

**Minutes of APUC Board Meeting held at 10.30 a.m. on Wednesday 2 May 2012
at the New Library, University of Aberdeen**

Present

Nigel Paul	University of Edinburgh (Chairman)
Irene Bews	University of Aberdeen
Jim Crooks	Elmwood College
Alan Williamson	Jewel & Esk 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 and John Doyle.
- 2 The Chairman welcomed the Board members and thanked Irene for hosting the meeting at Aberdeen.
- 3 The Chairman also informed the Board that Jim Crooks is standing down as a FE sector representative as Elmwood College will become an HE institution when the planned merger with SAC is completed. He expressed the Board's sincere thanks for Jim's valued contribution over the past three years and advised that Andrew Haddon, Principal Designate at Landside College will be taking his place on the Board from the date of the 2012 AGM.

Minutes of Previous Board Meeting

- 4 The minutes of the 12 January 2012 Board meeting were approved as an accurate record of the meeting.

Matters Arising: APUC/06/2012

- 5 All matters arising from the previous Board meeting had been actioned or were in progress and the position was as outlined in paper APUC/06/2012.

- 6 Angus informed the Board that he was meeting with Martin Fairbairn following the Board meeting to discuss the first two items in the Matters Arising paper. **(Action: A.Warren / M.Fairbairn)**
- 7 Irene referred to the last item in the paper and noted that where APUC currently had its funds, due to the ownership of Bank of Scotland, was as safe a bank as any. However, she advised that if the Board wished the funds to be spread across perhaps two banks, then both she and Alan Williamson could define a list of recommended safe banks that APUC could then select from on a commercial basis to split funds should that be required. **(Action: I.Bews / A.Williamson)**

Summary Report: APUC/07/2012

General update

- 8 Angus explained the highlights of the Summary Report (APUC/07/2012) noting that the number of collaborative contracts available to the sector is now 137 and in line with the target of 130 to 140 set for July 2012.
- 9 He informed the Board that dialogue is continuing with several institutions regarding the provision of APUC resource to support their operational procurement requirements.
- 10 Stuart Paterson asked how many APUC staff were already working in institutions as part of the institutional shared service arrangement - Angus advised as follows:
- Glasgow Caledonian University (1.5 FTE) and Glasgow School of Art (0.5 FTE) - support is already in place and working well.
 - CGC (0.5 FTE) - support is in place but more resource may be required
 - Forth Valley College have requested potential assistance and this would be 1.0 FTE
 - UHI could potentially also require 1.0 FTE
 - The institutions using this facility pay for the full employment costs for the service provided. This is very cost effective for the institutions and provides them with a high level of expertise at a shared service cost level.
 - Recruitment is challenging at present due to the premiums being paid for good procurement candidates by competitive organisations.
- 11 Angus explained the new UKUPC brand that has been set up to cover collaborative contracting carried out mainly by 6 HE regional purchasing consortia across the UK of which APUC is a partner.

- 12 He added that a new member of staff has been recruited to work on the data gathering exercise as part of the work with SULSA to put in place effective lab equipment maintenance contracts.
- 13 He added that APUC has continued to be involved at a UK level, with both involvement as observers and advisers for English National Purchasing (ENP) and in a new UK wide procurement staff development structure known as the HE Procurement Academy.
- 14 Angus added that the HE Academy was proceeding well and that a national HE procurement competency framework is likely to utilise the Scottish model documents. These would be linked to CIPS and NVQ levels and a national training programme will also be developed.
- 15 Angus also informed the Board that APUC has made submissions for CIPS awards against 5 categories and that one is a joint submission with the University of Aberdeen.

Benefits

- 16 Angus commented on the fact that savings were down this year due mainly to a short term gas contract being replaced by a similar one for which savings cannot be reported again even although they are still being enjoyed.

Strategic Category Workstream

- 17 Angus advised the Board that the Strategic Category workstream structures are now in place for ICT and Estates and that 1 new staff member has been recruited to work in this area. The primary focus for ICT for the coming period will be on the recommendations in the McClelland Report.
- 18 Nigel noted that a sector overview board will meet to develop the ICT strategy and Angus added that HEIDS was also evaluating options available in such areas as Blackboard, Moodle and data centres etc.

