

**Minutes of APUC Board Meeting held at 14:30 a.m. on Thursday 18 May 2017 at APUC office, Stirling.**

***Present***

Gerry Webber (Chair)	Edinburgh Napier University
Janet Thomson (JT)	Glasgow Clyde College
Carol Turnbull (CT)	Dumfries and Galloway College
Pete Smith (PS)	Borders College
Sheena Stewart (SS)	Abertay University
Douglas MacKellar (DM)	Independent
Fiona Gavine (FG)	Independent
Stuart Paterson (SP)	Independent
Angus Warren (AW)	APUC Ltd (Chief Executive)

***In attendance***

Martin Fairbairn (MF)	Scottish Funding Council (SFC)
Michael Caithness (MC)	APUC Ltd
Elizabeth McFarlane (EM)	For Agenda item 5 only

***Welcome and Apologies***

- 1 Apologies were received from Liam McCabe, University of Stirling
- 2 The Chair thanked everyone for attending and extended a special welcome to Carol Turnbull, who was attending her first Board meeting. An 'around the table' introduction was conducted to allow CT to formally meet the other Board members present.

**Minutes of Previous Board Meeting**

- 3 The minute of the 15 February 2017 Board meeting was approved as an accurate record of the meeting.

***Matters Arising: APUC/05/2017***

- 4 All matters arising from the previous Board meeting had been actioned or scheduled as outlined in paper APUC/05/2017 except for the last two items. 70 and 71 pertain to actions for APUC's 10<sup>th</sup> anniversary.
- 5 In relation to APUC's 10<sup>th</sup> anniversary - DM noted that one option was to award an extra day holiday to all staff members with 10 years' service and SS added that Abertay University operates a sliding scale for long service rewards.
- 6 Chair noted that more thought needs to be given to this topic to reach an acceptable solution. (**ACTION: All Board to send suggestions to AW**)

## **Summary Report: APUC/06/2017**

- 7 AW gave an overview of the information contained in the APUC Summary Report (Paper APUC/06/2017) and highlighted the main features.

### ***High Level Summary Table***

- 8 AW advised that there is currently a focus on ensuring that spend data is correctly input to Hunter and noted that “under reporting” of spend is an ongoing problem.
- 9 He added that, despite this issue, we are in a reasonable position and that a unique supplier ID was being introduced to allow more accurate correlation between institution and supplier data inputs.
- 10 MF enquired if suppliers are contractually bound to input data and AW confirmed that to be the case.
- 11 Chair asked what APUC expects collaborative spend to be and AW explained that in a sample undertaken, the feedback from institutions was that the spend reported was only 67% of actual spend so collaborative spend and benefits would, in reality, be significantly higher than reported.
- 12 SS asked if there was concern that the Lite PCIP assessment results are lower than the others and AW advised that it was reasonable as smaller institutions don’t have the level of procurement resource that universities do, but he noted that Lite scores had increased significantly between the trial and actual assessment.

### ***General Update***

- 13 AW reminded the Board that all data previously hosted on the Scottish Government SharePoint site has now been removed and, where required, loaded into the new APUC SharePoint site, providing a single portal for collaborative procurement information
- 14 DM asked if a full back up was in place and AW confirmed that it was using Microsoft O365 infrastructure and service. He also noted that there had been no material impact on the sector from the recent ransomware hack experienced by NHS and other entities.
- 15 AW advised the Board that the Finance System had been updated to GP2106.
- 16 AW advised that the annual Scotland wide, cross sector, Heads of Procurement Gathering took place in Haymarket on the 27th April. The keynote address was provided by the Cabinet Minister, Derek MacKay, whose portfolio is responsible for procurement. The event was very well attended. AW had Chaired the event.
- 17 AW updated the Board on the current VAT position and the current status with HMRC on the areas resolved and the remaining issues. MF advised that APUC should continue to work to pursue VAT exemptions as it would increase the options for funding on an ongoing basis as other challenges continue to impact the sector. The Board noted their support for continuing with the current dialogue with HMRC.

- 18 AW advised that the APUC Networking Conference, to be held the following day, was again very well supported by the sector with circa 135 delegates registered to attend.

### ***Staffing***

- 19 AW noted that there have been numerous staff changes with good opportunities for staff progression being achieved. He noted that the current HR shared service arrangement provided by Queen Margaret University was becoming stretched and that a permanent internal resource is now required, albeit on a part time basis.
- 20 DM enquired if there was a staff organisation chart and AW confirmed that there was not an up to date one but that all staff were noted on the websites (APUC & UCSS). When the new HR resource was in place we would re-establish the corporate org chart.

