

Minute of APUC Board Meeting held at 13:00 pm on Tuesday 18 August 2020 online via MS Teams.

Directors Present

Jim McGeorge (Chair)	University of Dundee
David Beattie (DB)	University of Aberdeen
Sheena Stewart (SS)	Abertay University
Veronica Strachan (VS)	Robert Gordon University
Janet Thomson (JT)	Glasgow Clyde College
Margaret Cook (MC)	Perth College UHI
Fiona Gavine (FG)	Independent
Maureen McCreathe (MM)	Independent
Phil McNaull (PM)	Independent
Angus Warren (AW)	APUC Ltd. (Chief Executive)

Also Present

Martin Fairbairn (MF)	Scottish Funding Council
Angela Cahill (AC)	APUC Ltd.(for agenda item 2 only)
Elizabeth McFarlane (EM)	APUC Ltd.(for agenda item 6 only)
Michael Caithness (MCA)	APUC Ltd. (Company Secretary)

Welcome and Apologies

- 1 Apology for absence was received from Pete Smith (PS), North East Scotland College who provided agenda item feedback by email.
- 2 Chair thanked everyone for attending and welcomed Veronica Strachan, who will be replacing Sheena Stewart, to her first Board meeting. He also welcomed Angela Cahill, APUC's Senior Supply Chain Manager (Professional Services and HR), who would be presenting the Workstream Update in agenda item 2. He also noted that Elizabeth McFarlane would be joining to present the Finance Report under item 6.

Work stream Review – Information Systems

- 3 AC delivered a PowerPoint presentation on the status of developments within the Professional Services and HR work stream. She explained the role and scope of the Category with narrative on the accompanying slides summarised below. A copy of the PowerPoint presentation would be circulated to Board Members after the meeting.
- 4 Chair thanked AC for her very interesting and detailed presentation and invited questions from the Board.
- 5 PM asked how open the travel market was and who were the other competitors.



- 6 AC discussed the collaborative options. AC advised the most commonly used supplier, Key Travel, had recently upgraded its systems and made some resource changes. These had caused challenges and they had lost a lot of business as a result. AC advised that APUC is working with other suppliers on both the SUPC and Scot-Gov frameworks to facilitate use by the sector where there was a desire to change.
- 7 DB said that use of effective travel suppliers should be encouraged and staff booking travel on their own should be discouraged both from an overall financial and risk management/safety of staff perspective. He also enquired if SMEs were struggling under the present lockdown circumstances. AC advised that to date no SME in this market had gone under but stressed that it was inevitable that there could be some casualties.
- 8 PM asked what the potential value was of the Electoral Services framework which had seen no spend. AC stated it was expected to be low but was put in place at the sector's request and to avoid every institution having to engage with the market separately. VS noted that spend on Electoral Services at RGU and other institutions was likely to be very low.
- 9 SS noted that the introduction of elections for Chairs of Court was what had driven the Electoral Services framework need but that perhaps use of the framework was a matter of timing as these processes occur in cycles.
- 10 Chair suggested that the Board members could provide feedback on their institution's experiences to the Head of Category (annemartin@apuc-scot.ac.uk). (**ACTION: Board**)
- 11 Chair noted that the presentation was really helpful and thanked AC and the team their good work.

Minute of Previous Board Meeting

- 12 The minute of the 14 May 2020 Board meeting was approved as an accurate record.

Matters Arising: APUC/12/2020

- 13 All Matters Arising from the previous Board meeting had been actioned or scheduled as outlined in paper APUC/12/2020.
- 14 Chair noted that item 49 had been discussed at the Remuneration Committee and that it would be addressed at a follow-on meeting agreed by the committee.
- 15 AW advised that item 48 would ideally be scheduled for the November Board meeting when hopefully the position on Brexit might be better understood. The Board agreed that the briefing would be best done when clarity on procurement impacts of Brexit are known. (**ACTION: AW**)

Summary Report: APUC/13/2020

General Update

AW gave the following updates on the Summary Report:

