Minutes of APUC Board Meeting held at 10:45 a.m. on Thursday 11 April 2013 at APUC, 14 New Mart Road, Edinburgh

Present

Nigel Paul	University of Edinburgh (Chair)
Andrew Haddon	Langside College
John Doyle	Coatbridge College
Irene Bews	University of Aberdeen
David Ross	Independent
Alan Williamson	Edinburgh College
Angus Warren	APUC Ltd (Chief Executive)

In attendance

Elizabeth McFarlane	APUC Ltd
	(for Agenda Items 5 only)
Michael Caithness	APUC Ltd
Claire Skinner	APUC Ltd
Martin Fairbairn	SFC

Welcome and Apologies

1   Apologies were received from Pat Briggs, Douglas MacKellar and Stuart Paterson.

2   The Chair welcomed the directors and Claire Skinner (CS) who was attending to present a Strategic Plan Review on Collaborative Contracting.

Minutes of Previous Board Meeting

3   The minutes of the 24 January 2013 Board meeting were approved as an accurate record of the meeting.

Matters Arising: APUC/07/2013

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/07/2013.

5   Angus Warren (AW) advised the Board that a change to the Memorandum of Association (Action 34) will be put forward for approval at the forthcoming AGM. This is a wording change necessitated by the company's change to mutual status.

6   David Ross (DR) asked if the wording had been vetted by a legal expert and AW informed the Board that Cheine and Tait, who proposed the wording" had experience of this type of document change. It was agreed however to check with our lawyers and report back to the Board. **(ACTION: A.Warren)**

7   AW explained the nominal cost distribution approach being defined based on the realistic distribution of service costs aligned to actual delivery. This means splitting the HE income equally across all 18 HEIs and splitting FE costs proportionally based on spend. The Board agreed this was the appropriate approach.

8   Please see Banking Strategy (Action 32), in Financial section below.

Summary Report: APUC/08/2013

High level summary

9   AW gave an overview of the information contained in the Summary Report (APUC/08/2013) and highlighted the main points as follows:

- The average number of collaborative contracts in use by institutions is 55
- Savings attributable to collaborative contract usage is £14.7m but this could be more when final data is validated
- 55 institutions are being supported on procurement etools
- Sector PCA scores are continuing to improve

General update

10   AW advised the Board that discussions had taken place regarding the Lanarkshire Colleges Federation potentially obtaining a shared professional procurement resource and a meeting was scheduled for mid April to move this forward.

11   AW informed the Board that he and the Chair had made a presentation to the Colleges Regional Leads Group and that it had been very well received. The Regional Leads indicated that they would like to continue to work with APUC on various agendas going forward.

12   AW advised that the sustainable supply chain project was progressing well and that the website had been updated to reflect these developments. The code of conduct was now fully agreed and published on line.

13   The Chair reported that he had attended the first meeting of the Procurement UK Board and that the group had set some early areas of focus with much of

that based on changes to HE procurement in England. It was a very constructive meeting and the first advisory group is due to meet on 23 April and will be attended by AW.

14   AW advised that the HPDF charity had made its first tranche of awards and was inviting applications for the second round. The fund activities will not be included in the summary report again as it is an independent organisation and not related to APUC's business activities.

Procurement Reform Bill

15   AW reported that the Procurement Reform Bill was still causing concern for the sector despite the fact some of the original issues had been removed. He noted that less stringent rules that would soon apply in England would put Scottish HE/FE at a significant disadvantage. The Reform Bill could result in significant additional bureaucratic demands on resources. Dialogue would continue to make progress on this matter. **(ACTION: A.Warren)**

ICT Shared Services Catalyst (ISSC)

16   AW advised the Board that the bid discussed at the last Board meeting, submitted in partnership with the Sectors ICT Oversight Board to obtain funding to create an ISSC has been awarded part funding by the Scottish Government. The bid is now with the SFC for consideration for the remaining required funding. The Scottish Government funding is conditional on SFC funding also being provided.

17   The Chair noted that Gordon Paterson (Clydebank) and Sir Tim O'Shea (Edinburgh) were leading the Sectors ICT Oversight Board.

18   John Doyle (JD) stressed that the requirements for the college sector will be constantly developing over the coming period and Andrew Haddon (AH) added that there was a need for a strategic approach to defining how data should flow across boundaries and where the responsibilities for it should lie.