### ***Procurement Reform Bill & New EU Directives***

- 21 AW advised that the Procurement Reform Act is now well settled in and that the first Annual Reports will be due as soon as practicable after the FY end 2017/18.

### ***Health and Safety***

- 22 AW advised that there have been no reportable H&S accidents or incidents.

### ***OP – Category Bulletins***

- 23 AW noted that Category Bulletins were still being well received by the sector.

### ***OP – Optimising Framework Agreements***

- 24 AW advised that APUC has devised enhanced call-off guidance for Framework Agreements that should improve speed to market. He added that the guidance has been approved by Thornton's Law and would be launched as a workshop session at the APUC Networking Conference.

### ***OP – Institutional Procurement Shared Service Update***

- 25 AW informed the Board that IPS now has 36 staff engaged in shared service provision at institutions and that 2 further universities have enquired about procurement support.

### ***eS - For Info - Progress of the Scottish Government ePS Projects***

- 26 AW advised that some staff within the Scottish Government have indicated they would like to make the publishing of all Contracts Registers on a Scotland-wide Contract Register on PCS to be mandatory. All APUC's clients' contracts registers are currently auto generated by Hunter and that the SG option would involve much more manual input and effort. APUC liaise accordingly with SG.

### ***D&S Sustain***

- 27 AW noted that over 40 suppliers have now been requested to complete the Sustain supply chain assessment. Three submissions are currently in verification, 2 of which have provided details of sub tier supply chains also (20 sub tier suppliers declared).
- 28 AW informed the Board that APUC has also been working with the London Universities Purchasing Consortia to embed Sustainable Procurement practises, including the APUC Code of Conduct which has now been adopted by LUPC.

### ***APUC Charity of the year***

- 29 AW advised that the team raised £3031 for Cancer Research and that this years' supported charity will be Alzheimers Scotland.

### ***IS Catalyst***

- 30 AW informed the Board that MoodleShare shared service continues to work well.
- 31 AW advised that there is interest in a Business Improvement Shared Service and that a workshop will be scheduled for the Summer to develop this potential area.

### ***Infosec***

- 32 AW advised that the growth / marketing of the InfoSec Shared Service is being deliberately slowed down while we obtain additional resources for the new academic year

to meet demand for resources. He added that interviewing is currently in progress to address this situation and that 12+ more institutions could join the current 16 when more resources are in place from early in the new academic year.

- 33 AW advised that the requirement for Data Protection Officers (DPO) under the new General Data Protection Regulation was being investigated and that a DPO shared service had been suggested – this also would be explored at a workshop dedicated to the subject.
- 34 AW tabled a GDPR summary briefing document to be distributed to the sector next week that identifies resource requirements to enable the sector to adequately prepare for GDPR.

### ***Financial Management Report: APUC/07/2017***

- 35 EM highlighted the main items detailed in the Financial Management Report APUC/07/2017 which included a summary of the actual income and expenditure for the period to the end of March 2017, the forecast balance sheet as at 31 March 2017 and the cash profile for 2016 -17.
- 36 Chair thanked EM for her usual concise report and PS added that he was pleased to see that things were being well managed.
- 37 JT asked if shared service provision was expected to grow or decline and AW confirmed that that it was expected to grow.
- 38 FG noted differences compared to budget and enquired if the budget would be changed to more accurately track income and expenditure.
- 39 EM noted that the budget was set in Nov 2015 and the company had changed significantly since then. This approach to reporting was based on a particular request from some members of the Board several years ago (who are no longer on the Board). AW suggested that reporting should instead be based on the Budget that is operationally updated for the relevant year which is generated towards the end of June for the forthcoming academic year. This would be a more accurate base to track in-year performance from. The Board agreed that for financial reporting against the 2017/18 year on, this approach should be adopted. [Note: this would ideally commence from the November 2017 Board meeting onwards. The August meeting would be reporting 2016/17 data and to maintain consistency with other Board reports of 2016/17 data it would be best to change it after that] **(Action: EM)**
- 40 Chair added that the £98k reserve increase would come down based on the outcome of the GDPR support requirements.
- 41 The Board was happy with the financial report.