- 16 Data shown in the summary table sections 1.1 and 3.1 are not complete as some data is not received until year-end even for the early quarters of the AY. There has been a proportional drop in some areas (i.e. Food) due to COVID-19 but ICT spend was expected to have increased due to 'working from home' demand. It is expected that there will be further impact as institutional spending budgets get trimmed.
- 17 Working from home for APUC has been very successful with a full service being maintained by APUC staff. PSGs, AGM and Board meeting have all been conducted via MS Teams and the format has worked very well. The Board recorded its thanks for the way in which APUC had responded to the move to home working and asked that AW convey its thanks to all of the staff for their efforts.
- 18 Work is being done with PSGs to look at opportunities for further savings and there is a willingness to challenge suppliers on price, and potentially end-users on supplier change – to be discussed at this month's PSG meetings.
- 19 New flags have been integrated into the relatively new SCM system to make information relating to COVID-19 and Brexit impacts easier to access.
- 20 Nick Ford has been appointed as the new Director of the Scottish Government's Scottish Procurement and Commercial Directorate. A meeting of the Public Procurement Group is scheduled for next week.
- 21 The next annual Procurement Development and Contracting Priorities Workshop and Joint PSG are due to be held in February 2021. If possible, this event will still proceed as a physical event, but a final decision will be taken later in the year.

Staffing

- 22 Staff recruitment has continued during the lockdown with staff being interviewed over MS-Teams and the appointed staff (6 so far) have commenced their new roles without to date having attended their new physical workplaces. Two of these employees were previous APUC staff and have now returned to new roles.
- 23 Kate Murray has taken up her new role leading the Procurement service at Queen Margaret University, moving on from her role at Edinburgh Napier University.
- 24 APUC is currently recruiting for the following roles - Procurement Administrator at ENU and Procurement Manager (Advanced) at UHI.

Health and Safety

- 25 There were no Health and Safety issues in the reporting period.

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

- 26 An additional suite of functionality is now live, which will require suppliers to provide information such as living wage, SME status, modern slavery compliance status and climate emergency activity.

OP – COVID-19 Activity / Support

- 27 The Heads of Category continue to liaise with suppliers to understand the impact COVID-19 is having on the supply chain. As noted above, the SCM tool has been developed by eSolutions to log this information rather than the manual excel sheets that were used before. All consortia are using this tool to record information both in relation to COVID-19 but also focusing on the impacts on PPE and other priority goods and services across the supply chain.
- 28 APUC have been issuing updates on PPE supplies to the sector at least weekly throughout the Covid-19 crisis. The Board welcomed this targeted support to institutions.

Responsible Procurement (RP) and Climate Emergency

- 29 Despite the focus being on COVID-19 impact, the momentum continues on Climate Emergency activities albeit at a slower pace than would be ideal. AW noted that further to the UK and Scottish Governments’ Declaration of a Climate Emergency, APUC and stakeholders from member institutions have increased the focus on addressing the issues associated with climate change. SG is continuing to move the agenda to develop a major change plan for publicly funded bodies’ supply chains and the climate impact of them.

Responsible Procurement - Sustain

- 30 In light of the turmoil in supply chains caused by Covid-19 and Brexit, the Sustain tool has been updated to simplify the question set with a resultant reduction in the number of questions from 80 down to 40. This will make the completion of the form by suppliers more manageable during this difficult period.
- 31 The APUC Supply Chain Code of Conduct has been updated following a review process. The newly named Sustain Supply Chain Code of Conduct has been adopted from March 2020 and it has been agreed that this updated version is adopted as the HEPA RPG endorsed standard code of conduct for use across UK Higher Education.

Procurement and Commercial Improvement Programme (PCIP)

- 32 OPR's were scheduled to be completed by early April – a handful of institutions' assessments had to be postponed due to the COVID-19 lockdown. The situation will be reviewed when lockdown is eased.

eSolutions (eS) Update

- 33 eSolutions training courses are now being delivered online and being held on a regular basis.
- 34 In line with Board aspirations, APUC is increasing the provision of eSolutions tools on a 'charged for' basis to institutions in England.
- 35 A simple UKUPC website has been developed by an eSolutions trainee and a draft version has been made available. Content to be finalised prior to moving to final hosting.

