

**Minutes of APUC Board Meeting held at 10:30 a.m. on Monday 19 January 2015 at West Lothian College.**

**Present**

Nigel Paul (Chair)	Independent
Alan Williamson (AWi)	Edinburgh College
Janet Thomson (JT)	Glasgow Clyde College
Mhairi Harrington (MH)	West Lothian College
David Ross (DR)	Independent
Douglas MacKellar (DM)	Independent
Stuart Paterson (SP)	Independent
Sheena Stewart (SS)	Abertay University
Angus Warren (AW)	APUC Ltd (Chief Executive)

**In attendance**

Elizabeth McFarlane (EM)	APUC Ltd (by telephone for item 5 only)
Michael Caithness (MC)	APUC Ltd

**Welcome and Apologies**

- 1 Apologies were received from Gerry Webber, Irene Bews and Martin Fairbairn.
- 2 The Chair thanked everyone for attending and extended a special welcome to new Board member Sheena Stewart from Abertay University.
- 3 Chair also noted that the main discussion on the agenda would be a review of resource succession planning – Agenda item 11.

**Minutes of Previous Board Meeting**

- 4 The minutes of the 20 October 2014 Board meeting were approved as an accurate record of the meeting.

**Matters Arising: APUC/01/2015**

- 5 All matters arising from the previous Board meeting had been actioned as outlined in paper APUC/01/2015 and AW added that an update to the NHC Policy Document was required to address considerations relating to new legislation on shared parental leave due in April 2015.

## **Summary Report: APUC/02/2015**

### ***High level summary***

- 6 AW gave an overview of the information contained in the APUC Summary Report (Paper APUC/02/2015) and highlighted the main features. He reported that there are now 162 agreements available to members and noted that the number of contracts was now generally at a steady state.

### ***General update***

- 7 AW advised that the first meeting of the merger between PPG and HEPA was due in January and that he and Tony Newjem, H-W University, would be representing the sector.
- 8 AW informed the Board that it had been planned to hold the second Procurement Networking Conference in May with the AGM immediately preceding the event but due to May public holiday conflicts and other sector events, a suitable date in June was now being sought for both.
- 9 AW advised that, following the Scottish Government's Review of Construction Procurement, a new Construction Reform Delivery Group was being set up and the first meeting, due at the end of January, would be attended by AW and a sector Estates representative (name to be confirmed). He added that a workshop held in early January was attended by 200 delegates and that responsibility for the initiative would be shared between SG and the Scottish Futures Trust.
- 10 AW informed the Board that Alistair Merrill, Director, Commercial and Procurement in the SG was leaving to take up a senior Governance role at the University of St Andrews and that Ian Howie has been appointed interim Director until such time as a replacement is confirmed.

### ***Staffing***

- 11 AW explained that the increased use of technology, involved in all steps of the procurement process, requires the eSolutions team to have wider breadth of knowledge across the technologies and processes open to the client community. Following a skills review, a new job description has been developed to cover this more flexible and encompassing role and we are in the process of migrating relevant staff across to the new role. This has resulted in one team member taking redundancy (another member of staff was already leaving to join the SG before the changes were announced). These positions will be replaced by two new recruits. Another new eSolutions member is being recruited to cover support and development.
- 12 DR commented that this was a sensible approach. The Board strongly supported the increased resourcing of the eSolutions Team.
- 13 AW advised that the new trainees were progressing well and that Gemma Stenhouse has started on her 6 month secondment to the University of Dundee. He added that Kate Murray, one of the first trainees has been appointed to a flexible Procurement Manager role and is currently working at Inverness College.
- 14 AW informed that Procurement Managers had been appointed for shared service posts at Dundee & Angus College and Ayrshire College.

### ***Benefits***

- 15 AW advised that APUC is now reporting benefits for both BT1 and BT2 savings although the sector is only required to validate BT1 savings.

- 16 AWi, noting that 32.6% spend is through collaborative contract, asked if some of the remaining spend was for local contracts and AW confirmed that it was. He added that 40% collaborative contract cover would be a good target to achieve overall for the sector.

### ***Edam***

- 17 AW noted that the Edam equipment database was working well and was also being linked to the equipment.data database.
- 18 AWi asked how we manage conflicts where more than one institution wants to have access to the same piece of equipment and AW advised that Edam provides good visibility of what is available at any point in time.
- 19 SS enquired if the Edam database data was publicly available and AW advised that it is via its link to equipment.data but that access to information by the public can be (and mostly is) set to be restricted if desired.
- 20 Chair asked if other independent research companies could be given access and AW advised that this had not been considered yet although SAMS, an APUC associate member, does already have the option to access it.

