

Minutes of APUC Board Meeting held at 13:30 p.m. on Thursday 14 May 2020 online via MS Teams.

Directors Present

Jim McGeorge (Chair)	University of Dundee
David Beattie (DB)	University of Aberdeen
Sheena Stewart (SS)	Abertay University
Janet Thomson (JT)	Glasgow Clyde College
Margaret Cook (MC)	Perth College UHI
Pete Smith (PS)	North East Scotland College
Fiona Gavine (FG)	Independent
Maureen McCreath (MM)	Independent
Phil McNaull (PM)	Independent
Angus Warren (AW)	APUC Ltd. (Chief Executive)

Also Present

Martin Fairbairn (MF)	Scottish Funding Council
Michael McLaughlin (MMcL)	APUC Ltd.(for agenda item 2 only)
Michael Caithness (MCa)	APUC Ltd. (Company Secretary)

Welcome and Apologies

- 1 There were no apologies for absence.
- 2 The Chair thanked everyone for attending and welcomed Michael McLaughlin, APUC's Head of Category for Information Services (IS), who would be presenting the Workstream Update in agenda item 2.

Work stream Review – Information Systems

- 3 MMcL delivered a PowerPoint presentation on the status of developments within the IS work stream. He explained the role and scope of the IS Category with narrative on the accompanying slides summarised below. A copy of the PowerPoint presentation would be circulated to Board Members after the meeting.
 - **Category Overview**, covering the team, products/services contracted, stakeholder engagement, contracts in place, value, and work in progress.
 - **Recent Successes**, including library management systems, AV framework, Scottish Procurement (SP) hardware agreements, sustainability options, Virtual Learning, Student Information Management Systems, Finance and ERP systems, Assistive Technology and Library Security.
 - **Benchmarking Services**, including IS procurement landscape, HE network-supplies/services, SSSNA, SP hardware, ITRAP and software resellers.

- **Projects**, including COVID-19 update, eBook Preservation and zero VAT on ePublications.
 - **Circular IT**, covering supply chain efforts to upcycle, the transition to circular economy, waste framework agreement, procurement's response to climate change and a case study from Glasgow Kelvin College on upcycling laptops and PCs instead of buying new.
 - **Electronics Watch**, including covering work done with Calcomp, Thailand to improve working conditions and workers' rights.
- 4 Chair thanked MMcL for his very interesting and detailed presentation noting that it was a huge area of spend and the welcome emphasis on responsible procurement. He invited questions from the Board.
- 5 PM commented that the presentation had good detail and asked if it was possible to profile each institution on their 'circular economy' effort to use as good examples and apply 'peer pressure' on others to improve their performance.
- 6 MMcL explained that we are in the 'discovery phase' at the moment and noted that IT Directors are excited about the developments in upcycling/reuse and are willing to take the approach forward and would support sharing of profiles of their efforts in the area. He added that circa 80% of carbon emissions from laptops in their lifetime occur in the supply chain.
- 7 JT commented that VLE is used extensively by universities and would be of more interest in colleges in the current pandemic circumstances and MMcL added that some institutions have significantly accelerated the introduction of updated VLE systems.
- 8 Chair thanked MMcL for the good work and asked for the Board's thanks to be conveyed back to the IS team.

Minutes of Previous Board Meeting

- 9 The minutes of the 18 February 2020 Board meeting were approved as an accurate record of the meeting.

Matters Arising: APUC/01/2020

- 10 All Matters Arising from the previous Board meeting had been actioned or scheduled as outlined in paper APUC/06/2020.

Summary Report: APUC/07/2020

General Update

AW gave the following updates on the Summary Report:

- 11 Collaborative spend in 2018/19 was finalised at 43% of total sector recurrent spend and this is good achievement for the sector and APUC.
- 12 The formal, scored programme (Full, Medium & Lite) for the Procurement and Commercial Improvement Programme (PCIP) 2019/20 is now complete and average scores have increased by 24% for Full/Medium and 20% for Lite institutions. These represent significant improvements.
- 13 Operational Procurement Reviews (OPRs) were due for lower spend institutions across Jan – April 2020: There are 5 OPR's outstanding due to the current situation with COVID-19. APUC will undertake some of these remotely via MS Teams.
- 14 Chair enquired if there was much scope for further score improvements given the significant progress already made and AW explained that the larger institutions, and a few of the Lites, already have high scores. He added that a score of >90% was very difficult to achieve and there are diminishing returns to try for more. There is, however, still a little room for further development.
- 15 In relation to the (HE) sector's request for financial support in light of the Covid-19 situation, AW noted that the UK government appears to want to ensure the sector UK-wide is operating at maximum efficiency before committing support funding to the sector. He added that the level of performance in the sector from a collaborative and best practice procurement perspective is already very high. A call is planned with UKUPC and Universities UK to provide them with the information to enable them to make this known to the UK government.
- 16 In relation to Campus re-opening projects, AW explained that clarification was awaited (and that APUC was chasing) from Health Protection Scotland on PPE (mainly facemasks) specification that will be required for general staff / student use. Once this was known, it will better enable APUC to identify / secure suitable stock for the sector.
- 17 A new Director of the Scottish Government's Procurement and Commercial Directorate, Nick Ford, has been appointed from the UK civil service.
- 18 The Procurement Networking Conference (PNC) in May was cancelled due to the lockdown situation but it is intended to, at least partially, replace it with a series of online seminars. APUC had arranged for Thornton's Law to provide the first of these, on Contract Law Issues and Covid-19, with 70 people having attended.

