

Minutes of APUC Board Meeting held at 10.30 a.m. on Wednesday 21 October 2009 at 14 New Mart Road, Edinburgh

Present

Jim Crooks	Elmwood College
Robert Kennedy	University of Dundee
Douglas MacKellar	Independent
Nigel Paul	University of Edinburgh (Chairman)
Stuart Paterson	Independent
David Ross	Independent
Angus Warren	APUC Ltd (Chief Executive)
Alan Williamson	Jewel & Esk College

In attendance

Martin Fairbairn	Scottish Funding Council
Elizabeth McFarlane	APUC Ltd (for agenda items 7 to 9 only)
Hugh Ross	APUC Ltd

Apologies

Pat Briggs	The Robert Gordon University
Stewart McKillop	South Lanarkshire College

Welcome

- 1 The Chairman opened the meeting and advised the Board of several typographical errors that needed to be corrected in the papers that had been circulated viz.

In the "Institutional Take-up To Date" column of the table in Annex D of APUC/20/2009, the word "Contrcat" in the entry for "Supply of Print Books and Standing Orders (F) Ref:LIB007" at the foot of page 2 should read "Contract";

In paragraphs 12 and 13 of paper APUC/23/2009, the dates should read "31July 2009" instead of "31 July 2008"; and

The square brackets in the penultimate subsection of paragraph 9.12 of paper APUC/25/2009 should be removed and the figure "£5M" deleted from the first subsection of paragraph 9.20.

Minutes of Previous Board Meeting

- 2 The minutes of the 2 July 2009 Board meeting were approved as an accurate record of the meeting.

Matters Arising: APUC/19/2009

- 3 The Chairman reported that APUC are currently preparing a paper on the potential option for extending the ePS programme beyond September 2010 to achieve implementation of almost all 62 institutions (currently approx 50 estimated to be live by September 2010) – this will be subject however to there being sufficient interest from institutions that cannot go live by September 2010 in going live soon afterwards. The Board's view will be sought (likely in December), by means of written procedure, once the paper is completed. All other actions arising from the last meeting had either been completed or were due to be considered at the present meeting under the relevant Agenda Items.

Chief Executive Report: APUC/20/2009

- 4 Angus Warren reported that since the last Board meeting APUC's membership had increased from 51 institutions to 58, comprising 19 higher education institutions (100%) and 39 colleges (91%). It was hoped that at least 2 of the remaining 4 colleges (Perth, Inverness, Lews Castle and Orkney) would join over the coming weeks.
- 5 He highlighted various elements of paper APUC/20/2009 and invited the Board to nominate a member from the university sector to sit on the Pay Policy Working Group as a replacement for Steve Cannon who is no longer a Director of APUC. Rob proposed that the new member should preferably have an HR background; the Board agreed that this would be the ideal approach. It was confirmed that he/she did not have to be a Director of APUC. Rob Kennedy volunteered however to fill the vacancy should it not prove possible to unearth a suitable appointee. APUC's Chairman will discuss that matter with sector HR colleagues with a view to appointing a suitable person (or liaising with Rob if appropriate). He will be assisted in this task by APUC's HR Manager. (**Action:** Nigel Paul and Dee Denholm.)
- 6 Angus reported that the EU Remedies Directive, which will be implemented into Scots Law in December, raised a number of issues and concerns for the university and college sectors. The SPD is to host seminars for publicly funded organisations in December 2009 and January 2010 on the Directive, whilst APUC will organise additional training events for universities and colleges should they be needed.
- 7 The Board was advised that, in addition to the outcomes of the Contracting Priorities and Ways of Working Together Workshop mentioned in the paper, another important agreed outcome is the creation of a new overarching brand – Colleges and Universities Procurement Partnership Scotland (CUPPS) – that will be used by APUC officials and procurement professionals from the college and university sectors in Scotland when they are representing both APUC and the sectors at meetings and other fora.
- 8 The Scottish Government's Scottish Procurement Directorate has produced a "Sustainable Procurement Action Plan for Scotland". The Plan will be considered by the PPRB at its November meeting. Although the Plan was not

yet in the public domain, a draft version had been shared with Universities Scotland and Scotland's Colleges. The various actions outlined in the Plan will not be mandatory on institutions, as it was recognised that they need to be appropriate to the size and type of procurement.