### ***OP – Savings Methodology and Versus Market Price Savings***

- 21 AW reminded the Board that other sectors were reporting savings based on BT2 but that APUC was now reporting on BT1 and BT2 savings.

### ***OP – Contracting Priorities Workshop 2015***

- 22 AW advised that the annual Contracting Priorities Workshop would be held on 22 January and that other market opportunities would be investigated. A Joint Strategy Group meeting would also be held on 23 January.

### ***eSolutions update***

- 23 AW informed the Board that the development of a public facing contract register website is due to commence early 2015. This will enable the sector to comply with the new requirements to publish contract registers.
- 24 AWi asked if this would apply to all contracts and AW confirmed that it would cover as a minimum those over £50k in value and that institutions would be able to add their own contracts to the register via Hunter.
- 25 Chair enquired if there would be any penalties for not publishing contract registers and AW advised that it was not clear at this point in time what, if any, penalties might be applied, it would however be a breach of the Act. He also added that preparation work for this web feature would be intensive and that it might attract FOI requests from interested parties.
- 26 AW added that APUC plans to make resource and training available to institutions to ensure that they are ready and compliant with the regulations on contract register publication.
- 27 Chair enquired if the sector's finance community was aware of this requirement and AW advised that information had been shared and feedback invited. He added that the college sector shared service resources were geared up to support their clients on this issue.
- 28 DM asked if there was a fund to cover legal challenges and AW advised that APUC gets many challenges in the contracting process but can demonstrate that it has conducted the contracting procedures in full compliance with the regulations so they have so far never

resulted in legal actions. He added that APUC was currently reviewing its professional indemnity insurance cover and that, in the event that a case did come to court, APUC would suspend the applicable agreement until such time as the matter was resolved thus avoiding any loss of profit claims.

- 29 DR enquired when the legislation would come into effect and AW informed the Board that consultation was due to complete in February and that the Act would have to be in place by Q1 2016 latest.

### ***eInvoicing***

- 30 AW informed the Board that eInvoicing using PECOS was being piloted and that this capability would become a legal requirement during 2018.

### ***D&S – Sustain***

- 31 AW advised that the Sustain website pilot was progressing as planned.

### ***D&S – PCA***

- 32 AW advised that the 2014 PCA was complete and the annual report was planned to be published during February. Development of the new version of the cross sector questionnaire for 2015 has slipped and is now expected later in 2015.

### ***ICT Shared Service Catalyst (ISSC)***

- 33 AW noted that an ISSC summary report was included in the Board papers as Annex C and that good progress was being made towards defining the IS landscape.
- 34 SP enquired how the IS landscape would be mapped and AW advised that a database had been prepared but that it was planned that the data is gathered through interviews with institutional IT representatives.
- 35 SS advised that Abertay University was hosting an International Heads of IT event in June. SS would share details with the Board. (**Action: SS**).
- 36 SP stressed the importance of keeping the information up to date in a fast changing IT environment and AW added that institutions' future plans were being taken into account.

### **Financial Management Report (APUC/03/2015)**

- 37 EM joined the meeting by telephone and highlighted the main features detailed in the Financial Management Report (APUC/03/2015) that included a summary of the actual income and expenditure for the period to end of November 2014 compared to the approved budget; the forecast outturn for 2014 - 15; the forecast balance sheet for the year ending 31 July 2015 and the cash profile for 2014-15.
- 38 AW explained that following a review of APUC's overhead cost structure, it was proposed to offer to return some surplus funds (circa £100k+) to the Scottish Funding Council (SFC) for potential other utilisation by the sectors. This surplus includes funds deliberately not spent due to unknown Reform Act implications and savings due to maternity leave.
- 39 Chair agreed that this would be a good gesture provided that APUC has sufficient funds to fulfil its obligations to its stakeholders. JT advised that this would highlight the prudent way APUC was being run and would be welcomed by the sectors.

- 40 AW added that this would be a one off adjustment and stressed that APUC's funding allowance for the following year was already agreed and fully required.
- 41 DR asked when the next fresh funding bid was scheduled and AW stated that it was due in November 2015.
- 42 DR suggested that we should err on the side of caution with the amount to be returned and DM asked if a contingency fund could be requested to cover any emergencies. AW advised that we had our existing reserves (not impacted by this discussion) but that once we passed the proposed money back we would not have a call on it.
- 43 The Board fully approved this proposal.**(Action: AW / EM to review position in details and liaise with the SFC)**
- 44 AW noted that the budget will be revised for next year to cover APUC's resource requirements based on the changes caused by the slippage to legislative changes and other relevant impacts.
- 45 SS requested a copy of the Debtors and Creditors profile and EM agreed to email a copy. **(ACTION: EM)**
- 46 The Board noted the contents of the Financial Management Report.

