

Minute of APUC Board Meeting held at 13:00hrs on Thursday 15 August 2024 on MS Teams.

Present

Jim McGeorge (Chair)	University of Dundee
Angus Warren (AW)	APUC Ltd (Chief Executive)
Lee Hamill (LH)	University of Edinburgh
Tracy Elliott (TE)	Glasgow Clyde College
Pete Smith (PS)	Borders College
Margaret Cook (MC)	Perth College UHI (via Teams)
Gemma Lines (GL)	Independent (via Teams)
Harpreet Paul (HP)	Independent (via Teams)
Phil McNaull (PM)	Independent

Apologies

Veronica Strachan (VS)	Robert Gordon University
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Also, in attendance

Anne Martin (AM)	APUC Ltd
Dawn Mitchell (DM)	APUC Ltd
Michael Caithness (Sec)	APUC Ltd

Welcome

1. The Chair thanked everyone for attending and noted that Anne Martin would be presenting her category update and Dawn Mitchell would be joining to present the Finance papers.
2. Chair also advised that apologies had been received from Veronica Strachan and that Gemma Lines was joining remotely.

Corporate Category Update

3. Anne Martin, Category Director - Corporate and Labs, gave a PowerPoint presentation outlining the activities of her teams using the following slides:
 - Team introductions
 - Corporate category tree – Finance, HR, General, Marketing & Comms and Educational Support
 - Highlights – 39 Frameworks contracted with £80m framework spend
 - Stakeholders – Wide range across most areas of institutions
 - Supply chain challenges – Markets, regulatory, higher professional fees and technology impacts
 - Current in-progress activities - Insurance, Brokerage and Associated Risk Management
 - Current in-progress activities - British Sign Language (BSL) Services
 - Key challenges – including stakeholder management and communications
 - Category director activities
 - Responsible procurement – lower risk categories
 - Scope 3 – comparison with other categories

- Corporate spend vs Scope 3 emissions – spend is tracking emissions
 - Recent successes – wider collaboration and positive feedback from stakeholders
 - Future opportunities - new areas of activity, better engagement with key stakeholders, mentoring of new talent and Increased added value
4. Chair invited questions from the Board.
 5. TE found the summary very helpful and asked how difficult areas were being addressed. AM noted two areas where frameworks had in the past had little success, these being Electoral Services and Occupational Health. However new solutions for these had recently been identified. AM explained that overseas student recruitment was an area of challenge for institutions, but dialogue was under way on this across the sectors' marketing and procurement communities.
 6. TE noted that counselling staff were being lost to other areas and AM advised that there is a framework for student counselling and that she would pass on the information to TE. (**ACTION: AM**)
 7. Chair asked how tendering for the creation of corporate frameworks ensures the appropriate balance of cost and quality, and AM advised that the price/quality ratio is important, but that quality often needs be higher, often as high as 70/30 (quality/price). She added that awareness sessions were available and that for example, enhanced guidance for audit mini-competitions was in preparation.
 8. PS asked about dissemination of information to stakeholders. AM advised that a recent tender for insurance had failed to get to all relevant stakeholders and that more engagement was needed to understand how to improve the information access to all who are interested. While APUC has contacts in relevant groups, the information was not always distributed among the membership as hoped.
 9. Chair thanked AM for her presentation and asked her to pass on the Board's thanks to her team.

Minute of Previous Board Meeting

10. The minute of the 16 May 2024 Board meeting was approved as an accurate record of the meeting.

Matters Arising: APUC/10/2024

11. All matters arising from the previous Board meeting had been actioned or scheduled as outlined in the paper.
12. AW advised that he had a positive meeting with the Scottish Funding Council which had resolved earlier concerns.

Summary Report: APUC/11/2024

13. AW highlighted some aspects of the summary report as follows:
 - Responsible Supply Chain deep-dive assessment programme exceeding objective with over 240 deep-dive reports now received from EcoVadis. The agreement with EcoVadis is now in place until July 2027. This is a highly effective and value for money solution for the sector as it saves considerable time versus institutions undertaking their own assessments.

