

**Minute of APUC Board Meeting held at 15:15 on Thursday 19 May 2022 at APUC, Stirling Business Centre.**

**Present**

Jim McGeorge (Chair)	University of Dundee
Veronica Strachan (VS)	Robert Gordon University
Pete Smith (PS)	North East Scotland College
Janet Thomson (JT)	Glasgow Clyde College
Maureen McCreath (MM)	Independent
Phil McNaul (PM)	Independent
Gemma Lines (GL)	Independent
Angus Warren (AW)	APUC Ltd (Chief Executive)
Margaret Cook (MC)	Perth College UHI (via Teams)

**In attendance**

Michael Caithness (Sec)	APUC Ltd
Elizabeth McFarlane (EM)	APUC Ltd
Dawn Mitchell (DM)	APUC Ltd

**Welcome**

1. The Chair thanked everyone for attending and welcomed GL and LH (in absentia) to the Board. GL gave a brief biography and there were round the table introductions. Chair also expressed the sincere thanks on behalf of the Board to David Beattie and Fiona Gavine, who have retired, for their significant contribution over their respective terms of office. Chair noted that apologies had been received from Lee Hamill due to a prior commitment and advised that Elizabeth McFarlane and Dawn Mitchell would be joining for agenda item 5 to deliver the Financial Management Report.

**Minute of Previous Board Meeting**

2. The minute of the 17 February 2022 Board meeting was approved as an accurate record of the meeting.

**Matters Arising: APUC/05/2022**

3. All Matters Arising from the previous Board meeting had been actioned or scheduled as outlined in paper.

**Summary Report: APUC/06/2022**

4. AW presented the highlights from the Summary Report as follows:

*General*

5. The Scottish Government have confirmed that PCIP assessments have been pushed back by a year and will now commence in Autumn 2023. One HEI has, however, been re-assessed following enhanced procurement resourcing and the resulting significant improvements to the

procurement practice and governance within the institution have led to a significant increase in its PCIP score.

6. The Procurement Networking Conference to be held the following day has been very well supported with a record 90+ delegates staying the night before and 130+ attending the conference on the day.
7. Global microprocessor supplies are expected to get worse due to the war in Ukraine as a significant volume of the world's palladium and high-quality neon supplies are produced in the eastern part of Ukraine.
8. A large number of laptops have been secured into consignment stock for call-off by the sector as required this summer.
9. APUC has decided to change its anti-virus protection software as it is currently provided by a company linked to Russia. The new provider will be BitDefender starting in May.

#### *Health and Safety*

10. There were no reported Health and Safety accidents or incidents in the last quarter.

#### *Operational Procurement*

11. There are over 180 framework agreements available to the sector.
12. APUC has updated its Terms and Conditions and following agreement with PSG that an institutional version would be provided for the sector to utilise, this had now been achieved. A shortened 'purchase order type' set of terms and conditions is also now in consultation with the sectors.

#### *Institutional Procurement Services (IPS)*

13. IPS is still growing with 43 members of staff working full or part-time in the workstream providing support for 29 of Scotland's universities and colleges. There is also a potential demand for 10–12 more staff.
14. An option for a review of procurement operations in each client institution is offered on an ongoing basis. One such review has been completed for one of the larger Universities.
15. APUC has added to the shared service team within ERPT, bringing a student on board as a procurement co-ordinator, primarily focussed on Edinburgh Napier University. This appointment is a result of a joint effort by APUC and ENU's student placement team and will provide valuable experience whilst the individual completes his degree. The opportunity to expand this approach will be explored going forward.
16. The current graduate trainees are completing their training and one will be employed as a Procurement Project Manager (PPM), one will join the team at GCU, and the other is in dialogue regarding a HEI role but will be employed in the interim by APUC as a PPM.

17. Andrew Foulner (Head of Supply Chain for Edinburgh Napier University and Chief Supply Chain Officer for the ERPT) has been appointed as the new Head of Procurement at Heriot-Watt University so will leave APUC after 14 years.

#### *Responsible Procurement (RP)*

18. The Scottish University and College sectors Supply Chain Climate and Ecological Emergency Strategy has now been endorsed by the Principals' groups across both sectors and published. APUC will put in place via its RP Team various aspects of support to assist institutions in implementing it.
19. APUC is in dialogue with UKUPC partners regarding provision of shared RP resources. A workshop has been scheduled in York to explore options.
20. PM asked if this would come under the 'cost sharing group' model and AW advised that VAT would have to be charged for the service as the exemption only applies to owning member institutions.

