

Minutes of APUC Board Meeting held at 10.30 a.m. on Thursday 19 July 2012 at Scotland's Colleges, Stirling

Present

Nigel Paul	University of Edinburgh (Chairman)
Alan Williamson	Jewel & Esk College
John Doyle	Coatbridge College
Douglas MacKellar	Independent
David Ross	Independent
Stuart Paterson	Independent
Angus Warren	APUC Ltd (Chief Executive)

In attendance

Martin Fairbairn	Scottish Funding Council
Elizabeth McFarlane	APUC Ltd (by telephone for Agenda Item 5 only)
Michael Caithness	APUC Ltd

Welcome and Apologies

- 1 Apologies were received from Pat Briggs, Irene Bews and Andrew Haddon.
- 2 The Chairman welcomed the Board members and thanked them for attending.

Minutes of Previous Board Meeting

- 3 The minutes of the 2 May 2012 Board meeting were approved as an accurate record of the meeting.

Matters Arising: APUC/11/2012

- 4 All matters arising from the previous Board meeting had been actioned or were in progress and the position was as outlined in paper APUC/11/2012.
- 5 Alan Williamson suggested that any of the national UK banks would be suitable for APUC funds to be lodged and that final follow up on the action would occur shortly.

Summary Report: APUC/12/2012

General update

- 6 Angus talked through highlights of the Summary Report (APUC/12/2012) noting the key points as follows:
- Number of member institutions remains the same at 60
 - 2-3 further associate members may be joining soon.
 - College mergers will reduce the number of members in future
 - There are 131 contracts available to the sector, 30 in progress, 4 scheduled and 15 in the research phase
 - eSolutions is now supporting 48 institutions on Pecos with West Highland College now live on PECOS and support all 60 institutions on their other activities.
- 7 He also informed the Board that the Strategic Plan, launched at the AGM, had been well received and supported by the sector.
- 8 Angus advised the Board that a shared services arrangement has been agreed with the UHI Partnership and that Amanda Campbell has been recruited to work with the College Services team supporting the Highland region. She will start work in mid-August and will be based in Inverness after initial induction training in Edinburgh. He noted that Orkney and Shetland Colleges, nor SAMS, will not be supported in this agreement.
- 9 Angus added that APUC also plans to recruit a permanent post to provide in-house procurement support for Forth Valley College.
- 10 Stuart Paterson noted that APUC was expanding beyond its core CoE role by committing resource to ground level procurement support and suggested that the company should look at how this situation might develop over the next 5 years. Nigel stated that this was recognised and in line with the Strategic Board Discussion (of January 2011) and that APUC was moving as expected and meeting institutions' expectations but noted that this would put more pressure on senior management and that resources would need to be managed carefully to ensure they were not stretched to thinly.
- 11 Angus added that different activities should be compartmentalised and accounted for separately and that control of these shared services to colleges will be the responsibility of a redefined / new role at senior procurement manager level. He also emphasised that APUC is responding to requests for assistance only and was not, and should not be seen to, be targeting expansion of this role into areas where appropriate resource already exists.
- 12 John Doyle suggested that, given the new mergers taking place, APUC should take steps to brief the new colleges on its role to ensure that the new

organisations fully understand the benefits that are provided. He also suggested that the APUC Chair should contact the new college boards to gather input on their requirements and expectations.

- 13 John emphasised that the primary role of colleges is education and not procurement and that APUC's role could change significantly as most colleges believe that procurement is best managed by APUC. Close engagement with colleges is key to understanding what is expected of APUC.
- 14 Martin Fairbairn offered to provide the Chair with a recommended list of contacts in the new merged organisations to allow dialogue to begin.
(ACTION: M. Fairbairn, N. Paul)
- 15 David Ross suggested that an overview of the shared service situation and expectation would be helpful for the next Board meeting. **(ACTION: A. Warren)**
- 16 Angus advised the Board that the BUFDG PPG HEPA continues to make progress and has selected the Scottish Public Sector Competencies Framework as the preferred backbone for staff development across the UK. APUC has developed a tool for job descriptions and this has been demonstrated to UK HE and it may be launched in September in Cardiff.
- 17 Angus also advised that APUC is continuing dialogue at a UK level, both working with colleagues across England through English National Purchasing (ENP), the wider UK through UKUPC and the Joint Contracting Group (includes English FE).
- 18 Angus updated the board on the pensions status noting that the comfort letter to the USS pension guarantor institutions was approved by all relevant parties and was signed in May.