#### **EU Directive and Procurement Reform Act**

- 47 AW explained that the consultation was now due to commence in February 2015.

#### **Public Procurement Reform Phase 3 Delivery Vision (APUC/04/2015)**

- 48 AW explained that paper APUC/04/2015 details the cross sector strategy for the next phase of Public Procurement Reform that will reflect a partnership approach with public, private and third sector parties, on both purchasing and selling sides, and increasingly at various levels of the supply chain, to cement and increase public sector procurements position as a key economic strategic enabler as set out by the Scottish Model. There is a PPRB workshop scheduled for January that will extend the vision through to 2020.
- 49 This vision was completed later than anticipated so had delayed APUC's new Strategic Plan – it was now targeted that a draft of this new strategy should be ready for presentation at the next Board meeting and it will take account of any changes arising out of the workshop.
- 50 AW and the Chair noted that they intended to establish a working relationship with the new SFC chair Alice Brown.

#### **UK Update**

- 51 AW advised that APUC are represented on the HEPA board and that there were no more PUK meeting planned in the near future.

## **Auditor's Name Change**

- 52 MC advised the Board that the company's auditor, Chiene + Tait, had informed APUC that they were changing their status to a Limited Liability Partnership (LLP) and following regulatory procedure had tendered their technical resignation as auditors. APUC will require to re-appoint them as Chiene + Tait LLP moving forward and a resolution to the Board, and subsequently to the AGM, will be prepared to fulfil this requirement. **(ACTION: MC)**

## **Clarification of eligibility to be a full member of APUC (APUC/05/2015)**

- 53 AW presented paper APUC/05/2015 that defines eligibility conditions for full membership of APUC and noted that it might affect SAMS that is already an associate member. He noted that it also resolved a grey area where institutions are funded through regional boards.
- 54 DR requested that the wording should be slightly modified to replace the last sentence with "The decision of the APUC Board on any matter relating to eligibility for membership will be final and binding on all concerned." **(ACTION: AW)**
- 55 The Board approved the document subject to inclusion of the change above.

## **Resource Planning (APUC/06/2015)**

- 56 AW presented paper APUC/06/2015. This aspect was a key discussion area at the meeting and various opportunities for development to create succession planning options were discussed and would be carried forward by AW through the staff development process.

## **Location (s) of business**

- 57 AW informed the Board that the leases on the Edinburgh and Glasgow offices were due to expire later this year and that decisions need to be made regarding future office accommodation for the company.
- 58 A discussion took place regarding background and options and the pros and cons of various locations. The Board provided AW with key inputs and considerations and AW was tasked with taking the work forward, within existing budget plans and keeping the Board informed of progress. **(Action: AW to move this work forward to obtain suitable accommodation for APUC activities).**

## **New APUC Strategic Plan**

- 59 AW noted that this topic had already been covered under agenda item 7.

## **Any Other Business**

- 60 NP reminded the Board that he was stepping down as Chair and that Irene Bews who had been agreed to succeed him was now leaving the University of Aberdeen to join the University of Kingston.

- 61 AW explained that the Chair role would ideally be filled by a Board member who had been through a full Board cycle and that, following dialogue with Alan Williamson and Gerry Webber, the two remaining members of the Board that had been through a full cycle, Gerry had kindly agreed to offer to become the new Chair.
- 62 The Board unanimously approved Gerry's appointment. A handover meeting would be organised (**Action: AW / GW / NP**).
- 63 DM expressed on behalf of the Board, the Board's thanks to NP for his valued contribution as a highly effective Chair to APUC.
- 64 The Chair also noted on behalf of the Board, his thanks to Irene Bews for her time on and contribution to the Board and wished her well in her new role.
- 65 There being no further business, the meeting closed at 13:05

### **Date of Next Meeting**

- 66 The remaining 2015 dates are as follows:
- Board: Tuesday 31 March 2015 at Forth Valley College, Stirling
  - AGM (combined with APUC Annual Procurement Network Conference – overnight stay option the night before): Friday 19 June – Westerwood Hotel, near Cumbernauld / Croy.
  - Board: Wednesday 24 June / Abertay University
  - Board: Wednesday 21 October / APUC Head Office, location tbc.