

Minute of APUC Board Meeting held at 10:30 on Tuesday 26 November 2024 at Perth College.

Present (in person or via Teams)

Jim McGeorge (Chair)	University of Dundee
Veronica Strachan (VS)	Robert Gordon University
Pete Smith (PS)	Borders College
Tracy Elliott (TE)	Glasgow Clyde College (Teams)
Angus Warren (AW)	APUC Ltd (Chief Executive)
Phil McNaull (PM)	Independent
Gemma Lines (GL)	Independent
Harpreet Paul (HP)	Independent

Apologies

Apologies received from Margaret Cook and Lee Hamill.

Also, in attendance

Michael Caithness (Sec)	APUC Ltd
Brian Dearden (BD)	APUC Ltd – up to agenda item 2
Dawn Mitchell (DM)	APUC Ltd – up to agenda item 6 (Teams)
Jeremy Chittleburgh (JC)	CT (Auditors) – up to agenda item 4 (Teams)

Welcome

1. The Chair thanked everyone for attending. He noted that DM and JC were joining to present the Audit and Finance papers, and that BD would present his Institutional Procurement Services update.

Workstream Update – Institutional Procurement Services

2. BD gave a PowerPoint presentation highlighting the following:
 - Key Facts
 - 56 IPS Staff (plus 3 open roles)
 - 29 client TEI's / 42 potential (plus one associate member)
 - Doubled in size (headcount) in 8 years
 - Advanced collaborative/resource-sharing structures: ERPT, GRPT, TRPT, UHI PT
 - Underpinning principles:
 - Customer-centric
 - Data driven
 - Commercial expertise
 - Lean, effective, pragmatic
 - Solutions driven
 - Timeline – highlighting key dates in APUC's development and where IPS was launched
 - IPS Leadership – showing organisational structure and individuals
 - Service Delivery Modules – Showing institutions that receive One:One, One:Many and Many:One delivery modules

- Procurement Project Managers – showing where project managers are deployed
 - Flexible resource
 - University of Aberdeen
 - University of Strathclyde
 - University of the West of Scotland
 - Forth Valley College
 - South Lanarkshire College
 - Previous:
 - UHI Moray MAATIC project
 - University of Edinburgh
 - Advanced Models
 - Shared leadership
 - Built in collaboration
 - Resilience
 - Resource sharing
 - Lean
 - Cross Functional Working – a chart showing how departments interact with IPS
 - eSolutions
 - Responsible Procurement
 - Strategic Sourcing
 - Challenges – a chart showing main challenges
 - Recruitment
 - Evolving Workforce
 - Talent Pipeline
 - Regionalised Funding
 - Culture
 - Opportunities
 - Incremental Growth
 - Specialists
 - Regionalisation
 - Flexible Workforce
 - Automation/Self Service
3. BD invited questions from the board.
 4. VS said it was good to see the challenges and BD added that developing wider skill ranges will enhance senior procurement roles.
 5. The APUC graduate trainee programme was discussed. PM asked if the sector would accept higher service charges to cover the graduate programme as it was clearly of great value to institutions and AW advised that the sector via the Funding Consultation Group, was happy to support this but that the funding for APUC for 2024/25 was capped at flat cash by the SFC.

6. AW explained that a new graduate development programme is being trialled now with two trainees recruited onto it, although it is now based on filling full time junior roles to start with, with the trainees not having placements in other areas. AW advised that where appropriate, this model could also be used in IPS. GL noted that it was good that we are still hiring people on development programmes, albeit not based on the normal programme.
7. Chair noted that staff retention levels were high despite the market for procurement professionals, and BD advised that quality of work and opportunities for advancement are well received by staff. He added that IPS leaders were good at retaining staff.
8. Chair thanked BD for his update and asked to pass on his thanks to the IPS team. BD left the meeting at 10:55.

Minute of the Audit Committee Meeting held on 30 October 2024 (APUC/15/2024)

9. PM, as chair of the Audit Committee, reported that the audit had been straightforward and that a good job had been done in preparing and auditing the accounts. On behalf of the Committee, he recommended that the accounts be approved by the Board for signing.
10. The minute was approved by the Board.

