

Minutes of APUC Board meeting held at 10 a.m. on Wednesday 4 July 2007 at 9 Sighthill Court, Edinburgh

Present

Brian Baverstock	APUC Ltd
Gavin Macdonald	Stow College, Chair
Susan Fox	Forth Valley College
John Gordon	University of Stirling

In attendance

Douglas Bell	APUC Ltd
Frank Rowell	APUC Ltd
Hugh Ross	APUC Ltd

Welcome and Apologies

- 1 The Chair, opened the meeting and thanked members for attending. Apologies were received from Nigel Paul, Steve Cannon, and Alan Williamson. Nigel Paul had provided comments on the various papers.

Minutes of Previous Board Meeting

- 2 The minutes of the 30 May 2007 Board meeting were approved as an accurate record of the meeting.

Matters Arising

- 3 Brian Baverstock reported that an advert placed in the Herald, the Scotsman and Scotland on Sunday had produced 26 applications for the Non-Executive Director vacancies on the Board. This figure was expected to increase as the closing date for receipt of applications was 13 July. [The final figure was actually 96]

- 4 It was agreed that a sub-group (Gavin Macdonald, Nigel Paul, Brian Baverstock) of the Board would be delegated responsibility to take forward the recruitment process. Brian Baverstock undertook to draw-up and circulate a timetable for the selection process and to establish the selection criteria by e-mail with the other members of sub-group.
- 5 The Board was informed that, since the last meeting, three Group Heads – Douglas Bell, Frank Rowell and Lynn Peterson – had been approved to countersign company cheques above £1,000 with the Chief Executive. New banking arrangements had been put in place with the Bank of Scotland. The Board was content with these arrangements.
- 6 At the last Board meeting the Chief Executive had offered to produce a substantive paper on Board procedures and delegated authority. However, upon reflection it was considered more appropriate for these issues to be covered in the Corporate Governance Manual. A paper, APUC/05/2007, had been prepared on the contents of the Manual for consideration by the Board as Agenda Item 3.
- 7 Membership of the Advanced Procurement Programme (APP) Steering Group had been finalised since the last Board meeting. The Steering Group will consist of 15 members, 6 of whom will be from the HE sector and 3 from the FE sector. The majority of the Group will be procurement professionals.
- 8 In regard to the pension arrangements for APUC employees, John Gordon reported that, following the last Board meeting, he had written to his fellow university Finance Directors and three had responded stating that their institutions would be willing in principle to provide guarantees. Responses from other institutions were awaited. Brian Baverstock advised the Board that it had been established that FE colleges can not provide guarantees without the approval of the Scottish Funding Council (SFC). He was pursuing this matter with the SFC. The University Superannuation Scheme Management Committee was unable to consider this matter at its June meeting but it was hoped that approval might be granted at the next meeting in September. If this were to happen, membership would be backdated.

Corporate Governance Manual: APUC/05/2007

- 9 This paper set out the proposed contents of a Corporate Governance Manual for APUC. The Board endorsed the planned approach, subject to additional Chapters on Risk Management and Audit and Finance being included in the Manual.
- 10 There was considerable discussion about the proposed Chapter on a Memorandum of Understanding (MOU). The debate centred on whether the document defining the relationship between APUC and its member institutions should be a MOU, a Members Agreement or a Service Level Agreement. Indeed, the Chair mentioned that Nigel Paul had indicated that there could be merit in institutions having formal contracts in place with APUC Ltd.
- 11 APUC's legal advice was that what was needed to ensure success was corporate commitment from both partners (APUC and institutions) not necessarily a legally binding agreement. In light of the discussion, it was agreed that a Members' Agreement should be drafted on the basis of further legal advice and progressed initially through the APP Steering Group before returning to the Board for approval.
- 12 John Gordon suggested that, instead of stating what functions should be delegated by the Board, the Chapter on delegated authority should focus on defining what functions should be retained by the Board with everything else being delegated to the Executive. Moray College have produced a model document along these lines which has been adopted by colleges in the FE sector. The Chair undertook to forward a copy of this document to APUC's Chief Executive so that this approach could be explored.
- 13 It was agreed that those sections of the Manual that have been drafted by the time of the next Board meeting should be submitted to the Board for consideration.

Programme Update: APUC/06/2007

- 14 A Gantt Chart was included as an Annex to the paper. The Board had found the summary project plan difficult to follow and found the Gantt Chart much easier to "digest".
- 15 In respect to a question of ePS, Brian Baverstock drew attention to the fact that the business plan focused on the implementation of ePS

into large institutions with small institutions (colleges) scheduled for 2009-2010. However, it was recognised that efforts should be made to enable early access to ePS for all institutions and plans were being developed to achieve this. These plans were welcomed by the Board.

