

Minutes of APUC Board Meeting held at 15:15 p.m. on Thursday 23 May 2019 at APUC, Stirling.

Present

Jim McGeorge (Chair)	University of Dundee
David Beattie (DB)	University of Aberdeen
Sheena Stewart (SS)	Abertay University
Janet Thomson (JT)	Glasgow Clyde College
Pete Smith (PS)	North East Scotland College
Douglas MacKellar (DM)	Independent
Fiona Gavine (FG)	Independent
Angus Warren (AW)	APUC Ltd (Chief Executive)

In attendance

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

Welcome

- 1 The Chair thanked everyone for attending and noted that there were no apologies for absence.
- 2 There followed a brief discussion following the Risk Management Workshop held immediately prior to the Board meeting and presented by Chris MacLean, University of Edinburgh. It was agreed that a multi-level risk register format similar to that presented should be adopted and held in spreadsheet format with the highest 8-10 risks appearing on a strategic level tab within the spreadsheet. This should be done in time for the Audit Committee in October. (**ACTION: AW/MC**)

Minutes of Previous Board Meeting

- 3 The minutes of the 18 February 2019 Board meeting were approved as an accurate record of the meeting.

Matters Arising: APUC/04/2019

- 4 All Matters Arising from the previous Board meeting had been actioned or scheduled as outlined in paper APUC/04/2019.
- 5 AW noted that item 53 (to replace Stuart Paterson and Carol Turnbull as directors) was work in progress and should be completed early summer. (**ACTION: AW**)

At this point, the finance report was moved forward on the agenda and EM joined the meeting.

Financial Management Report: APUC/05/2019

- 6 EM asked the Board for approval of the wording of paragraph 13 regarding the pension guarantee which was an action from the previous Board meeting.
- 7 DB asked what would happen in the event that the £640k sum was insufficient to cover future pension requirements and AW advised that it was a 'buffer zone' of cash that had been previously agreed by the guarantors.
- 8 DB also asked how the guarantors would be aware of their liability and EM explained that there was currently a £143k liability noted in the (FRS102) accounts separately to the £640k guarantee buffer and that the level of the buffer needed to be viewed in that context.
- 9 JT suggested that a separate note explaining this would be helpful to set out in more detail the relationship between the figures. After some discussion, it was agreed that this explanatory narrative should be included in the annual accounts to ensure that the approach being taken by the Board was clearly stated. **(ACTION: EM)**
- 10 FG enquired about the £126k staff salary costs increase in paragraph 11 and EM explained that it was due to HEFESTIS and other new shared service staff who were not in the original budget set in 2018. It was noted that there were compensatory increases in income
- 11 Members suggested that if any item of expenditure is more than 10% above budget, there should be an explanatory note included in the report by way of clarification. This was agreed. **(ACTION: EM)**
- 12 DB asked when the Board has visibility of the budget for next year and AW noted that the current one was set in 2018 for a 2-year period and that it would therefore be fully revised again next year for the Funding Consultation process for the 2020/21 year onwards. AW advised that an updated version of the budget for the second year of the funding allocation, but within the agreed budget parameters, would be produced in July and it was intended to share this with the Board as per past practice, with Board reporting throughout the 2019/20 year then being based on that.
- 13 Chair confirmed this would be circulated to the Board and DB suggested that a 'one page' summary of risks / general narrative accompanying it would be helpful. This was agreed by all as being useful **(ACTION: AW/EM)**
- 14 Chair thanked EM for her report and she left the meeting.

Summary Report: APUC/05/2019

General Update

AW gave the following updates on the Summary Report:

- 15 Collaborative spend is now at 46% (circa £304m) and this figure is more accurate now due to data source matching / verification functionality in Hunter.
- 16 The new PCIP round is now in progress, with larger universities generally being assessed first. It will largely be concluded by the end of the calendar year.

- 17 APUC now has Cyber Essentials certification and is exploring obtaining Cyber Essential Plus by the end of June 2019 (the standards being more or less the same but with Plus adding more testing of arrangements in place).
- 18 Chair noted that certification was a good achievement by the team.

Procurement Reform Bill and New EU Directives

- 19 AW explained that, as per Scottish Government SPPN (01/2018), all Annual Procurement Reports were to be submitted within 4 months of the end of the public body's financial year (so by end of November 2018 for the HE/FE sector). The HE/FE sector managed to submit the majority of reports due by the end of November 2018, with just a few missing, mainly due to the timing of governance approval processes.