- 9 A draft Strategic Communications Plan was submitted to the Communications Strategy Working Group on 23 September. It is being updated to reflect the Group's comments, prior to submission to the Board for approval by means of written procedure. (**Action:** Louise Burke.) In addition, the 2008-09 Annual Report was also being drafted for approval by the Board by means of written procedure. (**Action:** Angus Warren.)
- 10 The Chief Executive reported that he was about to issue follow-up letters to those institutions that have not yet committed to phase one or phase two ePS implementations within the timeframe of September 2010 (when the Government-funded ePS implementation team is scheduled to be wound up) to ascertain their plans for use of this technology. As previously reported, it is planned that a small e-Procurement team will be retained within APUC after September 2010 to provide ongoing support to institutions. If there is an indication of substantial commitment going beyond September 2010, a case will be submitted (in line with item 3 above) to the SFC and / or the Scottish Government for additional funding, but there was no indication of such commitment at the present time. (**Action:** Angus Warren.)
- 11 The Board was informed that the Scottish Government has begun a strategic service review for the e-Procurement / e-commerce service. A consultation exercise will be undertaken by the Scottish Procurement Directorate (SPD) to inform the future vision for technology to support advanced procurement and procurement reform. The exercise will focus on the use of technology to support procurement in general across all public sector organisations, including organisations and institutions that are not currently ePS customers. The plan is to build as full a picture as possible of e-procurement practices and desires across the public sector and ensure that all stakeholders have the opportunity to contribute to and influence the picture of future service needs. The output will then be used to inform the overarching vision and strategy for e-procurement services in Scotland. In addition to seminars which the SPD has organised for all public sector bodies, APUC will host an event at Stirling on 20 November for universities and colleges specifically. (**Action:** Douglas Bell & Angus Warren.)
- 12 Angus Warren reported that he and APUC's Deputy Chief Executive would be meeting the Chair of the SFC on 23 October to outline the progress APUC has made since its inception (and in particular since the Strategic Dialogue last year) and its future plans. He intended emphasising the improvement in the working relationship with the sectors and the partnership approach that was now being applied across the board. The meeting was to contribute to the Chair's review of progress made by each Centre of (Procurement) Expertise in his role in relation to the Public Procurement Reform Programme as opposed to his role as Chair of the SFC. His status report would be provided to the next PPRB in November.

Updated Strategic Plan: APUC/21/2009

- 13 Angus Warren invited the Board to review and discuss the draft updated Strategic (Business) Plan to ascertain whether it is in line with the expectations of the sectors and other key stakeholders. Once the Board's comments were accounted for and the draft agreed in principle, it was proposed that the revised document should be subjected to a two week consultation with key stakeholders, after which feedback would be considered by the Board virtually and any changes made as appropriate. Once approved it would be published on APUC's website and distributed to interested parties.
- 14 The Board's attention was drawn to section 5 of the draft (Key Actions and Deliverables Plan). It was pointed out that this part of the plan would remain dynamic and be updated from time to time as priorities change or new priorities are added. As such, it should prove a better mechanism than the Operational Plan, and indeed would ideally replace it, for reporting progress to the Board. There was general agreement that this was appropriate.
- 15 Several Directors felt that there was no need for further consultation with stakeholders since there had already been extensive consultation and the priority now was to get on with delivery. This was particularly so as the Board was satisfied that the draft reflected client expectations as articulated in the Strategic Dialogue and in numerous meetings with individual institutions and sectoral fora. There was nothing in the plan which would come as a surprise to anyone.
- 16 Rob Kennedy considered it to be a well written document but, in his view, it was neither a business plan nor a strategic plan, more a strategic vision. He believed that if institutions were to be persuaded to meet APUC's ongoing costs, financial information needed to be included to illustrate the return that could be expected on investment.
- 17 David Ross felt that it was important to first agree the actions that needed to be taken before attempting to translate them into costs and benefits. He believed that it was an iterative process and that the current document should be regarded as a prospectus to encourage subscriptions in due course.
- 18 Following a discussion about the nature of the document that was required, it was agreed that the draft should serve as a strategic vision document with a business plan which would include financial information that was aligned with a funding model, to follow. The current document needed to be renamed and fine tuned to indicate that it was intended to set out the direction in which the company is headed and that it was predicated on the resources that were available, or likely to be made available. A section needed to be added on when a business plan would be developed. It was considered appropriate to discuss the initial direction setting document with the Procurement Strategy Group; for the draft business plan to be discussed and debated by the Board; and for a subscription debate, exploring various funding options, to be entered into with Universities Scotland and Scotland's Colleges once a business plan is approved by the Board. (**Action:** Angus Warren.)