Benefits

- 19 Angus informed the Board that the benefits statements were now agreed with virtually all institutions and that the figures have proven to be robust following a lengthy validation process.
- 20 Douglas MacKellar asked if the high value contracts could be listed first in the report annex and David Ross stressed that percentage uptake and total value should be the focus of activities for APUC.
- 21 Angus agreed and noted that to date APUC's primary focus had been to put contracts in place but the strategy is now to improve supplier and contract management including increasing contract usage and identify the reasons for low uptake.

- 22 There followed a discussion about SME collaboration in tendering for contracts to improve their competitiveness and the following points were made:
- Angus confirmed to the Board that APUC's contracts already encourage a consortia approach and that SMEs would strengthen their position by collaborating with other SMEs as appropriate.
 - David Ross suggested that APUC should explain its role to existing SME groups and Martin Fairbairn added that the SG has stressed the importance of SME in all of the public sector. Nigel suggested that SME education should be at the tender level and not as a generality – SG should be responsible for educating the SME community on access to public contracts.

College Support Services

- 23 Angus highlighted the key figures for the college services activity as follows:
- 33 contracts are completed
 - 33 contracts are in progress
 - 86 contracts are planned across 26 colleges
 - £330k cash saving achieved
 - £270k non-cash saving achieved
- 24 He advised the Board of the proposed new structure with a Head of College Services taking management control of the work stream [post Board Mtg note: Andrew Foulner now appointed].
- 25 Angus continued that APUC was providing guidance to the Edinburgh colleges as they progress through their merger activities. Alan Williamson told the Board that APUC was helping with advice on how to deal with existing college contracts after the colleges are merged and that APUC was working well on this support effort.
- 26 Angus added that SAC now have a new Head of Procurement and that APUC has offered to share project planning knowledge gained from involvement in other college mergers.

eSolutions Update

- 27 Angus advised the Board that the City of Glasgow College Pecos instance has now been reconfigured and user training completed and that Heriot-Watt was now being supported on its Parabilis installation.
- 28 John Doyle asked if there was a 'lessons learned' exercise for getting college mergers up and running and Angus said that the project plan that was developed for CoGC was now being used as a framework / template with minor tweaks to assist the Edinburgh Colleges merger. Nigel added that APUC should suggest usage of this methodology to all of the regional chairs as a possible starting point for their respective merger situations.
- 29 Angus notified the Board that Hunter has been demonstrated to the Collaborative Leads Group (Heads of Operational Procurement of all of the sectoral CoEs) and that they were interested, including the Scottish Government. He added that APUC resources may need to be reviewed, if appropriate, to cope with any support demands that may arise.
- 30 Stuart re-iterated his concern about demand on IT resources and stressed the need for forward planning to ensure that the implications are well understood.
- 31 Angus added that options were being considered, one of which is to allow a private provider to be licenced to develop the product and pay a royalty to APUC for its use. Stuart offered to assist in this analysis/decision process.
(ACTION: A. Warren, S. Paterson)

eS Integration Management

- 32 Angus informed the Board that the long term Pecos integration solution requires re-development and a degree of investment and that SG had agreed to the funding of these development costs. There is dialogue again within the Scottish Government re on-going funding of ongoing support of the various eSolutions tools and roll out of new features has been moved into next year.

PCA update

- 33 Angus informed the Board that a new improved version of the PCA is being implemented from late summer; it is comparable in overall scoring terms to the current version with no more than a 1% variation versus the 2011 version.
- 34 The University of Stirling, previously tested this year, has volunteered to be retested with the new version this summer.

- 35 David Ross asked if the outcomes would be published with institutional scores. Angus advised that each institution gets their own report, there is also a sector wide report with the scoring anonymised. Additionally, institutions had the option to make their scoring open to others who were willing to share their data – for those willing to do this, there will be a specific knowledge sharing workshop early in 2013 for the 2012 assessment phase, on the afternoon of the normal PCA outcomes workshop.