College Services

- 19 Angus highlighted the fact that College Service now have 21 projects completed with 39 in progress and a further 89 planned.

eSolutions

- 20 Angus informed the Board that the rollout of PECOS continues and that Parabilis is also being supported. Heriot-Watt is moving from PECOS to Parabilis, they had intended to use the new Scottish Government CCM tool but the delivery is later than estimated and so did not fit with the overall Oracle implementation timing for the rest of the project.

- 21 He added that PECOS V12.2 upgrades have been deployed successfully and that a further revision will be available later this year. It is planned to move the PECOS servers from Boston to Edinburgh by the middle of 2012.

Integration management

- 22 Angus commented that Amor are finding it difficult to offer continued integration support at current rates, APUC are in dialogue with them however over this. This has also been raised as a risk with the government service management team who are also in discussions with Amor on how to resolve it. APUC is investigating an alternative solution with JISC as a backup for our sector.

PCA update

- 23 Angus informed the Board that PCA preparatory work was under way with the institutions in order to help them get ready for the 2012 assessments. This approach has been well received by the institutions and it is expected to result in further progress towards the target of achieving 100% improved status by next year, although this will be a significant stretch for some institutions.
- 24 Alan commented that the progress of PCA improvements may be adversely affected by the merger activities and Angus suggested that the best approach might be to base the merged institution's procurement service on the best one from the PCA achievements but agreed that there could be a dip in performance as a result of the mergers.

Contract uptake Annex

- 25 There followed a discussion on how to maximise the usefulness of the information available to be included in the contract uptake spreadsheet and the following points were highlighted:
- The % uptake has dropped due to the number of new contracts added recently but overall the number of contracts utilised per institution continues to increase.
 - Martin stressed that the key parameter should be overall benefits and not necessarily level of contract uptake and Angus advised that detailed savings are already published to institutions.
 - Douglas MacKellar suggested that contract and supplier management is very important to maximising uptake and long term benefits.
 - Jim Crooks suggested that it might be useful to develop a correlation coefficient for saving against contract uptake to help the understanding.
 - David Ross felt that there was a danger of too much information clouding the actual savings achievable.

- Angus advised of the intention to develop a dashboard to show institutions the status of their PCA performance, contract usage etc. and that this would be driven from the Hunter database, the inputs above would be incorporated into this development.

Financial Management Report: APUC/08/2012

- 26 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.
- 27 Martin cautioned that the Government funding was getting tighter that they were finally getting round to accruals accounting and this could have impacts on accounting practice going forward.
- 28 David asked how APUC accounts for the secondments to institutions and Liz confirmed that the salary cost is offset against expenditure.
- 29 The Chairman stated that the costs should be grossed up as a service provision and the Board agreed. **(Action: E.McFarlane)**
- 30 David queried the expenditure increases in July and October and Liz committed to investigate and email a clarification to David. **(Action: E.McFarlane)**
- 31 Alan asked about the status of the balance of the “EDAM” grant and Liz said that £20k was due in July.
- 32 David expressed concern that APUC should ensure that it has adequate resources and maximise the utilisation of available funds and Angus added that the 2 new recruits mentioned previously brought APUC back to full strength. He also noted that the City of Glasgow College is under resourced and that further staff may need to be recruited to fulfil its requirements. He also stated that recruiting competent procurement staff on short term contracts was very difficult at present.

Strategic Plan

- 33 The Chairman introduced the Strategic Plan and stated that it needs to be formally approved by the Board. Angus informed the Board that the plan already incorporated inputs from the Procurement Strategy Groups as well as the inputs received to date from the Board.
- 34 The Chairman also asked what the up-to ten key deliverables to be regularly monitored by the Board should be.
- 35 Douglas said that he thought the plan was excellent and asked for the inclusion of contract/supplier management. Angus agreed that the inclusion

of contract/supplier management would be beneficial added that tools were already in place to do this but the challenge was getting people to use them and that it could be done with the help of some lead institutions.

