

21st May 2020

Clive Wratten
The Business Travel Association
2nd Floor, Butler House
177-178 Tottenham Court Road
London
W1T 7NY

Dear Clive,

COVID-19 Impact on the Higher Sector

I hope this letter reaches you in good health. I am the Travel Framework Category Manager for the Southern Universities Purchasing Consortium (SUPC) and I represent the interests of those Universities and Institutions that purchase their travel through the SUPC framework.

Established in 1975 the Southern Universities Purchasing Consortium brought together like-minded institutions who wished to maximise their value by aggregating their demand for goods and services. SUPC works in collaboration with five other regional University Purchasing Consortia, and two other specialist consortia, under the UKUPC umbrella.

Last year SUPC members spent nearly £500m through collaborative framework agreements, leveraging cashable savings of £31m. The Travel Management Services framework, which allows members of the six regional purchasing consortia to purchase their travel arrangements, saw spend of £215m in 2018/2019 across nine framework suppliers.

The UK Higher Education sector is a world renowned, globally respected leader in both teaching and research. The sector is able to carry out the research they do thanks to grants from the European Union, the European Regional Development Fund, and the European Structural and Investment Funds, along with a whole host of other bodies that invest in the vital research work that is done in our universities. The funding is strictly audited and it must all be accounted for.

The issue facing Higher Education is that due to impact of Covid-19 on the airline industry, we are finding the system of vouchers and credit notes, offered by airlines, to be an unacceptable means of refund for grant monies.

I realise we are not alone in the frustrations we feel, and I also understand that airlines, along with many others in the industry, are under immense financial pressure and at potential risk of collapse. I felt it prudent however

to advise you that the HE sector, along with the charity and third sectors, are often not spending their own money. This distinguishes HE from other corporate business travellers and organisations whose travel budget comes off their bottom line. We spend money granted to us to carry out specific projects and if we are unable to make those trips, the money has to be returned to the grant provider. A system of vouchers and credit notes will not satisfy the audit bodies and we urge you, as Chief Executive of the Business Travel Association, to make the airlines and wider travel industry aware of the unique situation we find ourselves in.

Spend through the SUPC Travel framework represents a significant value to the HE sector. The expenditure on air travel in this period is somewhere in the region of £5m - £10m. Some of this has been refunded in cash, but significant amounts remain outstanding or in the form of vouchers or credit notes.

HE is unique in the way we have to account for our budgets. For this reason, I ask you to pressure the travel industry to provide cash refunds to our sector in order to satisfy the stringent grant conditions that fund our travel, and to allow us to dedicate that money elsewhere to support the vital and world leading research our universities do.

Yours sincerely,

Jayne Thorn
Category Manager

Brought to your attention in conjunction with:



www.lupc.ac.uk
www.hepcw.ac.uk
www.neupc.ac.uk
www.nwupc.ac.uk
www.apuc-scot.ac.uk

