

Minutes of APUC Board Meeting held at 11.30 a.m. on Wednesday 12 January 2011 at Stirling Management Centre

Present

Pat Briggs	Robert Gordon University
Jim Crooks	Elmwood College
John Doyle	Coatbridge College
Douglas MacKellar	Independent
Robert Kennedy	University of Dundee
Stuart Paterson	Independent
Nigel Paul	University of Edinburgh (Chairman)
David Ross	Independent
Angus Warren	APUC Ltd (Chief Executive)
Alan Williamson	Jewel & Esk College

In attendance

Michael Caithness	APUC Ltd
Martin Fairbairn	Scottish Funding Council
Hugh Ross	APUC Ltd

Welcome and Apologies

- 1 There were no apologies for absence.
- 2 The Chairman opened the meeting and welcomed the Board members.

Minutes of Previous Board Meeting

- 3 The minutes of the 18 October 2010 Board meeting were approved as an accurate record of the meeting.

Matters Arising: APUC/01/2011

- 4 In response to a request from Robert Kennedy, Angus Warren undertook to revise the definition incorporated in client support materials to make it clear which ePS systems APUC would support. (**Action:** Angus Warren)
- 5 The position on all other matters arising from the last meeting was as set out in Paper APUC/01/2011.

Summary Report: APUC/02/2011

- 6 Angus Warren talked through paper APUC/02/2011 and highlighted the fact that there are now 104 contracts with buyers' guides available to the sector on the CuPID website and 47 institutions live with PECOS. He reported that Scotland's Colleges will also be included as a system user under APUC support.

- 7 The Board was also advised that information on contract usage is now available for 47 institutions and that the adverse weather conditions in December had caused a 2 week delay in completing the collection of available information. A new APUC web tool with contract management capabilities is in development phase and it is hoped this will be launched in late February - this tool will allow institutions to input contract usage data online.
- 8 The Board papers included a pie chart showing the comparison of spend on collaborative contracts against non-contract spend. The chart showed that approximately 33% of non-pay spend (circa £270M) is now under collaborative contracts. Angus Warren explained that this information is sourced from UIG data - a very manual process.
- 9 He advised the Board that the focus of APUC resources will be to maximise the use of these contracts by institutions and possibly to evaluate potential single supplier deals. Douglas MacKellar stressed the importance of supplier management if single supplier contracts are to be pursued. The forthcoming Contracting Priorities Workshop on 13 January will review these options and agree the best use of available resources.
- 10 Angus Warren highlighted the fact that benefits data is not available from contracts set by other consortia for 2009/10 as these MI processes are put in place at the beginning of each academic year, this was before APUC's increased involvement for the 2009/10 year. APUC are now however gathering such data as of spend applicable from 1/8/2010.
- 11 The Board agreed that APUC should focus on contracting up to £300M of the overall non-pay spend in the sector (as it was now clearer that this accounted for the spend which could be optimised through collaborative procurement) and that the pie chart should be prepared and presented to the Board annually. Only expenditure which APUC could influence would be included in future and the expenditure would be split between capital and revenue in order to give a better indication of where resources needed to be directed. (**Action:** Frank Rowell).
- 12 The Board was informed that a new institution, West Highland College, is expected to join APUC in August 2011 when it is formally launched. In the meantime, APUC's services will be utilised to provide advice and guidance on a capital project that will take place prior to August 2011 (the offer letter for a capital grant to the College from the SFC stated that funding was conditional on the involvement of APUC).
- 13 Angus Warren advised that both Universities Scotland and Scotland's Colleges have agreed that APUC should be funded by a top slicing model with costs split 50/50 between the sectors. Universities Scotland believes that its executive can make this decision without going out to individual institutions. Confirmation of this will be fed back to APUC later in January and the details will be shared with the Board when available.