Staffing

- 19 All APUC staff have been working from home since 18 March in line with government and NHS advice to reduce the impacts of COVID-19. This was implemented seamlessly as the

APUC network and systems infrastructure was already set up to allow the flexibility of working from various work locations, whilst travelling, remotely and on site at institutions using laptops. The transition to all staff working at home therefore was painless. Based on this success, APUC will be considering revised ways of working when the lockdown situation is over. The Board congratulated AW and the whole team on this tremendous achievement.

- 20 Kate Murray is moving from Edinburgh Napier University to take up the procurement leadership role at Queen Margaret University and two new staff have been recruited during lockdown to work at Edinburgh Napier University. Vicky Shanley, who was a former employee, has returned to work in the Estate Category.

Health and Safety

- 21 AW confirmed that there were no Health and Safety issues in the reporting period and that advice on working from home has been provided for staff where necessary.

Operational Procurement (OP) – Collaborative Contracting

- 22 AW advised that there are now 171 collaborative Framework Agreements available to the sector and the potential spend against this portfolio is £363m.

OP – Supplier and Contract Management Tool (“SCM”)

- 23 AW advised that the new Supplier and Contract Management Tool is now live and in use. The core Collaborative Contracting teams are using the system to track and monitor their contract management meetings as well as record relevant documentation. An additional suite of functionality (known as “Section 1”) of the tool will be live shortly which will require suppliers to provide information such as living wage, SME status, modern slavery statements and climate emergency activity.

OP – COVID-19 Activity / Support

- 24 A new way of flagging data via search for COVID-19 supply chain impacts has been developed and training workshops are planned for later in May.

Responsible Procurement (RP) and Development Activities

- 25 AW advised that the RP plan had been updated this week.
- 26 He explained that in relation to climate change, APUC intends to where possible, take the compliance and supply chain development pressure off the institutions’ procurement teams. He added that there was a planned lull in Scottish Government Climate Forum activities at the moment (due to the Covid-19 situation), but that a renewed focus would return later in 2020.

Collaborative Catalyst

- 27 AW explained that the shared service for Office 365 was almost ready to go but that HEFESTIS would be trying to get it started with a single FTE resource.
- 28 He added that the Change Management shared service was still of interest to the sectors and that there was a need to identify people willing to work part-time on these shared services. The current climate and associated financial pressures could create pressure across the sector for additional shared services and the market needs to be further tested.
- 29 Chair invited questions from the Board.
- 30 MF stressed that we should not assume that there will be a push for shared services in the short term and that crisis management at institutions will be a significant focus in that period. However, opportunities might then emerge, with PM noting that outsourcing could become a necessity and there might even be opportunities to scale up shared services. PS suggested that we need to publish more good news stories, case studies and examples across the sector about shared services.
- 31 The Board sought assurance that APUC was being vigilant in the monitoring and support of wellbeing of staff in the current lockdown situation and AW explained that staff were encouraged to have regular catch up meetings via Teams and that dialogue with staff was being well maintained. AW also confirmed that APUC have a confidential counselling service in place for staff to use. The Board welcomes the steps that were being taken in this regard.
- 32 DB suggested that the current situation presented the opportunity to review ways of working and to look at savings on office space for example, offered by more flexible remote working approach.
- 33 AW agreed that there are opportunities to review office space requirements and noted that core deliverables were being achieved by the team in the current remote working situation. A new 'ways of working' proposal is being developed but it will require consultation with institutions before it is finalised in relation to IPS staff.
- 34 MM asked if the current situation made recruitment more challenging and AW advised that this was the case although APUC have recently taken on three new staff, so recruitment is still possible at the moment. However, the Board also identified that the ability to work remotely might encourage applications from a wider geographical range.

Financial Management Report: APUC/03/2020

- 35 AW presented the Financial Management Report APUC/08/2020 and noted that the reduction in expenditure was due mainly to COVID-19 resulting in less travel and expenses and the cancellation of the Procurement Networking Conference.
- 36 He added that the finances were otherwise not dramatically different to the last report.