- 36 The Chairman also informed the Board that the HE/FE sectors have established a strategic ICT initiative – from this there may be a proposal to create an initial shared service team to move the agenda forward that could potentially be based within APUC under the UCSS brand.
- 37 The Board supported this development but cautioned that we should not underestimate the difficulty in expanding services into other areas and that suitable management time should be devoted to working on how APUC could/should develop in these areas and how it would be resourced and funded.
- 38 Irene highlighted the increased focus of social and environmental performance in the supply chain and asked for our approach to sustainable procurement supply chain audits to be included in the plan as this is high on the student population's agenda.
- 39 Angus agreed that a strategy to prioritise and where applicable conduct periodic supplier audits was required and would be added to the plan.
- 40 With reference to regular reporting, the Chairman suggested that contract coverage and contract usage should (continue to) be reported. It was agreed the Board should consider the other key areas where regular reporting back is required on and conclude before or at the next meeting (**Action: Board**).
- 41 The Board agreed the Strategic Plan subject to Activity items being added to cover supplier / contract management and the supply chain sustainability audit strategy (**Action: A.Warren to update Strategic Plan as per above then publish this as appropriate**)

HE/FE Procurement Staff Development Fund: APUC/09/2012

- 42 Angus reminded the Board that approximately £125k of the surplus from COUP2011 was to be used for sector procurement training and advised that the funds would be held in a charitable body called a Scottish Charitable Incorporated Organisation (SCIO). Volunteers from the sector have been signed up as trustees of the fund.

The Board approved the setting up of the SCIO and the use of the funds as proposed. (**Action: A.Warren to proceed with formation of the SCIO**)

PCA Report: APUC/10/2012

- 43 Angus gave the Board a brief update on the status of the PCA process and noted another good year of progress with the education sector performing very.
- 44 He added that there were several institutions on the cusp of the Superior area.

Procurement Training Scheme

- 45 Angus explained that the current challenges in recruiting good procurement staff have prompted APUC to develop its own solution of growing its own over recent years. It is important as a CoE that APUC continues to develop its staff.
- 46 The proposed plan is to recruit people to work in APUC and institutions over a period of 18 months to 2 years to allow the development of competent experienced staff with them spending time working in a variety of relevant areas for several months at a time. This would consist of “on the job” training that would eventually lead to the people being able to take up work either in APUC or in an institutional procurement team. The proposal was also discussed at the PSG-U meeting the previous week and was given unanimous support (due to be discussed at PSG-C on 4/5/12).
- 47 This would be seen as a major tool to support the increase in capability across the sectors.
- 48 Posts would be advertised through institutions’ careers offices and fixed term contracts would be initially offered to suitable candidates.

The Board approved and fully supported this approach.

AGM

- 49 Angus reminded the Board that the AGM will be held on 22 May in Dundee. He said that a programme was in preparation and invited the Board to offer any further suggestions for the agenda if appropriate.

Any Other Business

- 50 The Chairman raised the topic of the annual pay round and Angus advised the Board that there were significant external salary pressures from the wider market and other public bodies. Angus noted that recruitment was becoming more challenging but that he was unwilling to offer inflated rates to new starts

as this would disadvantage existing hard working staff. It was noted that APUC's salary increases over the past few years were lower than the university sector (it is more difficult to benchmark versus the college sector as collective bargaining does not apply in colleges). APUC needs to be conscious however of the impacts of funding cuts particularly across the college sector and the resulting sensitivities.

- 51 Board members noted that automatic incremental increases which were the norm in much of the public sector (so public sector pay-freezes were not quite as frozen as they first appear !) and indeed the university and college sectors, were not in place in APUC so we should bear that in mind when considering the awards to staff. APUC's standard nominal working week is slightly longer than average and options around this could be explored as part of the review.

The Board suggested appropriate flexibility in the approach in this area and actioned the Chairman and A.Warren to discuss this further and establish an approach for the 2012/13 year, taking into consideration the relevant sensitivities **(Action: N.Paul / A.Warren)**

- 52 Angus informed the Board about the forthcoming event called by Alex Neil MSP at the end of May to discuss procurement performance at which representatives from heads of procurement in the public sector have been invited to attend. APUC and other CoEs will support the minister on the stage. Details of the subject matter have not been released yet.

Date of Next Meeting

- 53 It was agreed that the next Board meeting would be held on 19 July 2012 at a venue to be confirmed.