

Minutes of APUC Board Meeting held at 10:30 a.m. on Thursday 26 May 2016 at Glasgow Clyde College, Anniesland Campus.

Present

Gerry Webber (Chair)	Edinburgh Napier University
Liam McCabe (LM)	University of Stirling
Sheena Stewart (SS)	Abertay University
Janet Thomson	Glasgow Clyde College
Mhairi Harrington	West Lothian College
Douglas MacKellar (DM)	Independent
Fiona Gavine	Independent
Stuart Paterson	Independent
Angus Warren (AW)	APUC Ltd (Chief Executive)
Alan Williamson (AWi)	Edinburgh College (Joined meeting by Skype)

In attendance

Brian Dearden (BD)	APUC Ltd (for Agenda Item 12 only)
Elizabeth McFarlane (EM)	APUC Ltd (by phone for Agenda Item 5 only)
Michael Caithness (MC)	APUC Ltd

Welcome and Apologies

Apologies were received from:

Martin Fairbairn Scottish Funding Council

- 1 The Chair thanked everyone for attending and JT for kindly hosting the meeting. He also extended a warm welcome to FG who was attending her first Board meeting.

Minutes of Previous Board Meeting

- 2 The minutes of the 3 February 2016 Board meeting were approved as an accurate record of the meeting.

Matters Arising: APUC/07/2016

- 3 All matters arising from the previous Board meeting had been actioned or were covered in the agenda as outlined in paper APUC/07/2016.
- 4 Item 30: APUC reserves
This would be actioned by EM at year-end accordingly.

- 5 Item 42: CEO
Chair advised that this topic would be covered in the remuneration committee discussions in June / July.

Summary Report: APUC/08/2016

High level summary

- 6 AW gave an overview of the information contained in the APUC Summary Report (Paper APUC/08/2016) and highlighted the main features as follows:
- Membership has increased by one with the James Hutton Institute joining as an Associate to gain access to collaborative contracts only.
 - Number of contracts available to client institutions is 172.
 - Spend on collaborative agreements data for 14/15 was now finalised at 30.3%.
 - Savings are at £16.5m at BT1 and £29.4m at BT2.

General Update

- 7 The Procurement Networking Conference held on 13 May was very successful with over 130 delegates booked to attend. Due to challenges finding suitable accommodation this year, the next conference venue was already booked and will be held at the Stirling Court Hotel on 19 May 2017.
- 8 The fibre internet connection is now installed and working in the Edinburgh office and an interim solution used in Edinburgh to improve bandwidth is being considered for the Stirling and Glasgow offices.
- 9 New format Category Strategies have now been widely published to the procurement and wider stakeholder groups.
- 10 The APUC Buyers Portal has been launched to replace UniBuy, support for which will be discontinued by July. Feedback on the new portal is positive at this early stage.
- 11 The Edinburgh Region Procurement Team (Edinburgh Napier University and Edinburgh College) went fully live from mid-April and discussions are ongoing regarding potential involvement of further institutions.
- 12 APUC has also been asked now to provide institutional procurement resource to South Lanarkshire College.
- 13 AW explained that APUC and the other sectoral CoEs have participated on the Scottish Government's Supported Business Advisory Group (SBAG), chaired by Fergus Ewing MSP. SG has asked for public bodies to have a champion for Supported Businesses and it was included on the agendas for the May PSG meetings to discuss further. Further clarification is required from the EU over the new definition of Supported Businesses.

- 14 The (UK wide) Higher Education Procurement Association (HEPA), is holding its bi-annual conference in Scotland this year, at the Golden Jubilee Hotel in Clydebank on the 8th and 9th of September. Booking is now open, the event is targeted at Head / Directors of Procurement and other Director roles across HE and FE that have procurement within their remit.
- 15 APUC's new-look ezine has been launched with good feedback from stakeholders.

Staffing

- 16 AW advised the Board of the recent staffing changes.

Health and Safety

- 17 AW confirmed that there were no Health and Safety issues in the reporting period.