Audited Financial Statements 2023/24 (APUC/16/2024)

11. DM gave a summary of the key points in the financial statements as follows:
 - The accounts of APUC for the year to 31 July 24 result in a surplus, after we strip out the removal of the USS pension provision, of c£2k. We therefore achieved an effectively break-even position, as expected from the management accounts throughout the year and the original budget.
 - Our income has risen, most notably from shared services as we continue to grow.
 - We head into future years with £562k of income deferred, earmarked to spend on deferred and / or planned activity.
 - Overall, our balance sheet is healthy with underlying reserves of over £1million in line with the Reserves Policy.
12. Chair expressed thanks to the team for a successful audit.
13. JC gave a brief overview of the Audit Summary Report. He noted that there were no issues identified, with a clean audit report and thanked DM and Jeanette Reid for their help in supporting the audit process.
14. He added that:
 - The minute of the Audit Committee provided an accurate summary of the discussions that had taken place.
 - There were no areas of concern.
 - Treasury management was important and had been addressed.
 - The auditors are happy to give an unqualified audit opinion.

15. The Board approved the financial statements, and the Chair thanked DM and team and the auditors for a successful audit. Financial Statements and LoR will be signed electronically after the meeting. **(ACTION: Chair/AW/JC/Sec)**
16. JC left the meeting at 11:10.

Risk Register (APUC/17/2024)

17. AW presented the Risk Register noting the following points:
 - The register is now in a simplified format as requested by the board.
 - Recruitment remains a major challenge, and a different approach is needed to fill vacancies in a timely manner.
 - Impact of new rUK regulations has been removed (after dialogue with the Scottish Government) but it might come back on in 2025 if Labour gets control in Scotland (as they may wish to harmonise procurement legislation).
 - People and Operations workstream are reviewing Business Continuity.
 - Effect of Russia / Ukraine war-based risk has been removed.
 - Effect of long-term home-working risk has been removed.
 - PECOS integration risk is still open but could be removed soon.
18. PS noted that 'criticality' on Risk 24/1 should be scored as 4. **(ACTION: AW)**
19. AW advised that a workshop was scheduled later in the week with Heads of Procurement to explain how as a sector we deal with the procurement recruitment challenges.
20. Chair noted that he and the Board were very happy with new format of the Risk Register. The Board noted the content of the Risk Register.

Financial Management Report (APUC/18/2024)

21. DM gave a summary of highlights from the paper as follows:
 - We are now into the new financial year and the results to the end of September 24 are positive.

Annex A

- Shows that our actual income is lower than budget to the end of September, by c£28k, mainly as less deferred income was released to cover costs at the beginning of this financial year.
- Actual expenditure to September is also down compared to budget, by c£64k, mainly as the responsible procurement Ecovadis fee arrived in the books in October but was budgeted for September. There are also reduced costs for office expenses, recruitment, and a rise in membership fees, however these are all timing differences during the year.
- The forecasted outturn by the year end is a surplus of £534. There is not a lot of movement from budget expected at this stage, so early into the new financial year.

Annex C

- We are forecasting a healthy balance sheet, with adequate cash and reserves at the year-end. Creditors are expected to reduce as we carry out projects throughout this year, for which we have previously deferred funding.
 - However, since forecasting at the end of September, the Chancellor has announced a rise to employer's national insurance thresholds and rates from April 2025. This will result in an additional PAYE bill of c£33k (of which £18k will be able to be recharged (IPS), but with the company bearing the cost of £15k for the core team) this financial year. The annual effect will be an additional cost of c£98k (can recharge £54k, to bear for core £44k), based on current staff numbers and salary levels. We will look at deferred income and other costs within this year to ensure the budget balances for 2024-25. The additional liability will then be factored into our 2025-26 re-budget and any changes to the company made as a result.
22. The Chair asked about the cost of a current legal matter and AW advised that an allocation had been budgeted for this.
23. Chair noted the content of the update and thanked DM for the report.
24. DM left the meeting at 11:30.

Minute of Previous Board Meeting

25. The minute of the 15 August 2024 Board meeting was approved as an accurate record of the meeting and for uploading to the website. **(ACTION: Sec)**

Matters Arising (APUC/19/2024)

26. All Matters Arising from the previous Board meeting had been actioned or scheduled as outlined in paper APUC/19/2024.