19   Martin Fairbairn (MF) confirmed that APUC's role, if funding is awarded, will be to host the project investigatory and implementation activities that are the subject of the bid.

Operational Procurement (OP) – Collaborative Contracts

20   CS gave an overview of the Collaborative Contracting status noting the following highlights:

- There are currently 139 collaborative contracts available to the sector
- Potential value of these contracts is £351.7m
- There are a further 28 contracts in progress with 4 scheduled and 29 in the research phase

21   CS advised that the Estates and ICT category strategies have been issued to relevant groups for final comment.

22   CS added that the initial phase of the laboratories EDAM project finishes in April and that the database of lab equipment is now up and running.

23   CS also advised the Board that the Contracting Workshop held in January was well attended by institutional representatives and it was a very informative event. Contracts were "categorised" to enable resources to be focussed on areas where usage and spend could be increased and optimised.

24   CS then gave an update of College Services activities as follows:

- Completed 22 contracts across 9 colleges

- In progress 35 contracts across 17 colleges

- Planned 75 contracts across 25 colleges

- Cash savings of £905k / Non-cash savings of £121k

eSolutions update

25   AW gave an update of the status of eSolutions noting that Hunter is now rolled out to 17 institutions in Scotland and that the Scottish Government (SG) is now considering it as part of its long term plans.

26   JD enquired how the cost of Hunter compared to other solutions on the market and AW stated that it was difficult to make meaningful comparisons because Hunter's feature set is unique. AW added that Hunter replaces spread sheets for data gathering, analysis and reporting in most current applications.

Procurement Capability Assessment

27   AW informed the Board that the PCA schedule for 2012 was now complete with another year of steady improvements across the sector, adding that "high performers" will be exempt from testing in the 2013 round.

Shared Services

28   Alan Williamson (AWi) suggested that information should be added to the summary report to show how many institutions were using shared services provided by APUC and AW confirmed that there are currently 16. **(ACTION: A.Warren)**

Financial Management Report: APUC/09/2013

29   Elizabeth McFarlane (EM) highlighted the main features detailed in the Financial Management Report (APUC/09/2013) that included a summary of the actual income and expenditure for the period to February 2013 compared to the approved budget; the forecast outturn for 2012 - 13; the forecast balance sheet for the year ending 31 July 2013 and the cash profile for 2012-13.

30   In response to a question from DR, EM confirmed that shared services were accounted for in "other income".

31   AWi suggested that budgets should be changed to adapt to the varying situation to avoid continually reporting variations etc. AW confirmed that the 2013/14 budget would be updated to provide for this and that it would be issued within the next two weeks to the Board. **(ACTION: A.Warren)**

32   The Board noted the contents of the Financial Management Report.

33   AW reminded the Board that the "banking strategy" had been updated to reflect changes discussed at the last board.

34   DR asked if APUC only uses one bank, noting that £1m is perhaps a lot to have in one account and AW suggested that this could be reviewed if the banking market changes (i.e. if HBOS changes ownership etc.).

35   AW noted that the changes to the Banking Strategy (Action 32 from last meeting), as suggested at the last Board meeting, had been completed and after presentation by EM, the Board approved the changes.

Strategic Plan Review 2 – Collaborative Contracting

36   CS distributed a hard copy of a slide presentation to the Board members.

37   CS went on to explain the first 2 slides containing a diagram of the various functions of Operational Procurement and an overview of the team and how they are deployed.

38   CS re-iterated some of the information given in the summary report and explained that category strategies for Estates (Andy Anderson) and ICT (Alan Doyle (AD)) were with SAUDE and HEIDS respectively for final stage comment.

39   CS added that category based approaches will also be put in place for Laboratories (Brian Dearden), HR (Anne Martin) and Libraries (Michael McLaughlin).

40   The Chair asked if AD was linked in to the activities of the Swan programme and National Digital Research Centre and AW confirmed that AD works closely with these groups.

41   CS gave a detailed explanation of the "contract classification structure" that was developed at the contracting workshop in January and that has subsequently been applied to all existing contracts.

42   CS added that the follow-on charts showed spend by classification and category respectively.

43   Irene Bews (IB) noted that the majority of contract spend was in Estates, HR, ICT and Labs and that Estates comprised around 50% of the total spend.