Operational Procurement – Collaborative Contracting

- 18 AW informed the Board that Category eBulletins are being devised and will be updated regularly. These will focus on the contracting programme and any useful updates for the category stakeholders. These will start publication in June 2016.

eSolutions Update

- 19 AW advised that implementation of the PECOS marketplace, known as "Gateway" had been completed at Fife College. Work is underway with Glasgow Kelvin College and UHI to implement this functionality. Edinburgh Napier University will also commence shortly.
- 20 AW added that the APUC contracts register element of the website is now fully live and also provides contract register support for 43 out of 44 sector institutions. The webpages are created from a direct live feed from Hunter and will require Remote Desktop licences to access the information.
- 21 AW noted that PCS-T has been updated to include the recent EU Directive changes including the ESPD and that the Procurement Journey has also been updated to reflect these changes.
- 22 AW informed the Board that 3 Institutions are now live with e-invoicing in the sector but throughput is very low.
- 23 AWi asked how onerous setting up eInvoicing might be and AW advised he would ask Stephen Richardson to contact AWi to clarify. **(Action: AW / S.Richardson)**

D&S – Sustain

- 24 AW informed the Board that APUC are encouraging the use of the Sustain website and several institutions have now requested further training on how to use the Sustain web tool.

D&S - PCIP

- 25 AW explained that the 'Full' PCIP assessments were now commencing and APUC is issuing guidance, dashboard and advance information requests to each institution 6 weeks in advance of their assessment date.
- 26 Trials of the 'Lite' version for institutions with £5m - £15m annual spend will take place over the May to July timeframe with proper assessments being scheduled for completion by the end of 2016.

D&S – Training

- 27 AW advised that training in the new regulations has been delivered by APUC to circa 500 staff in member institutions.
- 28 AWi enquired if training was available online and AW informed that it was hoped to add it to eLearning later this year if appropriate feedback is received.
- 29 AW advised that 3 new Supply Chain Management Programme trainees have been appointed and due to start on 30 May.

ISSC

- 30 AW advised that the pilot MoodleShare service (between Edinburgh Napier University and Edinburgh College) continues to work well and that further institutions were exploring the service offerings.
- 31 AW also advised that a person has been recruited to the role of Chief Information Security Officer to lead the new Information Security Shared Service. 7 institutions had joined as of last week and 3 had committed this week.

Financial Management Report: APUC/09/2016

- 32 EM highlighted the main features detailed in the Financial Management Report APUC/09/2016 which included a summary of the actual income and expenditure for the period to the end of April 2016, the forecast balance sheet for the year ending 31 July 2016 and the cash profile for 2015-16.
- 33 Chair thanked EM for another very well structured financial report.
- 34 The Board noted the contents of the Financial Management Report.

Benefits Reporting Update

- 35 AW gave a verbal update on the status of benefits reporting and the Board discussed the various aspects raised. AW advised that a small group was being set up to review the methodology including to take account of new benefits that are required to be incorporated under the new legislation.
- 36 The cross sector Benefits Reporting Methodology was the basis for the reporting of APUC and related collaborative savings. It was agreed that this should continue to be the basis of benefits reporting until any changes were agreed across all sectors. It was agreed that to help contextualise the savings reports, they should be issued with the notes that they are based on the optimum route to market as recommended in Buyer's Guides, this would enable situations where any institutions felt that they were not achieving the stated savings to understand their particular routes to market and revise it where it was felt appropriate. It was noted that some of the aspects of discussion would be relevant to later discussions on the 40% target.

APUC Pay Award

- 37 AW proposed a cost of living increase that would be generally aligned to the market and sectors of 1% with a further small degree of funding allocated for promotional / development based pay. It was agreed that this 1% would be a dynamic award that staff could either take as a simple salary increase or have it paid as an additional 1% employer pension contribution where the employee was also willing to match a further 1% contribution – this would apply regardless of which pension scheme staff were on but would facilitate the forthcoming option for staff to opt for a 1% increased contribution level that will be available to members of the USS scheme.
- 38 LM asked how this would be controlled and AW advised that it would be made very clear in staff comms how it worked. It would remain an option ongoing so if a staff member opted to take it as a salary increase now but then opted to switch it a pension contribution at a later date, then the salary would be reduced by that 1%.
- 39 SS enquired if APUC has conducted a 'gender analysis' and AW advised that this had been done before and that at the time, more than 50% of APUC staff were female and that average salaries by gender had shown that there was not a negative female salary disparity. Chair commented that it would be good to have the basic up to date stats provided for the August or November Board Meeting. **(Action: A.Warren)**
- 40 DM asked how APUC's remuneration levels compared to other CoEs and AW confirmed that they were similar. A discussion took place then on the remuneration proposals, Chair commented that pay awards must be broadly in line with universities and colleges, this was supported by all of the Board.

On this basis and on the basis of the discussions, the Board agreed the proposals.

