

Minutes of APUC Board Meeting held at 11:00 a.m. on Tuesday 1 April 2014 in the Sir Duncan Rice Library, University of Aberdeen.

Present

Nigel Paul (Chair)	University of Edinburgh
Gerry Webber (GW)	Edinburgh Napier University
Irene Bews (IB)	University of Aberdeen
Alan Williamson (AWi)	Edinburgh College
Janet Thomson (JT) (by telephone)	Glasgow Clyde College
Mhairi Laughlin (ML)	West Lothian College
David Ross (DR)	Independent
Douglas MacKellar (DM)	Independent
Stuart Paterson (SP)	Independent
Angus Warren (AW)	APUC Ltd (Chief Executive)

In attendance

Martin Fairbairn (MF)	Scottish Funding Council
Elizabeth McFarlane (EM)	APUC Ltd (by telephone for item 5 only)
Michael Caithness (MC)	APUC Ltd

Welcome and Apologies

- 1 All Board members took part in the meeting with Janet Thomson joining by telephone.
- 2 The Chair thanked everyone for attending

Minutes of Previous Board Meeting

- 3 The minutes of the 20 January 2014 Board meeting were approved as an accurate record of the meeting.

Matters Arising: APUC/06/2014

- 4 All matters arising from the previous Board meeting had been actioned as outlined in paper APUC/06/2014.

Summary Report: APUC/07/2014

High level summary

- 5 AW gave an overview of the information contained in the APUC Summary Report (Paper APUC/07/2014) and highlighted the main features. He reported that there are now 158 agreements available to members and noted that the number of contracts was now generally at a steady state at plus / minus 10-15 agreements.
- 6 AW advised that the sector spend on collaborative contracts facilitated via APUC is now above 30% with local C1 collaborative data in the process of being included.
- 7 AW also noted savings were currently at £15.6M on a total spend of £200M and that APUC was going through the validation process. He also added that APUC is working towards also reporting savings against market price (BT2) to further improve the value of the data.

General update

- 8 AW advised the Board that APUC have carried out the Scope 3 supply chain carbon emission assessment work for all HEIs. A teleconference has been arranged with David Beards from the SFC to discuss providing this data for colleges as part of what is now planned for wider carbon reporting for the college sector.
- 9 AW advised the Board that the Sustainable Supply Chain Development Project "Sustain" website was progressing well and that 2 more institutions had joined the working group (Universities of Dundee and Stirling). The group has no college sector representation (except via the NUS representation) but AW would like to encourage college sector staff and students to join. AW will also canvas college sector membership at this week's PSG (Colleges) meeting in Stirling.
- 10 AW informed the Board that the next meeting of the Procurement UK (PUK) Board was now scheduled for the 25th April.
- 11 AW advised that the Contracting Priorities Workshop held in January was very successful with discussions held to determine potential future areas for tendering. Feedback and comments from the day have been issued to PSG.
- 12 AWi asked how well sector procurement staff contribute in the workshop and AW confirmed that everyone who attended took part with a very positive attitude.
- 13 AW informed the Board that the Scottish Association for Marine Services (SAMS) had requested to join APUC as an associate member and that they will be offered a general service with access to contracts and a level of support for EU tendering. This service will be provided for a fee.

- 14 MF enquired how a 'full' member was defined and AW advised that 'full' members are those that were originally directly funded by the SFC.
- 15 MF asked how membership for colleges might be affected when they are funded within the regional structure and the Chair suggested that the membership definitions might need to be revised to take account of that change to funding.
- 16 JT advised that Glasgow Clyde College is within scope of these regional funding arrangements.
- 17 IB asked how requests for Associate membership are considered and AW noted that SAMS was offered membership by virtue of its scope (education and research sector) and because of its membership of UHI and that some other requests for organisations (such as NDPBs) to join had been declined / referred on the SPCD.
- 18 AW suggested that it was timely to review the detailed membership criteria / guidance over the summer. (**ACTION: AW**)
- 19 AW informed the Board that APUC is involved in a UK wide strategic workstream set up to push forward an initiative on equipment sharing. The EDAM database that was developed for our sector to identify equipment for maintenance purposes now has nearly 18k pieces of equipment registered. APUC is now working with other similar database projects, such as N8 and equipment.data, to look at ways of achieving closer integration in the future.
- 20 SP asked where the database is located and AW advised that it is on a server in Milton Keynes.
- 21 AW added that the aim is for EDAM to be web-enabled in future for admin control (it is currently web-enabled for searching etc.) to facilitate easier access for those managing data in institutions and that it will provide a tool to allow expensive equipment to be better utilised by effective collaborative usage.