Collaborative Catalyst

- 36 The shared service for Office 365 has been slow to get going but the Change Management service is operational, and those consultancy style services are currently being provided to West College Scotland and Edinburgh College.

Further Discussion

- 37 JT asked what help could be given to institutions regarding climate emergency activities perhaps in the form of guidance. She also suggested that senior management in institutions need to continue to be made aware of the wider value for money that APUC is providing.
- 38 Chair agreed that there was a good message to be sent to stakeholders and AW committed to prepare a brief summary of the work being done - to include information on potential further saving opportunities - to publish to senior stakeholders. (**ACTION: AW**)
- 39 SS asked what the current situation was in the supply chain regarding ICT. AW advised that initially when demand rocketed in the early weeks of Covid-19 and when manufacturing was locked down, the lead times on the best value equipment (through the Scottish national framework) stretched to a quoted 12 weeks. There were, however, shorter lead times available on products under the UK wide frameworks during that time. Institutions were generally, however, opting to wait longer for the preferred equipment through the Scottish framework. The lead times on the Scottish framework are now down to around the 4-week mark.
- 40 He added that there was recently announced funding available from SFC for laptops for students and that APUC's Information Service Category had worked with HP to agree some offerings that were available for the funded value.
- 41 Chair asked how recruitment was, going forward, and AW advised that APUC had continued to recruit during lockdown when other bodies had stopped. He added that there are currently two post that have been open for circa 6 months and proving difficult to fill. He noted that the market was expected to get worse and more competitive.
- 42 PM suggested that APUC could put out a general invitation for people with relevant skills/experience to get in touch to discuss what they could offer and not in response to specific advertised roles. AW commented that this could be worth trying. (**ACTION: AW** to liaise with Julia Edgar to explore options)

- 43 Chair noted that the capability to work remotely/flexibly could also widen the potential marketplace for recruitment staff and could be emphasised in recruitment materials.
- 44 MC asked if there were any good deals on broadband provision and AW committed to check and provide an update. (**ACTION: AW**)
- 45 MM enquired if the additional categories in the SCM tool might discourage smaller suppliers from tendering and AW explained that some of the questions are proportionate to supplier size e.g. Modern Slavery. He added that most of the questions sought data that were easily obtained within small businesses.

Financial Management Report: APUC/14/2020

- 46 EM presented the Financial Management Report APUC/14/2020 highlighting the following key points:
- Actual income for the period amounts to £3,764k against a budget of £3,885k.
 - Actual expenditure for the period to 30 June 2020 totals £3,558k compared to a budget of £3,827k.
 - Forecast income is £4,078k compared to an original budget of £4,240k.
 - Forecast expenditure is £3,758k compared to an original budget of £4,240k
 - The forecast balance sheet shows an increase in reserves of £320k, with the cash balance held at the year-end being £1,958k.
- 47 In response to a query, AW noted that if the actual overhead costs for institutional staff was lower than the budgeted and charged amounts, these would be returned to institutions. He then went on to advise of the potential options for use of the surplus for the core team funding. The Board asked that AW refine these and prepare a proposal after the meeting for decision by the Board by circulation. (**ACTION: Board**)
- Put it into reserves.
 - Reduce the next draw down from SFC.
 - Use it to take forward other strategic options.
- 48 MM asked if “permanent” in relation to additional costs or income meant permanent in year or to be replicated in future years also, EM confirmed it meant in-year only. MM asked if clarity could be added within the report when permanent was mentioned over the duration of the meaning. (**ACTION: EM**)
- 49 DB suggested that the pension element in Annex A should be pulled out to a separate line to enable clarity with regard to the underlying operating position. (**ACTION: EM**)
- 50 Chair thanked EM for her report.

COVID-19 Impact

- 51 AW invited comments from the Board on the situation in their institutions.
- 52 The Board shared their experiences on recent activities and their views on the outlook for the coming academic year including student numbers and associated impacts on financial positions and issues such as likely pay awards.
- 53 A brief discussion also took place regarding the APUC pay award position, which it was agreed would be further discussed at the November meeting.