#### *eSolutions*

21. Work continues on the development of the new Hunter web version, which brings together Hunter, Contract Uptake, SCM and Spend analysis functionality into a single solution. The basic version was to be demonstrated at the PNC the day after the Board meeting. The ESPDAG group was also provided with a demo of the Hunter functionality at a meeting in April, with feedback noted for inclusion in the development plan.
22. Enhanced Supplier Portal functionality development work is now complete, which allows suppliers to upload and maintain relevant documentation (insurance certificates etc). Any documents loaded are visible within SCM in the supplier documents area.

#### *Development*

23. Sector training continues to be popular, and consultation is about to commence to determine 2022/23 AY requirements.
24. The University and College Sectors' Procurement Leaders Development Programme commenced in February and is on track to conclude in late-June. APUC has received very positive feedback from the delegates and will consider repeating the course if there is sufficient demand.
25. The recruitment campaign for the next round of Trainees has recently completed. Two are due to join in mid-June with one due to join in early September. As these Trainees will be based in Stirling and Glasgow, APUC will commence a further recruitment campaign in June/July to target Edinburgh-based candidates and possibly other areas of Scotland.
26. MM suggested that it would be useful if the summary report could highlight critical concerns that the Board needed to be aware of. AW advised that these would currently be covered in the first section (page 2) but that the front page of the Summary Report was due to be revised to contain a selection of the current objectives (as of the time of publishing each Summary Report) and their status so we could explore including a section on the front page to cover any such matters. **(ACTION: AW)**

27. JT asked where we are in relation to green energy as a sector. PS suggested that increasing general awareness of this area would be helpful, including the current cost impacts.
28. VS added that the paper on this subject provided for the Secretaries Group meeting, immediately after the February Board meeting, had been very helpful. AW noted that a similar summary paper had been issued to finance directors across both sectors at the same time. PS suggested that wider distribution of this information would be good, including noting the level of green energy involved. AW suggesting updating this paper and including a section on the green energy situation for wider distribution, the Board agreed this would be useful. **(ACTION: AW)**

### **Financial Management Report (APUC/07/2022)**

29. EM presented the highlights of the Financial Management report as follows:
  - The significant increase to actual income and expenditure was mainly due to a Scottish Government grant to purchase CO<sub>2</sub> monitors for the sector (£811k). This was a one-off activity and the process to manage it was now complete.
  - The forecast balance sheet shows an increase in reserves of £37k, with debtors down by £43k and creditors down by £64k.
  - MM asked if the expenses in section 10 were temporary, and EM advised that changes for travel were permanent within year and that the change to the level of travel overall post-Covid, was fully reflected in the new approved budget.
30. Chair thanked EM for her clear summary and wished her all the best for the future in her retirement. There being no further questions, EM and DM left the meeting.

### **Climate Project Office (APUC/08/2022)**

31. AW advised that based on recent Board discussions and on dialogue at various forums across the sector, a potential shared service for assisting the sector in planning and managing the move towards net-zero was felt to be the initial key priority area for exploration for development.
32. He explained that this could take the form of three possible approaches as follows:
  1. Form a Centre of Climate Expertise where a small group of experts gather and distribute knowledge, guidance and best practice approaches across the sector in Primary Impact Areas of Climate Change (PIACCs).
  2. The provision of recurrent long term 'project office' type services to manage, on behalf of APUC members, long term planning and implementation of actions / activities / change management in moving institutions to net zero.
  3. The provision of ad-hoc consultancy type support to deal with specific one-off activities and projects where climate related expertise is required.
33. AW noted that, with option 1 above, there was a risk of conflict with the activities of EAUC and suggested that the first step should be discussions with both EAUC and SFC regarding moving this potential approach forward.