44   AW stressed that classifying the contracts helps to focus the resource effort more effectively.

45   CS went on to explain the slide on e-Tools such as Hunter, PCS-T and Award noting that APUC has to date trained 81 users in PCS-T and has also made constructive inputs to the development of the SG PQQ/ITT templates.

46   CS added that the e-Evaluation portal "Award" has superior features to the basic PCS-T offering (which it works off) and that APUC has taken 30 licences to date.

47   CS gave an overview of stakeholder engagement activities noting that all universities (except UHI) will have been visited by Operational Procurement and eSolutions Heads by May 2013. It had been more difficult to arrange visits with Colleges due to the pressure of mergers but college visits had now commenced.

48   CS updated the Board on other bodies such as Collaborative Leads Group, Joint Contract Group, and Operational Reform Group on which APUC has representation. APUC is also involved in collaboration with SG on eTools/Templates standardisation.

49   CS concluded her presentation by giving an overview of Compliance noting that there have been significant developments in APUC's commitment to Sustainable Procurement.

50   DR congratulated all concerned in the progress of Operational Procurement to date and requested an electronic copy of the presentation. **(ACTION: M.Caithness)**

51   The Chair asked how much more could be done (i.e. let more contracts, more spend on existing contracts etc.) and CS advised that there are further contract areas identified at the contracting workshop that could be considered. She also added that more could be done to promote contracts to encourage more spend on them by institutions.

52   AH enquired how well the contracting activity was promoted to the college sector and to college governing bodies.

53   CS responded that PSGC does not have as many college members as would be ideal and that we rely heavily on APUC account managers to promote contracts. CS added that the "categories" approach touches more levels in institutions and thereby expands the awareness of contracts available and APUC activities in general.

54   AWi commented that "Procurement" now has a much higher profile in his organisation (Edinburgh College).

55   DR felt that institution finance committees should be getting feedback on contract performance and benefits.

56   MF said that the workshop analysis looks really good and categorisation/coding will help to focus resource effort to best advantage.

57   MF asked how supplier management was being addressed and CS confirmed that it was clearly being promoted as a strategic priority, adding that new guidance was being developed and bespoke training was planned. **(ACTION: C.Skinner)**

58   The Chair re-iterated the Board's congratulations to the team on their efforts to date.

Risk Register

59   AWi asked if there should be a risk related to the impact on college PCA scores as a result of the merger process and AW advised that this consideration is already built into the PCA programme going forward.

60   AWi also suggested that the score for the top risk relating to Hunter was too high and the Board agreed that it should be reviewed. **(ACTION: M.Caithness)**

Strategic Plan Update (APUC/12/2013)

61   AW noted that the intention was for the strategic plan to be refreshed yearly to ensure its feasibility and that it adapts to the continuously changing environment. AW also noted that changes had been tracked in the paper to make them highly visible.

62   The Board approved the changes.

Client Satisfaction Survey (APUC/13/2013)

63   AW advised the Board that it was planned to conduct a satisfaction survey at least every two years to ensure that APUC is meeting clients' expectations.

64   AW commented that the number of responses from colleges was disappointing perhaps due to the distraction of merger activities.

65   AW concluded by stating that the overall feedback was positive indicating that APUC is moving in the right direction. An action list to address comments made by respondent has been created and outcomes will be fed back to institutions in due course.

66   DR suggested that the next survey needs to target respondents with a view to getting a wider response and AW said that it was also intended to review the structure of the questions to improve the quality of feedback

Any Other Business

67   AW informed the Board that the AGM will be held on 23 May at Moulsdale House, Edinburgh College, Milton Road Campus and that the agenda and programme would be sent to Board members the following week. **(ACTION: M.Caithness)**

68   AW added that Alan Williamson would be standing for reappointment as a college representative for a further term on the Board.

69   AW noted that he was seeking to obtain clarity from Patricia Briggs (PB) about whether she wished to stand down or stand for re-election at the forthcoming AGM, given her 3 year tenure is due to end then, and she has not yet fully returned to work after illness.**(ACTION: A.Warren)**

Date of Next Meeting

70   DH kindly offered the use of his college boardroom for the next Board meeting and it was agreed that it would be held on 4 July 2013 at Langside College.

71   There being no further business, the meeting closed at 12:40