Staffing

- 22 AW advised that the recruitment process would be starting shortly (April/May) for the next round of supply chain management trainees.
- 23 He added that the Scottish Government had just published details of the proposed apprenticeship scheme and that APUC will review it to establish how it can be taken forward.

ICT Shared Service Catalyst

- 24 AW advised that staff are now in place for the ICT Shared Services Catalyst and that they are based in the Glasgow office. Additional office space will be available soon to accommodate additional staff.

Other Non-Procurement Shared Services

- 25 AWi enquired if APUC's role was simply to provide advice on potential non-procurement shared services and AW confirmed that APUC would share their knowledge and also act as a facilitator to explore and develop new ideas within its structure.

Health and Safety

- 26 AW advised that an audit of workspace ergonomics was due to be carried out in April 2014 and it will be conducted by the H&S shared service resource provided by QMU.

Operational Procurement (OP) – Collaborative Contracting

- 27 AW advised that APUC is working through some of the contracting areas that were traditionally in the 'too-difficult box' such as Legal, Pensions, Tax Advice and Audit Services which are now all awarded.

OP – Savings Methodology vs Market Price Savings

- 28 AW advised that APUC was now working to report savings against Market Price (BT2) in addition to Previous Price (BT1). A guidance document has been issued to PSG and APUC is actively working with the Collaborative Leads and the Joint Contracting Groups to ensure that the same methodology is used on a cross-sector basis. It is expected that this approach will result in higher levels of savings being reported which will identify the value in continued use of mature collaborative agreements.
- 29 The Chair asked MF if the SFC was using different criteria for measuring Efficient Government savings. (**ACTION: MF to explore and revert back via AW**)

Op – Terms and Conditions

- 30 AW advised that Thornton's had been appointed, under the Legal Services Framework, to advise and assist on rationalising the existing Terms and Conditions and to provide appropriate training to APUC staff on the implications of their proposals.

OP - College Services

- 31 AW informed the Board that College Services had complete 37 contracts across 12 colleges (valued at £1.2M) and that 57 were in progress and a further 132 planned.

eSolutions - PECOS

- 32 AW informed the Board that the supplier MI website had been rolled out and that 95% of our suppliers are now using this automated portal for the inputting of spend data.
- 33 AW advised that the full institutional version of Hunter is now available for all institutions and that the University of Edinburgh's contract website was now receiving information directly from Hunter via a data link. This functionality is now available to all institutions.

Procurement Capability Assessments (PCAs)

- 34 AW advised the Board that the 2014 round of PCAs would be based on the previous year's questions and that the SG, with input from the sectors, was leading a project to further refine the process for 2015. This will take account of such factors as the Reform Bill, Construction Review and the EU Directive changes.
- 35 The Chair added that efforts were being made to ensure that trends are established and that any re-base-lining would come with a conversion methodology to aid consistent year on year improvement.

Financial Management Report (APUC/08/2014)

- 36 EM joined the meeting by telephone and highlighted the main features detailed in the Financial Management Report (APUC/08/2014) that included a summary of the actual income and expenditure for the period to end of February 2014 compared to the approved budget; the forecast outturn for 2013 - 14; the forecast balance sheet for the year ending 31 July 2014 and the cash profile for 2013-14.
- 37 MF requested that, with reference to the budget approval process recently completed, for the future, could the information provided to the sector also make clear the actual cash position but noting the pension fund as separate and not available cash, to avoid confusion. (**ACTION: AW/EM**)
- 38 The Board noted the contents of the Financial Management Report.