Health and Safety

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

Operational Procurement

- 21 AW advised that there are currently 172 collaborative agreements available to stakeholders and that the Responsible Procurement Action Plan was now in place.

Institutional Procurement Shared Service Update

AW advised that more resources have been put into the University of Edinburgh, with a member of the eSolutions team providing systems support. ***Progress of the Scottish Government's ePS Projects***

- 22 AW informed the Board that APUC was surveying the Sector to determine the level of adoption of, and plans for, eInvoicing.
- 23 DB asked if the lack of adoption of eInvoicing across the sector so far was a concern. AW noted that people were being cautious as the public procurement rules might change after Brexit (and then may not require it). If necessary, support for eInvoicing would be prioritised over Gateway implementations.

Supply Chain Management Trainee Program

- 24 AW advised that the fourth round of graduates has now completed training and that two have been deployed to support Heriot-Watt University and UHI (long term options have been identified for both after these placements). The third has moved to a permanent post at the University of Strathclyde. He also noted that the fifth round of graduates were now in place.
- 25 DM asked what the current APUC headcount was and AW advised that it is circa 75 FTE not including the HEFESTIS staff.

APUC Charity of the Year

- 26 AW advised that £1,700 had been raised to support the Scottish Association for Mental Health and that APUC had raised over £8,000 for charities since 2016.

UCSS Collaboration Catalyst

- 27 AW informed the Board that the Chair of SAUDE had been contacted as to whether there would be interest from SAUDE in attending the Universities and Colleges Collaboration Strategy Group (UCCSG) to develop shared service opportunities within Estates.
- 28 He added that high level discussion documents on Potential Shared Services for Project Management, Business Improvement and Web/SharePoint Development will be discussed at the UCCSG and distributed to relevant stakeholders within the sector.
- 29 JT asked who these proposals will be distributed to and AW advised that SUFDG, UHR-S, US Secretaries Group, CDN-FDs (which also generally includes VPCS), CDN-HR, and HEIDS and SCIL would be sent the information.
- 30 SS enquired if there would be a formal review of the IS shared services delivery and AW advised that it will be discussed in the HEFESTIS Board. It was noted that they do already have client satisfaction survey tools in place.
- 31 Standardised look and feel marketing materials have now been produced for the shared services in place.

2018 – 2022 APUC Strategy Update

- 32 AW gave a brief explanation of the main changes in the Strategy document as follows:
- Section 1.4:
The increase in Cat B collaboration has absorbed much of the potential for the less optimal C1 collaborations. It is proposed this item is removed from the strategy, but that category teams still operationally support C1 collaboration where appropriate.
 - Section 2.1:
Suppliers to be re-prioritised with an increased focus on climate change. Suppliers re-assessed by end December 2019 and the top 100 prioritised collaborative suppliers integrated into the Sustain continuous improvement process by end of December 2020. Some push-back from suppliers has limited APUC's ability to assess the impact of sustainability initiatives – issues with the current Sustain process have been addressed in a revised approach being implemented this summer.
- 33 MF noted, with reference to section 4.1, that APUC has done wonderful work for the sector but re-iterated the importance of, and the need for continued focus on, supplier / contract management which could add real value
- 34 DM stated that he was comfortable with the 'direction of travel' that contract management is on and that it is being addressed. He added that there is still work to be done, but progress is being made. DM further commented that APUC should resource contract management to a level that will make a difference.
- 35 AW suggested that an update of the status / tools in use / planned could be made at the next Board meeting in August and noted that limited resource restricts to an extent how much can be done, with APUC being the most leanly resourced Centre of Procurement Expertise by some margin. The Board agreed this would be useful. **(ACTION: AW)**

- 36 The Board agreed to the changes proposed in the paper provided, with the strategy to be updated accordingly. **(ACTION: AW)**

Brexit impact

- 37 AW advised that both Governments have cut back resources assigned to Brexit due the current political impasse and associated lack of certainty. APUC continues to actively monitor the situation.

HMRC Update

- 38 AW provided an update to the Board on discussions with HMRC.

USEEC and RUGS Update

- 39 AW advised that USEEC (formerly USET) has a new chair, Craig Mahoney, the Principal & Vice Chancellor from UWS, replacing Ian Diamond.
- 40 AW advised that RUGS were working on proposals for environmental and ethical targets for consideration by University Principals.

Any Other Business

- 41 There being no further business, the meeting closed at 16:15.

Date of Next Meeting

- 42 The next Board meeting will be held on Wednesday 21 August 2019 at the City of Glasgow College, Cathedral Street, Glasgow.