## **APUC Pay Award**

- 42 AW noted that he was aware of the ongoing dialogue on remuneration in both sectors.
- 43 AW shared the market increase rates for the profession, GW advised that this was in line with that which Hays had shared with him separately in recent weeks.
- 44 Attrition rates were discussed as well as other sector remuneration and productivity levels. Following discussion, the Board agreed that the company should continue exploratory work and make a final judgement based on this and wider sector sensitivities. As a framework however, they deemed it appropriate that a general pay-scale increase of up to that in the budget would be acceptable ensuring it allowed for suitable merit / development adjustments, with AW then confirming the exact detail by email to the Board. Merit based increases taking the total beyond this circa 1% of total payroll were also felt to be appropriate subject to affordability. It was agreed that for the sake of good order, that review of merit based increases should be part of the regular dialogue meeting that took place between AW and GW (as Chair). **(ACTION: AW/GW)**
- 45 DM asked that the Private vs Public sector pay situation should be included in the agenda for the Strategy discussion. **(ACTION: MC)**

## **2018-2022 APUC Strategy Stage 2 (APUC/08/2017)**

- 46 Chair summarised discussions to date and reminded the Board of the planned strategy discussion arranged for 21 August at Borders College.
- 47 AW explained that the document defined critical areas for consideration by work stream but added that the strategy would not necessarily need to follow this format.
- 48 AW highlighted key areas for consideration going forward:
- Current activities
  - New areas for activity
  - Potential for inclusion in USET strategy
  - Other areas could be viable e.g. HR
- 49 AW invited suggestions for any other areas for consideration prior to the meeting on 21 August.
- 50 The Board had a discussion on the content and approach. the Chair suggested that APUC should identify key goals.
- 51 SP said that APUC should analytically look at where we are, where we were and where we should be.
- 52 FG suggested and it was agreed that items for consideration should be 'categorised' (see below) to help focus attention on the key areas. MF suggested consideration of HR

support and ensuring the back office kept up with demands of the business as it has grown / grows. AW advised that this was already a current issue and some early changes were planned over the Summer.

- 53 SP recommended that the meeting on 21 August need to be facilitated and a process for the day defined to get the best outcome. He suggested that a background of where the sectors are going would be useful. Both these aspects were agreed by the Board.  
**(ACTION: AW)**
- 54 The overall dialogue was summarised by the Chair and agreed by the Board - that ideas / proposed activities should be put into themes rather than work streams and that they should allow for Brexit adaptability. They should also be subdivided into categories of what we have to do, cost / saving efficiency items, strategic level movement, and key on-going deliverables. The Chair noted that APUC must always remain committed to its core purpose as a CoE. A key consideration for the Board to think through before, and discuss at the August workshop was to ask "what does APUC look like in 3yrs, then 5 yrs?"  
**(ACTION: AW (prepare workshop docs) & Board)**

#### **Risk Register (APUC/09/2017)**

- 55 AW provided comment on the key changes, highlighting the new risk relating to GDPR.
- 56 DM suggested adding a risk to cover possible loss of staff due to pay levels versus market. **(ACTION: AW)**

#### **Reserves Policy and deferrals update (APUC/10/2017)**

- 57 AW presented the paper APUC/10/2017 that contained updates following recommendation from the last Board meeting.
- 58 Chair noted that 3-6 months' reserves were included to enable a managed wind up.
- 59 MF suggested that reserves should be monitored and reported in the financial report.  
**(ACTION: EM)**
- 60 MF asked that it should be noted that level of reserves is a live issue with SFC due to the SG's views on excess funds held in reserve.
- 61 AW concluded by noting that the range of funds to cover 3-6 month is approximately £590k to £1.2m and that current reserves are just below this range (but were just above it before InfoSec was formed) but are expected to be just above the minimum after year end.

## **IS Catalyst 36 Month Milestone Report (APUC/11/2017)**

- 62 AW explained that there was a commitment to prepare a report after 36 month of the program and the report was for information purposes.
- 63 MF noted that the Catalyst ends next year and that a discussion is needed to determine what happens next. AW agreed and stated that the current resource is one person plus some flexible resources and a decision was required on how to shape this activity going forward – this decision being within scope of the Strategy workshop in August and for dialogue with the IS community across the sectors.

## **Brexit Update**

- 64 Chair suggested that there was nothing further to discuss on Brexit at this stage.

## **Any Other Business**

- 65 Chair advised that a date would be set for the Remuneration Committee to meet in July.
- 66 There being no further business, the meeting closed at 16:35.

## **Date of Next Meeting**

- 67 The next Board meeting will be held on 22 August 2017 at Borders College with the Strategy meeting taking place on 21 August.