- 2023/24 Collaborative Spend on APUC led or facilitated frameworks reported so far for the first 9 months was £238m. The actual figure will be higher, as for some frameworks the MI is only received annually.
- Based on the last full year (2022/23), the percentage levels of collaborative spend as a proportion of total recurrent spend are 33.1% for the University sector and 48.8% for the College sector, with the total percentage of HE/FE combined collaborative spend being 34.7%
- Cyber Essentials accreditation has been renewed successfully as planned.
- The Procurement Network Conference (PNC) took place on 17 May 2024 at the Stirling Court Hotel. There was a high attendance at the event with many across the sector attending the evening before for dinner and networking. In addition, eight suppliers attended and hosted a supplier exhibit stand. The proceeds from this have gone to the HPDF fund to allow individuals in the sector to continue to access this fund before COUP in 2025 hopefully provides a further cash injection.
- After a cross-group launch / introduction meeting taking place for all Category Peer Groups (CPGs) on the 15 April, JISCMail groups were set up and all first specific Category Peer group gatherings have now taken place. A Chair and Deputy Chair have been agreed for most CPGs and the next meetings are due to be held soon. CPG MS-Teams chats have been set up so communications and documents can be shared.
- Further to dialogue with PSG, we have now decided to seek to create a bespoke extensive construction procurement training programme that will be available to all APUC members to send their staff. This will likely commence at the end of 2024 or Q1/2025 and will span a period of 5-6 months.
- There have been no Health and Safety reportable accidents or incidents in the last quarter.
- APUC have updated their PRA Procurement Strategy in line with the Public Procurement Strategy for Scotland 2023-2028. The Strategy was approved by the APUC Board in July and then immediately released to Ministers and published on our website.
- The UK wide Higher Education Procurement Association (HEPA) Benefits Reporting Methodology has been reviewed at a meeting that took place in Lancaster on 26 October 2023. The changes have brought a simplification of the guidance. They are intended to be applicable for spend in the 2024/25 year onwards, so from the first of this month, although some aspects may be appropriate to incorporate earlier on an optional basis. HEPA has now published the updated Methodology.
- The anticipated go-live for the UK Government's (rUK) Procurement Reform legislation is 28 October 2024. The new legislation aimed to create a simpler and more flexible, commercial system for public procurement, although in practice it has turned out to be the opposite. It does not apply in Scotland.

eSolutions

14. UKUPC – As part of the roll out of Hunter as a replacement for HEContracts in rUK, projects have commenced to migrate information to Hunter in line with plans already in place for Scotland. The majority of framework documents and Hunter records are now updated and visible to procurement staff. The plan is to replace HEContracts in Oct 2024.
15. PECOS Integration – work is underway to move the current integrations from Leidos to Elcom. This is a major piece of work in a short timescale. 16 of the integrations are progressing well and should be in place for 4 Nov. Two Integrations are being impacted by new Finance system integrations and unlikely to be in place due to the need to meet local project activities. A solution has been discussed with relevant parties that appears to meet the needs of all.

Development

16. The Procurement Skills Development programme for 2024/25 is currently being planned. The 2023/24 programme had 280 colleagues attending from across the sector. However, we know from feedback and waiting lists that colleagues are finding it difficult to book on to the available dates, as maximum numbers apply to both in-person and online face to face training in order to ensure the effectiveness of the training delivery. This has highlighted the need to manage no-shows/late cancellations in a revised and more robust manner.
17. The second iteration of the Future Leaders Development Programme completed in June with very positive feedback obtained from delegates and their line managers along with suggestions for ongoing development activities.
18. We currently have one trainee in post, who is based in the North-East Scotland region. She joined us in March 2023 and is currently in her first placement with the University of Aberdeen. She will gradually commence her Robert Gordon University placement in November, allowing her to see through her remaining Aberdeen projects. She will then undertake the College placement at NESCol for the final months of her Trainee programme.

Summary Report Feedback

19. PS asked if the CDN Climate Emergency Expert Group was still going, and AW advised that it has been dormant since the previous CDN CEO had moved to Fife College, but he had been in contact with CDN recently and understood there were plans to re-activate it.
20. PM noted that it was a good summary report and asked what the practical attainable collaborative spend percentage was estimated to be. AW advised that it varied by institution size and spend type –generally for universities it was between 45-50% (although specialist institutions that primarily purchase unique products (grand pianos, stage sets etc) would be lower). Colleges realistic levels were higher at circa 50-65%. AW noted that we have developed tools within Hunter that identify further options, and this report is used at client account meetings to explore opportunities. By comparison, collaborative spend levels averaged less than 12% within the English Higher Education sector.
21. PM asked if we get satisfactory scores from stakeholders and why EcoVadis was not fully utilised. AW advised that many institutions have severe resource issues, so some are not addressing EcoVadis.
22. Chair thanked AW for his report.

Financial Management Report: APUC/12/2024

23. DM gave a summary of highlights from the paper to the end of June as follows:
 - The results show that we are on track to break even at the year end, which is consistent with our initial budget.