- 14 The eSolutions team are now fully trained in Parabilis and are supporting Glasgow, St Andrews and West of Scotland universities to make catalogue content available.
- 15 Angus Warren informed the Board that the second round of Procurement Capability Assessments was well underway and that some assessments had to be rescheduled due to the adverse weather in December. All institutions assessed to date have shown improvements on their original scores.
- 16 LUPC are interested in contracting APUC to conduct PCAs in English institutions and APUC will utilise the services of Douglas Bell to carry out this work if contracts are forthcoming. Two PCAs have already been undertaken by APUC in the south of England.
- 17 Angus advised the Board that APUC's budget for the next financial year has been drafted and be developed into a summary document as part of the new funding process proposed.
- 18 He also advised the Board that the introduction of the new virtual UIG model has been well received by institutions and has been very successful on three tenders to date.
- 19 Stuart Paterson commented that, although he felt the Summary Report was good, it still contained too much detail, making it difficult to pull out the key points. He suggested that it required a clearer/simplified presentation to highlight the important information and he and Douglas MacKellar volunteered to work with Angus to produce a new template for adoption in future meetings. (**Action:** Angus Warren, Stuart Paterson and Douglas MacKellar)
- 20 Nigel Paul informed the Board that Universities UK has formed an efficiency group chaired by Professor Ian Diamond of Aberdeen University. One of the activities it will review is procurement.
- 21 He added that the Annual National Economic Forum run by the Scottish Government was held in December 2010 and that he chaired a group on Procurement. The discussion focussed on how to bring innovation into organisations through Procurement particularly enabling small companies having innovative developments, to engage with the public sector.
- 22 He also mentioned that John McClelland has completed a review of the structure of ICT in institutions and his report is due end January / early February.
- 23 The EU is currently reviewing procurement Directives and is inviting governments across Europe to provide feedback. APUC has invited comments from its Procurement Strategy Groups with a view to providing a collective response.

Financial Management Report: APUC/03/2011

- 24 Hugh Ross introduced the Financial Management Report and highlighted the key figures outlined in the document. There followed a discussion on the best use of the company's reserves to minimise tax liability.
- 25 It was agreed that APUC should have a brief policy to define the best approach for investing these funds and Angus Warren agreed to produce a policy document for approval by the Board. (**Action:** Angus Warren / Liz McFarlane)

Risk Registers: APUC/04/2011

- 26 Hugh Ross introduced paper APUC/03/2011 and reminded the Board that it had been agreed at the 22 July 2010 Board meeting that i) the "Register of Strategic Risks" should be updated by officials prior to its being presented to the Board at every other Board meeting and ii) the "Corporate Risk Register" should be considered by the Board on an annual basis, following consideration by the Audit Committee and APUC's auditors. This latter task was undertaken at the Audit Committee meeting on 28 September 2010 and the Registers were subsequently revised to take account of wishes expressed by the Audit Committee and the Board. Accordingly, the Board was invited to comment on, and endorse, both of the revised Registers.
- 27 Following a detailed discussion, the Board's approval was granted subject to the following changes being made:
- recurring risks are to be highlighted in the registers;
 - a legend is added, explaining what is meant by "Impact", "Probability" and "Criticality";
 - Risk 1 regarding APUC funding is to be downgraded when the funding model & process are fully approved;
 - As a result of concern at bringing the eProcure server at Napier in-house as proposed under the action status for Risk 3 and the Board's preference for this service to be outsourced, the wording is to be amended to read "exploring outsourcing of such servers to reduce in-house resource demands";
 - Risks 4 and 5 are to be repositioned further down, as they were higher on the registers than their importance justified;
 - Risk 16, is to be positioned higher on the registers and the impact and probability increased to 4 and 3 respectively to reflect this concern
 - Risk 16 is to be reclassified as being "Strategic".

- the probability score for Risk 23 is to be increased from 1 to 2;

(**Action:** Liz McFarlane)

- 28 In reply to a question from David Ross about the risk of COUP failing to break even or making a loss (Risk 19), Angus Warren explained that there was a break out point in April if indications are not encouraging. He noted that bookings tend to be late in the process but stated that sales of stands and delegate bookings was ahead of expectations to date and it was expected that COUP would generate a surplus – it is anticipated that this surplus will form a staff development fund managed by APUC for the development of procurement staff across the sector.

Any Other Business

- 29 The Chairman advised the Board that Hugh Ross stood down as Deputy Chief Executive of APUC w.e.f. 1 December 2010 and was standing down as Company Secretary with effect from this Board Meeting. The role of Deputy Chief Executive had been assumed by Frank Rowell and the Board approved the appointment of Mike Caithness as Company Secretary. The Chairman thanked Hugh for his contribution over the years and welcomed Mike into his new role. Hugh will remain involved for a time, in an advisory role, mainly to support Mike into the Company Secretary role.
- 30 Alan Williamson expressed concern that fees for integration of finance systems with ePS may be charged to the institutions. Angus Warren informed the Board that all large institutions already pay the integration fees and that smaller institutions had always been make aware that they would be expected to be responsible for paying them going forward, although to date APUC had paid them. He advised that the budget process will review where this cost should lie (the initial budget for next year will be drafted on the basis of APUC continuing to pay these fees). (**Action:** Angus Warren)

Date and Venue of Next Meeting

- 31 It was agreed that the next Board meeting could possibly be held at Newbattle Abbey College on 28 March 2011 and that the AGM should be held at a location in Central Glasgow on 28 April 2011. (**Action:** Angus Warren) [NOTE: AGM date now changed to 18/05/11 due to Easter / Royal Wedding breaks]]