APUC Annual Procurement Report (APUC/20/2024)

27. AW introduced the annual report for approval by the Board and noted that it is mandatory and has a prescribed format.
28. PM noted that it is a very comprehensive report to read.
29. The Board gave its approval for its publication to the Scottish Ministers and on the APUC website. **(ACTION: Sec)**

Summary Report (APUC/21/2024)

30. AW highlighted some aspects of the summary report as follows:

Summary highlights

- **Responsible Supply Chain deep-dive assessment programme** – is going well with 259 deep-dive reports now received from EcoVadis.
- **PCIP** – the latest round of assessment is now completed successfully and the next one, if the programme continues, will be scheduled for two- or three-years' time.

- There are circa 184 Framework Agreements available to the sector, led by or facilitated by APUC.

Risk updates

- None of **APUC's suppliers** are on the UN published exclusion list related to the illegal occupation of Palestinian land by Israel.

General updates

- APUC achieved recertification of **Cyber Essentials** on 25 July 2024.
- Due to continuing funding issues impacting on the sector and a survey feedback result from institutions and other consortia, it has been decided that it is not wise to proceed with running COUP in 2025. We intend to assess the situation in / by the Spring of 2025 as to whether we believe there is likely to be enough support to run it in September 2026.

There followed a further discussion, and the Board agreed that postponement and review with respect to holding it in 2026 was the best option.

Data protection

- This is a new section of this report to provide the Board with a summary of any Data Protection matters that might be relevant to APUC.
- APUC obtains its Data Protection Officer (DPO) through the HEFESTIS Shared Service in order to comply with the need for the DPO role to be separate from other data management activities as required under current legislation. Fortnightly meetings are held between APUC and its DPO.
- There have been no data protection issues to report in the last period.
- There have been no reportable Health and Safety accidents or incidents in the last quarter and the Lost Time Injury Frequency Rate (LTIFR) remains at 0.

Responsible procurement

- APUC's Senior Sustainability Manager is moving on to a new post outside the company.

PS asked if there was any measure that institutions could use to assess their sustainability success and AW advised that the EcoVadis supply chain deep dives were helpful, and multiple institutions are actively using EcoVadis thanks to proactive face-to-face training by the APUC Responsible Procurement team.

eSolutions

- Implementation of Hunter is underway at the Scottish Funding Council and the University of Birmingham will commence implementation in November 2024.
- Hunter continues to be enhanced with numerous future developments planned.
- Scottish Government awarded the new PECOS service management contract to Elcom and work to migrate the service across has been completed with minimal disruption to members. The Elcom service went live on 5 November 2024 as planned.

Development

- Training programmes have been very popular and the Procurement Skills Development programme for 2024/25 has been published with some courses proving so popular that additional dates have been added for December and January.

Sector development programmes

- There is currently one trainee from the original graduate trainee model who is based in the North-East Scotland region. Her first placement with the University of Aberdeen will complete in December when she moves on to the Robert Gordon University.

31. PS suggested that paragraph 71 (which was a standing item) should be removed as it is not appropriate to Board activities. (**ACTION: AW**)

Staff survey

32. AW advised that the Staff Survey document was for Board information purposes and highlighted the following:

- The challenges relating to what could be paid to staff was identified in the survey content.
- There were a small number 'red bars' highlighting issues raised that required action/investigation.
- The survey could be useful for recruitment support for promoting the benefits of working at APUC.

33. Chair asked if subject responses could be identified to determine, for example, whether staff with protected characteristics had specific areas of concern. AW confirmed that they could not as the survey was anonymous but agreed to consider whether there was a way to retain anonymity in future surveys but be able to link answers to an 'about you section' which captured the EDI characteristics of respondents.

34. PS asked if any action were resulting from the survey and AW confirmed they were working with the company's staff consultation group to move things forward.

Any Other Business

35. Chair expressed the sincere thanks of the Board to Tracy Elliott and Lee Hamill, who were stepping down this year, for their valued contribution to the governance of APUC.

36. Chair also thanked Margaret Cook and team for hosting the meeting and their hospitality.

37. There being no further business, Chair closed the meeting at 12:10.

Date of Next Meeting

38. The next Board meeting will be held on Thursday 13 February 2025 online via MS Teams.

