

Minutes of APUC Board Meeting held at 9:30 a.m. on Tuesday 17 August 2021 at the Golden Lion Hotel, Stirling.

Present

Jim McGeorge (Chair)	University of Dundee
Veronica Strachan (VS)	Robert Gordon University
Janet Thomson (JT)	Glasgow Clyde College
Pete Smith (PS)	North East Scotland College
Margaret Cook (MC)	Perth College
Fiona Gavine (FG)	Independent
Maureen McCreath (MM)	Independent
Phil McNaull (PM)	Independent
Angus Warren (AW)	APUC Ltd (Chief Executive)

In attendance

Michael Caithness (Sec)	APUC Ltd
Claire Skinner (SC)	APUC Ltd. (Item 2 only)

Welcome & Apologies

1. The Chair thanked everyone for attending and noted that David Beattie had sent apologies and that Elizabeth McFarlane would be joining by MS Teams to present the Finance paper.

Workstream Review - Operational Procurement and Compliance

2. Chair welcomed CS and invited her to present the Operational Procurement and Compliance Workstream update.
3. CS gave a PowerPoint presentation highlighting the following topics:
 - Overview diagram of workstream activities.
 - Overview of activities detail covering:
 - *Contracting statistics*
 - *Workstream functional structure*
 - *Tools (Hunter etc.)*
 - *Key projects (COVID/Brexit)*
 - *PRA Procurement Strategy*
 - *Templates (tenders, buyers guide etc.)*
 - Stakeholder Engagement activities:
 - *Contracting Priorities Workshop*
 - *Account Management*
 - *Procurement Strategy Groups*
 - *Collaborative Leads Group*
 - *Joint Contracting Group*



- Value Add Activity
 - *50/50 Technical/Price for all frameworks*
 - *Embedding Responsible Procurement in all tenders*
 - *Sector Benefits Methodology (Savings)*
 - *Institution feedback*
 - *Category Webinars*
 - *COVID and Brexit projects*
- Responsible Procurement
 - *Head of Responsible Procurement in place*
 - *Key areas for action*
- Supply Chain Management (SCM) Tool
 - *SCM tool used to manage contracts*
 - *600 suppliers have completed section 1*
 - *Prioritising 100 top suppliers for more detailed assessment*
- COVID/Brexit
 - *Activities related to the effects of the pandemic*
 - *Activities to ensure compliance with changing regulations resulting from Brexit*
- Key Focus for 2021/22
 - *Fully embedding responsible procurement*
 - *FNT2030 action plans*
 - *Continue SCM section 1 feedback engagement*
 - *Publish annual reports to SG*
 - *Category webinars*
 - *Networking conference on November 21*

4. Chair thanked CS for her comprehensive presentation and invited questions from the Board.
5. PM asked if there were opportunities for raising awareness of APUC activities at a higher level and CS noted that the new category webinars provide good detail of current contracting to the sector. AW noted that the planned tailored *Senior Stakeholders' briefing* documents were to update those at a senior level on APUC activity and value-add. PM suggested that it would be good to get a professional writer to prepare marketing literature to get the message over effectively. AW replied that he would explore using a specialist that had been involved in doing similar work for UKUPC recently. **(ACTION: AW)**
6. PM asked if all Modern Slavery Statements were the same and AW advised that most followed a similar framework, but specific activity and policy aspects varied.
7. FG asked what the greatest challenges or opportunities were over the next 5-year period and CS advised that the following represented the main issues:
 - Maintaining framework usage over time
 - Marketing procurement and how to best support our client institutions
 - Keeping the value-add from the service going forward.

8. PM stressed that a different way of measuring value other than just price was important. AW agreed and noted that this would be particularly important going forward due to both the fact that many of our agreements were at the multiple iteration stage so the saving would increasingly be versus a market which was becoming increasingly volatile, and because supply assurance and resilience was becoming a critical factor.
9. Chair complimented CS on her presentation and noted the great job being done by her team.

Minutes of Previous Board Meeting

10. The minutes of the 13 May 2021 Board meeting were approved as an accurate record of the meeting.

Matters Arising: APUC/10/2021

11. All Matters Arising from the previous Board meeting had been actioned or scheduled as outlined in paper APUC/10/2021.