Annex A

- Actual income is lower than budget to the end of June mainly as we have not had to release as much deferred income as we expected, but also because income from shared services is lower than budgeted.

- Actual expenditure to end of June is also down compared to budget, mainly as seconded salaries have fallen in line with the related income. There are also falling costs in eSolutions, office expenses, conference & course fees and travel.
- The forecasted outturn by the year end is a surplus of £289, which is overall as budgeted with no material changes since the last board meeting.
- We are forecasting a reduction in shared service income, compared to budget, and as such, a fall in related salaries, this is due to placement reallocation and the timing of filling new roles. However, when compared to last year, we can see this service has expanded, and related income, staff numbers and salary costs are all forecast to rise.

Annex C

- Shows we are forecasting a healthy balance sheet, with appropriate cash and reserves at the year-end. Debtors are expected to increase, as we heavily invoiced supplier rebates close to the year-end. Creditors are expected to rise as the value and volume of supplier rebates held to distribute to institutions is also rising.
- We are currently working on preparing the annual statutory accounts to Jul 2024, which will be audited from the end of this month.
- PS suggested that reporting 'savings' would be better reported as 'positive variance' in future papers (**ACTION: DM**)

24. Chair thanked DM for the report. At this point DM left the meeting.

Supply Chain Update

25. AW advised that the supply chain situation was now relatively stable but cautioned about possible further impacts that breaches of international law in the Middle East could bring.

Equality Statistics (APUC/13/2024)

26. AW presented the equality statistics paper, noting that APUC was not legally required to do this but that the Board felt it was very useful to prepare and report the information.
27. He noted that there was still a gender pay gap and that this was caused by job segregation, with some long serving senior staff being predominantly male and trainees / emerging leaders being mainly female.
28. Overall, APUC staff numbers are made up of 18.8% (17.1% last year) Ethnic Minority staff and 81.2% (82.9% last year) White British. This indicates that APUC continues to have a higher percentage Ethnic Minority staff mix than the overall Scottish population. Due to the small numbers of staff in ethnic minority groupings (except White Other), changes of as few as one person can have material impacts on the figures, which explains the changes across all areas this year.
29. Further to a request from the Board last August, we are now including high level reporting by grade within this document. Due to the added complexity, this has been presented at a high level in ethnicity terms. The Board welcomed the format and content as set out.
30. MC suggested that this improves the understanding of the variations, and that the higher-level analysis is best, noting that the challenges of figures relating to groups with small numbers of staff were the reason that small companies such as APUC were not mandated to report on this data.

31. Chair agreed the value in the process and thinking that went into preparing the statistics and analysing them and noted that the Board was happy to approve the addition of the grading data.
32. The Board noted the contents of the report and noted that there appeared no areas of concern when all relevant contextual information is considered.

APUC Modern Slavery and Human Trafficking Statement (APUC/14/2023)

33. AW briefly introduced the Statement, noting that APUC were not mandated to provide one but that we felt it was good practice to do so. AW advised that Electronics Watch was trying to expand its scope to cover areas other than electronics, which we actively support, and that collaboration with the International Working Group on Ethical Public Procurement was increasing.
34. The Board was happy to approve the updated document for publication on the website. (**ACTION: Sec**)

Update on Complaints Shared Service

35. AW informed the Board that a meeting with four potential university early adopters was scheduled for the following week.
36. He advised that the low pump-priming budget of £27k would support the service through the first year, with a decision to be taken then whether it was viable to continue.
37. He also noted that the Office for Students in England were discussing having this activity being delivered consistently and independently a mandatory requirement in English HE.
38. He committed to keep the Board updated with developments.
39. Chair noted that he expected the service was likely to grow as soon as it was formed.
40. MC asked why colleges were not interested and AW advised some were potentially but were maintaining a watching brief at this stage.

Plans for November Board

41. AW suggested that the Board could gather in central Perth for dinner on 25 November and asked MC to recommend a restaurant.
42. AW and MC both advocated a tour of the campus, with UHI Perth being a hybrid HE and FE institution. This was welcomed by the Board.
43. AW, Sec and MC to discuss detailed plans offline (**ACTION 41-43: Sec, AW, MC**)

Any Other Business

44. There being no further business, Chair closed the meeting at 14:25

Date of Next Meeting

- 45. The next Board meeting will be held on Tuesday 26 November 2024 at UHI Perth with a Board dinner the evening before.

A handwritten signature in blue ink, appearing to be 'D. G. G.', is centered below the text.