector.



# ACKNOWLEDGEMENTS



I would like to extend my thanks to all the officers who have continued to participate in the HEPCW category groups and represented the interests of the consortium within the HE National Working Parties and the NPS Category Forums.

A special note of thanks is extended to Georgia Davies who has provided invaluable support in her role as HEPCW Administrator.

I should also like to thank Rob Williams for his support and guidance in the role of HEPCW Chair.

*Howard Allaway*

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**HEPCW Procurement Manager**