Summary Report: APUC/11/2021

AW gave the following updates on the Summary Report (APUC/11/2021):

General

12. The 2021 Procurement Network Conference has now been moved to 18 November at the Stirling Court Hotel. The APUC Board meeting takes place on 17 November and the Board are welcome to attend the conference and an optional dinner in the evening of 17th (as a guest of APUC).
13. COVID related shortages appear to be an increasing impact area for international supply chains (due to increased demand and/or factory COVID closures) with local/European supply chain issues increasingly being caused by labour shortages caused by Brexit and the related perceived potentially less hospitable environment for non-UK citizens
14. Progress continues with the roll out of the responsible procurement "Section 1" assessment of SCM, with 598 of the 931 suppliers named on APUC frameworks having now been invited to complete their data.

Staffing

15. Recruitment / appointment to the vacant roles continues and the option to offer both permanent and part-time roles on flexible arrangements is being considered.
16. APUC are working on new / updated resource proposals for two institutions at present.
17. PM asked how proposals are costed and AW advised that these are permanent posts and done on a 'cost only' basis, in line with the HMRC CSG rules, to the institutions.

Health and Safety

18. There have been no reportable Health and Safety accidents or incidents in the last quarter.

Operational Procurement

19. The Category teams at APUC will be delivering category focussed webinars to the sector. They will take place in September and dates for each Category webinar will be issued to PSG shortly. The aim of these webinars is to provide an update on the newly awarded Framework Agreements, agreements in progress, responsible procurement activity and the progress made using SCM Section 1 and other category specific information resulting from contract management and working with key stakeholders. The audience for these webinars will be PSG and also key category stakeholders. An email will be issued shortly with the dates to hold in the diary.
20. There are circa 40 members of staff working (part-time and full-time) in the Institutional Procurement Services workstream providing direct local support to Institutions. RGU and University of Dundee have recently appointed APUC procurement staff.

Responsible Procurement

21. Further to the UK and Scottish Governments' Declaration of a Climate Emergency, APUC and stakeholders from member institutions have significantly increased their focus on addressing the issues associated with climate change and are developing an HE/FE Supply Chain Climate Strategy in line with Scottish Government requirements. The FE sector has already set national targets covering all institutional emissions, with a similar collective statement in the development phase within the University sector.

Policy, Process & Compliance - Procurement and Commercial Improvement Programme (PCIP)

22. The next round of formal PCIPs will take place starting no earlier than September / October 2022 and run through until Spring / Summer 2023 (the informal PCIP OPRs would then take place after the formal PCIPs are completed). APUC intend to offer the option to institutions of an informal interim review (based on the new PCIP question sets) to assist in preparation for these events from the end of 2021.

eSolutions

23. Scope 3 emissions figures are being reviewed and this year's DEFRA conversion factors will be applied to the reporting of the 20/21 data via the Hunter solution. Reports will be available on completion of the non-pay spend data processing.
24. Annual Procurement Reporting data-extract reports are updated quarterly or more frequently if requested by institutions. These reports are well received.

Development

25. Training provided by APUC continues to be well received and feedback from stakeholders on needs and preferences for training for the 2021/2022 year has been requested. Results will feed in to the 2021-22 Procurement Skills programme which will be published in August.

26. The steering group for the Sectors' Future Procurement Leaders programme is now in the process of developing the detail of the programme, with interested delegates being required to complete an application form. Further details to follow but it is anticipated that the programme will start in Q4/2021.
27. There are currently 4 graduate trainees in placements with CoGC, University of Strathclyde, eSolutions and Collaborative Contracting.
28. The Scottish Government 17th National Procurement Conference & Procurex Scotland GO Awards Scotland 2021, will be held as a physical event on Tuesday 23rd November at the SEC, Glasgow. AW noted that this was a change from a previous plan to have them as separate events.
29. Chair thanked AW for the summary report.

Financial Management Report: APUC/12/2021

30. EM joined the meeting by MS Teams to present the following highlights from the Finance paper:
 - Actual income for the period amounts to £3,793k against a budget of £3,686k
 - Actual expenditure for the period was £3,333k compared to a budget of £3,684k
 - Income is forecast to be £3,797k compared to an original budget of £4,029k
 - Expenditure is forecast at £3,673k compared to an original budget of £4,029
31. EM invited questions from the board.
32. FG asked what supplier rebates involved and AW explained that APUC collects the rebates (effectively a deduction from the cost of sales) from relevant suppliers and issues them to institutions every 6 months. They only exist because the English procurement consortia are funded using this process. However, as APUC is not funded in this way, all rebates gathered are returned to our member institutions in line with how they are accrued.
33. JT queried the make-up of the deferred income, which AW provided a breakdown of in the meeting, noting that all had been previously approved. The Board noted this was in line with relevant discussions over recent months.
34. Chair thanked EM for her usual detailed report.