- 41 Chair stated that remuneration committee communications would shortly take place to discuss objectives for the CEO and to agree CEO's remuneration. The Terms of Reference were out of date for this group so tidying up update was planned to take account of the use of technology and the practical operation of the Committee. **(Action: G.Webber)**

Achieving 40% Collaborative Spend: APUC/10/2016

- 42 AW gave an overview of the rationale behind the target of 40% spend through collaborative contracts and the proposed approach for the sector to achieve this objective. He noted the following points:
- The 40% target will be challenging to achieve and will need the full support of the sector.
 - The Contracting Priorities Workshop discussed this in January as well as a workshop being held on the subject within APUC in April. From these, a list of barriers and potential opportunities had been compiled that had been the basis of the Board paper.
- 43 The barriers and opportunities / enablers were discussed by the Board.
- 44 FG asked if 40% was the right target and AW confirmed that it was achievable based on analysis of current behaviour. He added that it is a tough target but achievable with hard work.
- 45 LM suggested that leaders within institutions should ideally define the default as to use frameworks and reasons for not doing so should be fully justifiable.
- 46 Chair summed up by stating that 40% is an appropriate target. The actions / directions set out in the paper were supported by the Board.
- 47 DM volunteered to become involved in assisting in developing the approach for promoting increased uptake. **(Action: AWarren / D. MacKellar)**

Board performance survey: APUC/11/2016

- 48 Chair introduced the Board Performance Survey paper and noted that there was good satisfaction in the Board's performance, there were two main aspects for discussion arising as follows:
- The suggestion that stakeholders should be invited to become involved in participation with dialogue with Board members.
 - Optimal locations for Board meetings.
- 49 DM felt that stakeholder input is important in addition to the contribution from the board members. Progress has been significant but Non-Sector Directors (NSDs) in particular do not have very much exposure to stakeholders.

- 50 Chair thought that this could be done aside from the Board via US or CS for example and JT noted that a client satisfaction survey had already been conducted.
- 51 MH suggested a group of representative Principals could be consulted by the NSD representatives to discuss their thoughts on the services provided by and opportunities presented by APUC. MH advised that she was happy to act as the liaison point for arranging things with the College Principals. It was agreed that MH, AW and the NSDs could work on this outside of the Board and AW could liaise with Universities Scotland re arranging similar for the University sector. **(Action: A.Warren, M.Harrington)**
- 52 Chair thought that the locations of meetings was already well balanced and the Board agreed.
- 53 Chair asked for any other views on the survey results to be addressed to AW, GW or MC. **(Action: Board members)**

RISK Register: APUC/12/2016

- 54 AW gave an update on the risk register which was then discussed. It was agreed that there were no new serious concerns.
- 55 AW provided an update on ongoing dialogue with HMRC re CSG.

EU and PRA Senior Briefing

- 56 AW gave a short PowerPoint presentation on the regulation changes. This is designed to inform senior stakeholder about the impact of the changes. A copy of the presentation will be copied with the minutes. **(Action: M.Caithness)**
- 57 The presentation covered the following topics:
- Aims and objectives
 - Legal framework
 - Issues of Public Procurement in HE and FE Sector
 - Key procurement risks
 - EU Principles
 - Why the rules have changed
 - What the changes are
 - Procurement Reform Act (PRA)
 - Reform Act Components
 - PRA Thresholds
 - SG Sustainable Procurement Duty
 - Research Exemption
 - Impact of the Reform Act Changes

- Sector Actions—Training

- 58 SP enquired how often APUC gets challenges from suppliers and AW advised that there have not been any near-legal challenges for over 5 years. Due to the increased capability across the sector, there were also no challenges known about to member institutions in recent years.
- 59 SP asked how SMEs are made aware of these changes and AW explained that this is done through the MSG-P and the representative supplier bodies on it, the Supplier Development Programme and Supplier Awareness days held by APUC prior to launching tenders.

Work stream review – Institutional Procurement Services: APUC/13/2016

- 60 BD gave a short PowerPoint presentation on the status of the Institutional Procurement Services team. A copy of the presentation will be copied with the minutes of the meeting. **(Action: M.Caithness)**
- 61 AWi said it was a good presentation, that Procurement Services have progressed significantly and good job was being done by the team.
- 62 Chair commented that it was an area for further growth in the APUC service provision. SP added that clients were getting value for money.
- 63 JT noted that, although a good job had been done to date, continual client management would be required.
- 64 Chair noted that it was a helpful presentation and thanked BD.

Any Other Business

- 65 There being no other relevant business, the meeting closed at 13:00.

Date of Next Meeting

- 66 The next Board meeting will be held on 22 August 2016 at Abertay University.