Strategic Plan – Papers APUC/09/2014 and APUC/10/2014

- 39 AW explained that the 2 documents concerned progress against the Strategic Plan and updates to the Plan to accommodate ongoing sector factors respectively.

Progress

- 40 AW gave an update on the progress made against the plan and highlighted the following points:
- Most of the progress items are already covered in the Board summary report.
 - Category Strategies are a key focus and Brian Dearden is consulting with professional groups to identify any other possible areas that we could cover within the newly established professional services category.
 - Shared Service arrangements are developing well with new recruitments imminent and discussions ongoing with other institutions.
 - PCA targets require all institution to be in the Improved band but it is expected that some of the merged colleges may drop back temporarily but should recover by their next PCA with correct resourcing and APUC support.
 - The Sustain project is getting good support from the student community and a complex assessment tool is in the final development stage.
 - New PQQ and ITT templates are ready to launch.
 - The lease on the Edinburgh office expires in 2015 and GCU are moving out of Buchanan House also in 2015 so APUC will be reviewing its entire accommodation requirements during the second half of 2014.
 - As part of this, AW advised that APUC will also be studying opportunities to 'virtualise' work practices by the use of such tools as Skype to minimise accommodation costs, reduce our carbon footprint and optimise productivity and job satisfaction.
 - AW and IB had discussed that it could be worthwhile to review again the option of investing the pension fund in property for use as an APUC office.
 - The current method of communications is working well but stakeholders requested at the recent Contracting Workshop that the ezine could be brightened up. The new APUC website was launched in February and a new site was also launched for UCSS with similar design/branding as the APUC site
- 41 SP asked for a definition of what 'virtualise' means and cautioned that a reduction in personal contact could adversely affect teamwork.
- 42 AW suggested that we could start from a full virtualisation position and work backwards to find a suitable working model. He added that the challenge was to make employees feel part of the company where ever they were located while working.
- 43 MF congratulated the team on the achievements to date.

Plan Update

- 44 AW introduced and explained the updates to the Strategic Plan that address the changing environment that the sector is experiencing. He explained that the narrative was the same and highlighted activity changes as follows:
- **CC6** – Development of the Labs Category Strategy has been delayed to allow for initial outcomes of project EDAM. Approved strategy, after sector consultation, to be in place by July 2014 for 3 year coverage.
 - **CC7** - Review of other key spend areas delayed to take account of Jan 2014 CPW outputs. Strategies for Libraries and HR Services to be in draft Q1/2014 and to be in place after sector consultation by July 2014 for 3 year coverage.
 - **CS2** - General capability support for Colleges to take into account any re-baselining due to PCA question changes.
 - **ES3** – eSolutions workshops to be separated from Procurement networking again as requested at the last CPW.
 - **BP7** – Sustain web tool is delayed until Q3/2014 due to the complexity of the technical development work required.
 - **BP9** – The annual publication of the sector training programme will now be done on a rolling 9-12 month basis to comply with client wishes.
 - **IR1** – The APUC (internal needs) ICT Strategy will now be a rolling strategy and reviewed on an annual basis.
 - **IR4** – The PQQ and ITT templates will now be implemented in July / Aug 2014. sPQQ issue resolution was a major dependency.
- 45 The Chair informed the Board that the Universities Scotland Efficiencies Taskforce was looking at how the sector is delivering efficiencies. A manifesto document is being prepared outlining what the HE/FE sector is doing and developing targets for the next 3 year period. APUC provided input to this document on collaborative procurement, support services, sustainability, trainee scheme and the effect of legislation changes. ICT is focussed around the targets set for the Shared Service Catalyst.
- 46 GW commented that the sector had been able to make very positive efficiency claims due to the work done by APUC and cited EDAM as another good example for improving utilisation of equipment.
- 47 The Chair enquired if there was any similar activity on the college front and ML added that she was not aware of any study taking place at the moment. AW added that the information used to create the Universities Scotland publications had also been shared with Colleges Scotland in case they wished to do similar.
- 48 The Chair mentioned the dialogue that he and AW had had with the College sector Regional Leads. MF suggested that the merger situation and ONS

reclassification will currently be a substantial focus for Regional Leads and that we should re-engage with the Regional Leads in circa 6 months to explore moving the agenda forward.