Organisational Changes in APUC

- 19 A paper outlining the outcomes of a review that APUC's Chief Executive had undertaken of APUC collaborative procurement resources and proposals for change had been circulated to Board members in advance of the Board meeting. The report contained proposals around how, what is currently known as the Collaborative Procurement Team, could be restructured for the future to meet the challenges that lie ahead in dealing with the outputs from the Strategic Dialogue process, in delivering the Public Procurement Reform Programme for the college and university sectors and for meeting those client institutions' service expectations from APUC, as their Centre of Expertise.
- 20 This document as well as containing the structural proposals, also detailed the change process and next steps. It set out a flatter structure (except where existing grant considerations may lead to a different approach) and marked a cultural move towards the recognition of procurement and management expertise being based on professional capability and delivery rather than on more outdated hierarchical structures.
- 21 The Board considered the proposals in the report and endorsed their implementation. A 30 day consultation period will, therefore, be launched on 23 October with those staff affected by the changes. Thereafter, changes (if applicable) will be incorporated and implementation will commence. The new structure should be in place for January 2010.

Minutes of Audit Committee Meeting: APUC/22/2009

- 22 The approved minutes of the Audit Committee meeting held on 6 October 2009 were reported to the Board for noting. The Committee had considered the audited financial statements – including the Directors' Report – for the period 1 August 2008 to 31 July 2009 and recommended their approval by the Board.
- 23 The Committee had also reviewed and discussed the latest version of APUC's Risk Register at its meeting and was satisfied that adequate arrangements were in place for assessing and managing risk. The Committee had agreed that the risk register should be reduced in size so that it only included material corporate risks rather than minor operational risks which were part of normal management.
- 24 The Board agreed that sub-paragraph 7.1 of the Audit Committee's Terms of Reference should be amended to require the Committee to meet at least once per year, rather than twice per year. (**Action:** Hugh Ross.) It also noted that, in line with the Audit Committee's wishes, mention would be made in APUC's Financial Operating Procedures that grouped assets over £5,000 would be capitalised even when the individual assets are less than £5,000. (**Action:** Elizabeth McFarlane.)

Audited Financial Statements 2008-09: APUC/23/2009

- 25 The Board approved the financial statements and authorised the Chairman and Chief Executive to sign the financial statements and the Letter of Representation on the company's behalf. They were also content for the Chairman to sign the Directors' Report. In line with the Financial Reporting Standard for Smaller Entities, the Directors' Report does not include a business review. (**Action:** Nigel Paul and Angus Warren.)

Financial Management Report: APUC/24/2009

- 26 APUC's Finance Manager, Elizabeth McFarlane, introduced paper APUC/24/2009 which included an updated report on the financial results for 2008-09, the forecast outturn for 2009-10, and the 2009-10 cash profile. She explained that the latter two sets of figures were being updated to reflect further savings that would be made over the coming weeks. The revised projections would be shared with the Board. (**Action:** Elizabeth McFarlane.) In response to a question from Rob Kennedy, she said that the additional savings were needed to reflect the ePS position, in particular the timing of payments.

Delegated Authorities: APUC/25/2009

- 27 The Board approved the revised version of Chapter 9 of APUC's Corporate Governance Manual set out in the Annex to paper APUC/25/2009, covering delegated authorities. (**Action:** Hugh Ross to arrange for an amendment to be incorporated in the Corporate Governance Manual.)

Any Other Business

- 28 Nigel Paul felt that important issues for discussion at future Board meetings were: a) opening discussions with the university and college sectors on a subscription model for the future funding of APUC; b) the changing economic climate; and c) the Scottish Government's future strategy. He suggested that Alastair Merrill could be invited to the January Board meeting - or more likely the April Board meeting - to discuss the implications of b) and c) for APUC and the sectors with the Board. (**Action:** Nigel Paul.)

Date and Venue of Next Meeting

- 29 It was agreed that the next Board meeting on 12 January 2010 should be held in the Glasgow /Lanarkshire area, preferably in a college. South Lanarkshire College was suggested as a possible venue. (**Action:** Angus Warren.)