Financial Management Report: APUC/13/2012

- 36 Liz McFarlane joined the meeting by telephone and stated that there was not much change in the finances since the last Board report and highlighted the key points:
- COUP surplus may also be deferred until SCIO is incorporated
 - Angus advised that the £270k would be used primarily for trainee management funding and eTools roll out which has been delayed from this year.
- 37 Angus advised the Board that corporation tax liability will reduce due to more funds being devoted to eSolutions development.
- 38 Liz confirmed that the £600k pension guarantee is recorded as a creditor.
- 39 Martin queried the carry forward of £314k and Liz clarified the position.

Risk Register

- 40 Angus advised the Board that the Risk Register had been updated with a few new risks added and asked the Board if there were any comments.
- 41 Martin asked if a risk should be added to cover the lack of clarity re cost sharing group guidance and the difficulty in managing funds from one year into the next. **(ACTION: M. Caithness)**

Strategic Plan – Key Reporting Areas

- 42 Angus reminded the Board that the main objectives of the plan are to maximise the number of contracts available for the sector and to improve procurement capability and asked for the Board's view on whether or not the objectives should be prioritised differently.

- 43 Stuart suggested that objectives should be monitored based on timescales i.e. longer term review for longer term objectives.
- 44 John informed the Board that Coatbridge College's Board monitor 10 to 15 objectives and prioritise those with close-in timescales.
- 45 It was agreed that a list of priorities should be prepared for the Board's consideration. **(ACTION: A. Warren)**
- 46 Martin stressed that delivering savings and benefits should be the top priority and that the number of contracts should not be the sole driver but that uptake and savings should be key areas of focus. APUC should be ensuring that its activities are delivering expected levels of saving and benefits and working to understand if / why any contracts are not performing as expected. . He suggested that the Board should receive summary information covering:
- (a) The expected level of savings from the target number of contracts and targeted institutional uptake (relating to CC1 and CC2 in the strategic plan).
 - (b) The actual level of savings compared to plan (i.e. compared to (a) above).
 - (c) How the mix of current and planned contracts is optimal in order to achieve (a).
 - (d) The identification of contracts that are performing badly in comparison to their original savings targets plan, and the appropriate remedial action that is being taken (which could include cessation).
- 47 Angus agreed that something along these lines would be helpful and could be developed, although it was acknowledged that the Board has to avoid becoming involved in too great a level of operational detail.
- 48 Nigel suggested that the Board should look at different aspects of the planned activities at future meetings and not try to cover all aspects at each meeting. Angus was asked to look at how this could be done within the action above. **(ACTION: A. Warren)**

Update on ICT Developments

- 49 Angus explained that working groups set up by HEIDS are looking at various aspects of the McClelland ICT Report recommendations and that one area of attention is eLearning tools. APUC had a presence in each of these.
- 50 He added that efforts were in progress to renegotiate the arrangements with Blackboard but noting that Moodle, an open-source solution, while not directly comparable, is gaining in popularity quickly. John informed that transferring content from Blackboard to Moodle was the high cost or concern area and

asked if this might be done via outside contracts. Angus confirmed that a lot within an open source support tender was specifically included to cover this, this PIN notice had already been released on OJEU.

- 51 Nigel noted that SG was close to developing a national ICT Strategy.
- 52 The ICT programme was not making significant headway however as the work was having to be done by people that had institutional day jobs – the sectoral Board had therefore suggested that Alun Hughes (UHI & HEIDS) and Angus Warren draft a bid for funding for dedicated project management resource to move the agenda forward that could initially at least be hosted within APUC. Alun and Angus would meet in August to do this.

Any Other Business

- 53 The Chairman informed the Board that, in compliance with the APUC Governance Manual, the company is required to measure/assess the Board's performance. An invitation will be issued shortly to all Board members to complete a survey on their assessment of the performance of the Board.
(ACTION: M. Caithness)

Date of Next Meeting

- 54 It was agreed that the next Board meeting would be held on 25 October 2012 at APUC's Offices in Edinburgh where there would be a Meet the Board / Team session before the meeting.