- 37 MM asked if the 'permanent' reductions in expenses were just for the current financial year and AW confirmed that this was the case.
- 38 Chair thanked AW and noted the report.

Coronavirus Update

- 39 AW noted that most of the COVID-19 points had already been covered in the preceding discussions (see paragraphs 15,16, 18 and 19).
- 40 He added that APUC was still developing support for the sector and that clarity was required from SG to ensure that institutions don't buy the wrong Personal Protection Equipment (PPE).
- 41 AW informed the Board that weekly status updates on PPE were included in the APUC eZine and that a folder had been created on SharePoint for sector procurement staff to have access to current PPE and related equipment information.

Funding Process 2020-2022

- 42 AW advised that the funding for 2020/21 had been agreed by the sector's FCG subject to a limit of a 1.8% increase (aligning to the HE sector increase). A confirmation letter had been received from the Scottish Funding Council.

APUC Strategy Review and Update

- 43 AW advised that targets for collaborative spend for institutions were on track – over 50% of Universities had already met the 2021 target and all but 5 colleges. It was noted, however, that there was now significant volatility in spend patterns due to the Covid-19 situation.
- 44 It was discussed and agreed that support for shared services should be aligned to realistic likelihood of change over the coming period.
- 45 AW explained that the target to get the top 100 highest priority suppliers on Sustain by Christmas was now considered unrealistic in the present circumstances with significant chaos in global supply chains and with many suppliers in survival mode. The Board agreed and approved a proposal that the strategy wording be updated in line with that proposed in the paper. **(ACTION: AW)**
- 46 AW advised he was shortly commencing work on sector dialogue in relation to developing needs and objectives to feed into the new strategy going through to 2026. **(ACTION: AW)**

Board Performance Survey 2020

- 47 MCa outlined the key points that should be addressed arising from the recent survey of Board Performance.
- 48 AW offered to present a short (25 minutes) course on procurement that had been developed for senior managers / governors in the sector at a future Board meeting. This will provide basic information on APUC and the procurement legislative framework for Board members. **(ACTION: AW)**
- 49 Chair committed to review the approach for the Remuneration Committee at the next meeting scheduled for August, to obtain feedback on CEO performance from sector as well as independent Board members. **(ACTION: Chair)**
- 50 It was agreed that the report should be updated with suggested actions. **(ACTION: MCa/AW)**

Risk Register Review

- 51 AW explained that the action from the last meeting to remove out of date risks had been completed and that other changes had been highlighted in red
- 52 AW advised that, regarding risk E3 - cyber breach leading to or theft of system data and / or destruction of system capability, APUC Cyber Essentials accreditation had been recently updated.
- 53 AW added that, regarding risk OP7 - business continuity of suppliers in the current climate, a new contract management tool was being implemented to measure and record information from contract management meetings and other relevant dialogue and that this would alert us if problems were developing with suppliers.
- 54 DB acknowledged that business continuity of suppliers was being monitored but asked about their survival. AW advised that the percentage of suppliers' staff being furloughed could give an indication of their potential strength/weakness but that historical financial indicators were not a good measure at the moment. AW added that contract managers were keeping a watchful eye on the viability of all suppliers in their areas.
- 55 In light of the discussion, it was agreed that the scoring for this risk should be adjusted to increase the probability from 3 to 4. **(ACTION: AW/MCa)**
- 56 FG commented that she had not seen the word 'pandemic' mentioned on other risk registers and questioned if we should also have a specific risk to cover impacts of future events as it was predicted that pandemics could become frequent. After some discussion, the Board agreed that 2 risks should be added, one covering risks / impacts on APUC and one in relation to the sector's supply resilience. **(ACTION: AW/MCa)**

Brexit impact

- 57 AW advised that there were no updates to report on the status of Brexit.
- 58 MF informed the Board Scottish Government resources that had been assigned to Brexit, were now working on COVID-19 issues, but stressed that the UK Government continued to maintain that it was still on course for its end of year target for leaving the EU.

Any Other Business

- 59 AW informed the Board that Veronica Strachan of Robert Gordon University, had agreed to join the Board to replace Sheena Stewart, who has agreed to stay on until the end of 2020, as an HE representative, to provide overlap / handover.
- 60 The Board unanimously approved Veronica's appointment on this basis and instructed MCa to proceed with registration at Companies House. **(ACTION: MCa)**
- 61 There being no further business, the meeting closed at 15:30.

Date of Next Meeting

- 62 The next Board meeting will be held on Tuesday 18 August 2020 at Perth College and / or via MS Teams subject to the status of the COVID-19 situation at that time.