34. PS fully supported this option and noted that there were some very recent changes at the senior level in EAUC and provided AW with the relevant information.
35. The Board was happy with this approach.
36. AW explained that option 2 could be delivered most effectively and efficiently within the CSG (VAT exempt) based shared service model already in place for APUC institutional procurement services. He added that it was proposed that dialogue commences from this summer with senior stakeholders across Universities and Colleges to ascertain the realistic appetite for this potential shared service.
37. AW noted that institutions currently have varied inhouse team activities in this respect.
38. The Board was also happy with this approach.
39. AW explained that option 3 would not fit into the CSG VAT exemption (unless the staff were entirely employed on a zero-hours-contract basis) and due to the variability, would be difficult to resource until a larger scale business was established. He proposed that no action be taken on this approach at present until approaches (1) and / or (2) were well established.
40. PS noted that there would have to be a clear need and justification for approach (3) to proceed.
41. The Board agreed that there should be no action on this option at the present time.
42. MC suggested that the challenge will be recruitment and that it would likely be best to come from within the sector.
43. An update on developments will be prepared for the next Board meeting (**ACTION: AW**)
44. PS also suggested that assisting institutions in achieving ISO14001 environmental accreditation might be useful and could be part of the brief of the resources available under approach (2).

### **Brexit, COVID and Ukraine War Update**

45. AW advised that all of these are affecting our supply chains and that the resulting impacts are often intertwined. Cost pressures are increasing, although APUC is dealing with the challenges to try to reduce the impacts and risks on member institutions. APUC is publishing a new 'Market Insights Report' for the use of institutional procurement teams to brief them of the situation at a detailed level.
46. AW reiterated that microprocessor and food prices are increasing and that it was getting more difficult to suppress prices.
47. He added that the war is being used as a justification for increases in some prices (e.g. oil) despite there being no shortages in reality. AW concluded that the situation remained fragile and that APUC will keep the sector updated as it develops.

### **The Anywhere Somewhere Office and Redesigning the Structure and Model of Work**

48. AW explained the current working practices and effects as follows:

- Staff are in the office 2 days per week
  - This results in restricted osmosis learning – Procurement is ‘learn on the job’
  - Provision of flexibility for staff is important
  - Standardised hybrid models risk not maximising the effectiveness and value that new ways of working can bring
  - Individual requirements vary and so we need to identify the best model, taking into account rules for individuals between in-office and remote working
  - There is a need to take the sectors’ views into account.
49. The Board noted that a ‘blue sky” approach will be investigated via a company-wide workshop in August, and this will aim to deal with issues already identified, such as the fact that junior members of staff might prefer to be in the office for optimal learning and social contact, but senior and experienced staff might be more comfortable with remote working.
50. AW talked though some of the potential areas for exploration. MC stressed that it is about change management and leadership is crucial.
51. MC left the meeting at 16:45.
52. PS noted that APUC has worked well remotely and over the years had implemented a lot of creative and successful ways of working and that he would be interested to see future ideas around some of the creative ideas discussed. The Board felt that there were significant advantages to be had if staff were happy with the solution chosen and that the right solution could help with recruitment and retention in a very competitive market for the best staff.
53. The Board welcomed this approach and looked forward to receiving updates as dialogue developed.

### **Risk Register review (APUC/09/2022)**

54. AW explained that the first worksheet was a summary of the key risks.
55. He noted that risks OP12, C1 and C6 had been removed and the other changes were minor.
56. MM noted that risks should be tested periodically. PM asked how often APUC tests the mitigating actions in the risk register around business continuity and if there have been any cyber-attacks.
57. AW noted that, like any organisation, APUC will normally experience several cyber-attack attempts a day and a suite of solutions and processes are in place to rebuff them. No attack had successfully caused any material impact on APUC operations to date. AW advised that the Cyber Essentials accreditation involves testing of defences and we go through this externally assessed process annually.
58. Business continuity had been robustly tested when the pandemic lockdown started, with– the business successfully switching to remote working in a seamless fashion.
59. GL asked about succession planning. AW advised that part of the business continuity and succession planning process is for a plan to be updated annually, which is shared with the Chair. The next update is due in June 2022.

60. VS suggested that the target date for review of risk C2 should be June 2022 and not 2021. **(ACTION: Sec)**
61. JT asked if new risks were evolved from the strategy and AW confirmed that the register was reviewed twice a year for the May and November Board meetings. However, as the new strategy is operationalised over the coming weeks, the Risk Register will be updated with any risks related to aspects in the new strategy that have not been covered already. **(Action: Sec / AW)**

### **Any Other Business**

62. There being no further business, the meeting closed at 17:15.

### **Date of Next Meeting**

- 18 August – Board - Virtual
- 19 October – Audit Committee (Audit Committee Members only) – Edinburgh tbc
- 16 November – Board, location tbc (likely Edinburgh)

A handwritten signature in blue ink, appearing to be 'D. G. G.', is located on the right side of the page.