Leicester Business Festival

*How to find, compete for, and win public contracts*

5th November 2015

*Opening Speech from Martyn Riddleston, Director of Finance for the University of Leicester*

Welcome to the University of Leicester. I am Martyn Riddleston, the University’s Director of Finance.

First, I would like to take the opportunity to tell you a little bit about the University. We have 20,000 students, 3,300 employees, and a turnover in excess of £250m, which has a knock on effect of contributing £729m of activity annually to the economy. In 2012 we discovered the mortal remains of King Richard III, in 1984 we discovered DNA fingerprinting, and in every single year since 1967 there has been an instrument built by the University operating in space.

Just over a year ago, Paul Boyle commenced as our new President and Vice Chancellor. Since that time we have thought very deeply about our history, our values, what it is that makes us distinct, and our objectives and priorities going forward. This culminated in us recently launching our new Strategic Plan. The plan is ambitious, aspirational and sets out how we will, “pioneer a distinctive elite of research-intensive institutions”.

Back to today, and it is great to have the opportunity to host an event, at this, the inaugural Leicester Business Festival. It is also fitting, given that the University is the Festival’s headline sponsor, and pleasing that it should be on such an important subject; *How to find, compete for, and win public contracts*.

Given the way in which universities are funded, there is an ongoing debate as to whether we are caught by the legislation that dictates how public contracts must be awarded. Should student loans
be considered to be public or private funds? Whilst a handful of other universities have determined that student loans are private funds, so taking them outside of the scope of the Public Contracts Regulations, Leicester (along with most other universities) has continued to consider student loans as public funds, and so continue to comply with the Regulations.

Whilst this decision is based primarily on a legal assessment – student loan terms are not at all reflective of the private market – we at Leicester also feel that the Public Contract Regulations represent best practice. The Regulations help ensure equal treatment, transparency, proportionality, and the award of contracts that represent value for money.

Ensuring that our supplier contracts represent value for money is becoming increasingly critical. There are to be deeper government cuts to higher education budgets, and with the removal of the student cap there is now greater competition between universities for the top A’ Level students. Procurement will play a key part in helping the University meet these challenges; ensuring that we remain financially robust whilst delivering courses, and an experience, that meet the rising expectations of our students.

And it is not just about getting the same, or more, for less. Procurement teams across the public and HE sectors are now required to ensure that their strategies and processes, and ongoing contract management, take appropriate account of risks relating to such areas as business continuity and information security, as well as opportunities such as the securing of sustainability benefits through contracts. For example, last month the University became a founding member of Electronics Watch, an organisation that provides the means of setting and monitoring working standards throughout IT hardware supply chains. Now is the time for Procurement functions to step up and become truly strategic, adding real weight to drive the organisation forward.
This has meant a significant step change in the way that the University procures goods, services and works. Towards the end of 2013, we were independently audited against the HE sector’s Procurement Maturity Assessment model. We did not do very well, with significant room for improvement identified.

Over the last 18 months, we have agreed and launched a new Procurement Strategy for the University, re-written our Procurement Rules (that had been evolving for some 16 years), and built a team of category managers – procurement professionals focussed on particular categories of spend (such as IT, Estates, Professional Services and Laboratory Supplies), and who look across the organisation to establish future, common requirements and the best route for fulfilling these requirements.

These are exciting times at the University. As already mentioned, our new President and Vice Chancellor recently launched a new Strategic Plan, setting out how we will, “pioneer a distinctive elite of research-intensive institutions”. To realise this vision we require effective suppliers; with our key strategic suppliers proactive in developing an understanding of, and helping us realise, our aims.

From the University’s perspective; the timing of this event is opportune, now that we have a brand new corporate vision and an upgraded procurement function. We have been increasing our engagement with other HE and public sector organisations to share and align best practice; so creating greater consistency of approach from a bidder perspective. It is now important that we, along with the other HE and public sector organisations here today, engage more fully with potential suppliers to demystify and simplify our procurement processes.
Thank you for listening, I hope you enjoy the rest of the event. I will now handover to James Trotter, the University’s Head of Procurement, who will give an overview of public procurement, including recent changes to the Public Contracts Regulations and handy tips when tendering.