49 The Plan changes were approved by the Board.

Risk Register – APUC/11/2014

50 AW introduced the Risk Register and advised that 4 new risks had been added and 4 removed. New risks are as follows:

- R41 - Uptake of Hunter by SG and its central procurement services team requires an increased level of support to deliver the project.
AW advised the Board that there was more resource in eSolutions to meet the need but that the level of support for the SG would be aligned to the funded level that equated to these additional resources.
- R42 - Agreed cross sector and national saving methodology not being used by other consortia and CoEs.
AW advised that the cross sector methodology has been adopted by the rest of the UK but work was ongoing to ensure that other consortia and CoEs were using it effectively.
- R43 - Slow pace of development of the SG services such as PECOS, PCS-T, CCM are resulting in less of an uptake than we initially expected.
AW advised that APUC was continuing with its development work and providing support where necessary.
- R40 - Demand for APUC shared service resources outstrips our ability to recruit suitable staff with the expertise.
AW highlighted the difficulties in recruiting appropriate people at present but confirmed that resource needs were being met.

51 GW asked if the recruitment problem was mainly at senior level and AW confirmed that mid-range staff was the main issue and that several recently advertised roles attracted no interest from the Edinburgh area despite being advertised as being based there. It is expected that future recruitment activity will focus on the Glasgow and Central regions unless the particular role is to be based in an institution in the East.

52 DM enquired if APUC was looking in the private sector and AW advised that it was role dependent with College Services and institutionally positioned resources expected to 'hit the ground running' and have a sound knowledge of public procurement. Collaborative contracting roles have a better infrastructure to take people without public procurement expertise and develop them.

53 SP offered assistance if required via his local network in the West.

UCSS – ICT Shared Service Catalyst – APUC/12/2014

- 54 AW introduced paper APUC/12/2014 and explained that the 3 year ICT- SSC Strategic Delivery Plan was based on the funding bid that was provided to the SG/SFC. It will fulfil the following areas:
- Progress projects that implement the sectoral ICT strategy
 - Develop the sectoral capability to adopt shared services
 - Support the work of the FE and HE Sector ICT Oversight Board
- 55 He added that the team will engage with stakeholders to gather information and identify early adopters for shared ICT services. The intention is to start with 2 institutions and expand coverage from that point.
- 56 AWi suggested that areas such as MIS systems need to be considered with diverse departmental inputs and not just ICT.
- 57 IB commented that student records was a huge area in itself and possibly not the one with the best opportunities to collaborate. AW agreed that this was a challenging area and disappointingly, without any material conclusions coming from the JISC report, any progress in this area would start from collaborations of smaller numbers of institutions.
- 58 The Board noted that they appreciated the challenges the project presents and offered their support to the team in achieving the outcomes.

Procurement Reform Bill Update

- 59 AW gave a brief update on the status of the Bill noting that the SG has agreed to changes around research related procurement exemptions and these will be implemented in Stage 2. He added that APUC would prepare a updated detailed list of all the impacts on the HE/FE sector when the position was clearer later in the summer. (**ACTION: AW**)
- 60 AW noted that the Bill will possibly be introduced into Scots law along with the new EU Directive and will probably not be introduced until Q4-2014/Q1-2015. This will put Scotland out of sync with England where the new EU Directive will be implemented in circa August 2014.
- 61 AW added that the SG have yet to respond formally on the Construction Review and that the Chief Advisor role has yet to be appointed.

Any Other Business

62 There being no further business, the meeting closed at 12:50

Date of Next Meeting

63 The remaining 2014 dates are as follows:

- AGM: Thursday 22 May – Stirling Management Centre
- Board: Wednesday 2 July – Perth College
- Board: Monday 20 October – APUC, Edinburgh