- 16 There was recognition amongst both Directors and officials that improvements were needed in the ePS engagement process.
- 17 Frank Rowell, the Head of Collaborative Procurement, reported that there was potential for £400,000 worth of savings from collaborative procurement in the current financial year. His team was committed to achieving this target. In response to a question about what was happening to the commodity analysis information which universities and colleges had supplied to APUC, he said that this information was still being assessed. It had originally been hoped that institutions would have had feedback in May/June but the volume of data involved and the task of validating it was enormous. The results of the analysis would be made available to institutions as soon as the task was completed.
- 18 Mr Rowell also mentioned that APUC was currently trying to identify the role it could play in helping colleges with the procurement elements of major estates redevelopment. Assistance is being provided to South Lanarkshire College and Jewel and Esk Valley College and it was proposed that a business case for additional funding to support this activity should go to the Scottish Funding Council. At the Board's request, the Chief Executive agreed to produce a note on the work it was undertaking in South Lanarkshire and on similar work it was carrying out at Jewel & Esk Valley College.
- 19 It was explained to the Board that the role of the APP Steering Group was to provide advice to the Chief Executive to ensure that the programme was optimising the benefits to institutions. It would also provide a gateway review mechanism to judge whether the programme is meeting the milestones that have been set out. Attempts would be made to schedule the dates for Steering Group meetings ahead of Board meetings so that the Group could produce reports to keep the Board updated on progress.

Membership of APUC: APUC/07/2007

- 20 This paper invited the Board to consider how and when to take steps to increase APUC's membership and the related issues of producing a

Members Agreement and the revision of APUC's Articles of Association to more accurately reflect the company's position.

- 21 In a discussion it was agreed that there was little point in holding an AGM, or indeed a general meeting of APUC's members when member numbers were low as the majority of universities and colleges who were not yet members would be excluded from such a meeting. Instead, it was considered sensible to hold a less formal meeting/conference in November which members and potential members could attend. This event would provide a useful forum to encourage institutions to formally sign-up as members, it would also provide an opportunity to update institutions on the progress.
- 22 As a precursor to this event, a Members Agreement had to be drawn up and approved by the Board after being scrutinised by the APP Steering Group. Once the Board's approval is obtained, the Chief Executive will write to potential members to invite them to sign-up. He undertook to let the Directors have sight of this letter before it is sent out.
- 23 The Board accepted that it was desirable for APUC's Memorandum and Articles of Association to be revised and formalised by the current members. However, it was felt that because major changes to the Memorandum and Articles of all companies were being introduced next year by the Companies Act 2006 that it might be better to limit changes at the present time to those that must be made now and to make more substantive changes when the Companies Act changes become effective.

Strategic Plan Update; APUC/08/2007

- 24 An addendum to the Strategic Plan Update paper APUC/08/2007, summarising the feedback which APUC had received from universities and colleges at the Strategic Planning Workshops held on 26, 27 and 28 June was tabled.
- 25 A total of 39 institutions had been represented at the consultation workshops and positive feedback had been received about APUC and the benefits that would accrue to the institutions. It was recognised that the benefits would be dependent not only on APUC negotiating appropriate contracts but also on the ability and willingness of institutions to commit the resources that were needed to ensure successful outcomes.

- 26 The need for training was also emphasised, particularly when institutions don't have a dedicated procurement resource. It was agreed that this issue needed to be addressed.
- 27 Colleges were particularly well represented at the workshops held in Dundee and Glasgow and less well so at the Edinburgh event where there appeared to still be some resistance to change from a minority of the attendees. The importance of the relationship between colleges and local SME suppliers was mentioned at each of the workshops. This was said to be particularly true in rural environments. It was recognised that most of such supplies were likely to arise amongst Category C commodities.
- 28 The Board suggested that the draft Strategic Plan should be tested through discussion at the APP Steering Group, which contained senior sector representatives from all key functional areas. The Board was content with the progress that had been made to date on this matter.

Any Other Business

- 29 In response to a suggestion from John Gordon, it was agreed that Budget and Management Accounts should be produced and presented at the next Board meeting.

Date of Next Meeting

- 30 It was not possible to firm up a date for the next meeting because a number of Directors were absent. However, a meeting was subsequently arranged for 18 September 2007.