New Ways of Working Update

35. AW advised the board that the following changes for APUC offices were in place or planned:
 - Stirling office opened the previous week, with staff slowly returning. He added that workstations are all fully kitted out with IT equipment now.
 - Edinburgh office is moving to a new location within Edinburgh College's Sighthill Campus on 18 August.
 - Glasgow office is moving to a new location in Glasgow Caledonian University, with the go live date under discussion.
 - It is hoped all offices will be fully functional during September.

36. He added that many institution-based staff were slowly moving back to campus and that risk assessments were being conducted to ensure compliance with recommended safety procedures. Some institutions are not bringing staff back on campus until next year.
37. AW informed the board that the next Open Forum is being held at the Golden Lion Hotel, Stirling on 30 August and that 45 staff members will be attending. This will be the first opportunity for staff who joined during the lockdown periods to meet their colleagues in person.
38. AW advised that, from October, 1 to 2 days presence in the office per week will be the general guidance provided, which would be agreed on an individual basis by line managers. Risk management approaches will be retained as appropriate.
39. Chair asked if there were any variations in requirements for institution-based staff and AW stated that APUC staff will need to comply with local rules where they are based.

Equality Statistics Update (APUC/13/2021)

40. AW presented the paper and explained that it was an extension of the previous year's report.
41. He noted that there was still a gender gap in salaries but that the reasons for this were understood, and primarily related to a small number of senior male staff that had all served over 10 years in senior, highly-paid roles, combined with most trainees (so the lowest paid) being female but whom if tracked through their resulting careers in the sector, often within institutions, quickly rose to very well paid roles although this is not captured in APUC statistics.
42. The ethnicity statistics highlighted that APUC had a significantly higher than national-average number of ethnic minority staff, with average wages indicating a high level of parity across ethnic groups.
43. The Chair noted that the report was a very useful document and provided assurance to the Board that equality issues were being well managed and welcomed further development of the scope of the statistics as broader diversity information is gathered.

Staff Wellbeing Update (APUC/14/2021)

44. AW presented the paper and noted that it was for information purposes. He added that the Employ Assistance Programme had been useful and had been used by some staff for counselling.
45. The Chair noted that this report provided assurance to the Board the APUC's management was performing very well in supporting staff during particularly difficult times and was testament to the value of having invested in a very professional HR function.

Risk Register Review (APUC/15/2021)

46. AW presented the risk register paper and noted that an extra column showing previous criticality had been added as requested at the last board meeting.
47. PM commented that the risk register matrix should be 'red' for risks of 12 or greater criticality and that mitigating actions need to be more focussed and have a responsible individual clearly identified alongside a target date for completion. The Board agreed with this re-alignment of scoring. **(ACTION: AW/Sec)**

48. It was discussed and agreed by the Board that there should be a full refresh of the Risk Register once the new Strategy was developed.

Modern Slavery Statement 2021 (APUC/16/2021)

49. AW presented the 2021 Modern Slavery Statement and the Board approved it for posting on the APUC website. (**ACTION: Sec**)

Scot-Gov Proxima Report

50. The Chair had written to the Scottish Government to note concern about the limited consultation with the HE/FE sectors and had advised that due to the diversity of the HE and FE sectors a wider consultation would have been / would be welcome.
51. AW explained that the report was commissioned to provide a 'catalyst for change' and there are some aspects of collaboration that have been raised.
52. AW advised that further to feedback and dialogue with sectors, SG had scheduled 2 workshops to review the recommendations and explore wider inputs on opportunities for change, noting that this was a very welcome step that would hopefully avoid some of the pitfalls experienced in the early years of Public Procurement Reform Programme.

Any Other Business

53. There being no further business, the meeting closed at 12:00.

Date of Next Meeting

54. The next Board meeting will be held on Wednesday 17 November 2021 (the afternoon before the 2021 PNC).