New Ways of Working (post Covid-19)

- 54 AW advised that all of APUC's offices were ready for return of small numbers of staff if required, with the necessary health and safety precautions in place and that while Edinburgh and Stirling had a few staff returning to the office, none was using the Glasgow office yet.
- 55 AW advised that in his view productivity levels were as good as before lockdown, possibly due to staff committing more work time because they were not having to travel to/between meetings or commute. Virtually all staff have indicated a preference to work remotely/from home for some or all of their work time post-Covid-19.
- 56 He drew attention to the reduction in travel, indicating that this was being reviewed and estimated that after the Covid situation is over, at least 50% of sector meetings would remain virtual (as would a much higher proportion of internal meetings) noting that it would remain important for some meetings to be face-to-face.
- 57 AW noted that the amount of time that staff spend on Teams meetings needs to be well managed but that the majority of staff were dealing well with working from home (and the office was available to those who faced challenges).
- 58 AW explained that there was need for some dialogue with shared service institution clients regarding working from home and he noted that, while some might prefer mainly office attendance, others had already expressed a desire for staff to remain homeworking for some of the time ongoing post Covid-19. An initial dialogue was taking place with staff prior to discussions with client institutions.
- 59 AW explained that occupancy levels have been calculated for the three core offices and, due to a much reduced need for office space, it was the intention to vacate the Edinburgh and Glasgow offices when the leases permitted and suitable institution-hosted space was aligned. Office space would be sought in institutions with close access to mainline train stations & bus/tram links.
- 60 AW added that these measures would allow a reduction in estate and travel costs and allow staff recruitment from a wider area. He noted that currently (based on CIPS/Hays data) the highest salary levels for procurement people in the UK were in Scotland and

London/SE regions so with increased remote working options, we may be able to reduce some of the current challenges of recruitment.

- 61 SS asked how to address the annual 'Meet the Staff' event with remote working and AW advised that it was still the intention currently to hold the Procurement Network Conference and Contracting Priorities Workshop as physical events, and that it might be possible to accommodate the 'Meet the Staff' event at one of these.
- 62 MM stressed the importance of providing support where mental health issues might arise with working from home and AW advised that most staff want to work partly at home and partly in the office with a small number preferring full time in the office. He added that APUC would aim tailor to what staff want while maintaining operational delivery and flexibility.

Brexit Impacts

- 63 AW advised that the re-engagement activities with suppliers had merged with COVID-19 dialogues as the conversations and issues were very similar. He added that the work done on Brexit preparation had been helpful in dealing with COVID-19 due to the similarity of many of the issues.
- 64 He added that there remained a lot of unknowns (import duties, specification standards etc.) and that Thorntons Law was booked to deliver training to the sector's procurement community on Brexit in November, December and again in January, based on whatever the changes are.

Gender Statistics Update

- 65 AW explained that it had been hoped to do a broader equality report but that getting useful data had been difficult at the present time. This report therefore focussed on Gender but that APUC would put significant focus on obtaining wider equality statistics from staff for the next scheduled report. It was noted from the report that the overall position was one of very little by way of a gender pay gap when outlying considerations were removed.
- 66 He added that the APUC workforce is predominantly female and noted that almost all recent Heads of Procurement appointments at institutions have been female, with 2 coming originally from the APUC Trainee scheme.
- 67 Chair thanked AW for a good analysis.

Modern Slavery Statement

- 68 AW explained that the Modern Slavery document presented for Board approval was an update for the coming year. He explained that APUC had been working closely with Electronics Watch and this activity had achieved significant progress.

69 AW committed to share summary information about Electronics Watch with the Board.
(ACTION: AW)

70 The Modern Slavery Statement was duly approved by the Board.

Any Other Business

71 There being no further business, the meeting closed at 15:15.

Date of Next Meeting

72 The next Board meeting will be held on Wednesday 18 November 2020, venue (potentially Edinburgh due to involvement of Auditors) dependent on COViD-19 status at that time.