

Minutes of APUC Board Meeting held at 10:30 a.m. on Wednesday 24 June 2015 at Abertay University, Dundee.

Present

Gerry Webber (Chair)	Edinburgh Napier University
Sheena Stewart (SS)	Abertay University
Douglas MacKellar (DM)	Independent
Stuart Paterson (SP)	Independent
Angus Warren (AW)	APUC Ltd (Chief Executive)

In attendance

Claire Skinner (CS)	APUC Ltd from agenda item 8
Elizabeth McFarlane (EM)	APUC Ltd (by telephone for Finance Report only)
Michael Caithness (MC)	APUC Ltd

Welcome and Apologies

- 1 Apologies were received from Alan Williamson (AWi), David Ross, Martin Fairbairn, Mhairi Harrington, Janet Thomson and Liam McCabe.
- 2 The Chair thanked everyone for attending and thanked Abertay University for hosting the meeting. He also noted that Elizabeth McFarlane and Claire Skinner would join the meeting later.

Minutes of Previous Board Meeting

- 3 The minutes of the 31 March 2015 Board meeting were approved as an accurate record of the meeting.

Matters Arising: APUC/12/2015

- 4 All actions arising from the Board meeting held at Forth Valley College on 31 March 2015 have been completed or are in progress as outlined in paper APUC/12/2015.

Summary Report: APUC/13/2015

High level summary

- 5 AW gave an overview of the information contained in the APUC Summary Report (Paper APUC/13/2015) and highlighted the main features as follows:
 - The number of **Collaborative Agreements** available to the sector is now fairly stable at 168.

- **Sector Savings** are now being gathered regularly via Hunter and figures achieved of £8.6m (BT1) and £12m (BT2) for first 6 month period of 14/15FY are on target.
- The number of staff operating in **Institutional Shared Services** is now reported in the summary. There are now 14 FTE based in institutions and dialogue is under way for a possible 5 more.

General update

- 6 AW reported that the Procurement Networking Conference held at the Westerwood Hotel, Cumbernauld on 19 June 2015 was very successful and that good feedback had been received from delegates.
- 7 AW advised that the new Construction Reform Delivery Group (CRDG) was proceeding at pace now and that almost 40 projects have been reviewed and approved to continue with development by the group so far. He also noted that Andy Anderson will take over the APUC place on the CRDG from Angus Warren and will work alongside Alasdair Tweedie (University of Stirling).
- 8 AW noted that the new APUC Strategy and Delivery Plan were now launched and that the Strategy would be posted on the APUC website. **(ACTION: MC)**
- 9 AW informed the Board that the first meeting of the UK wide regional consortia team to review the needs around the UniBuy offering will take place in London on 1 July. APUC core team and Scottish Institutions will be represented.
- 10 SP enquired about the location of APUC servers and AW advised that there are servers at New Mart Road, Storm Internet and Microsoft (email).
- 11 SP asked what disaster recovery provisions were in place and AW advised that off-site backup procedures are a key part of APUC's ICT policies.
- 12 Chair suggested that this topic should be covered in more detail as an agenda item at the next Board meeting and this was agreed by the Board. **(ACTION: AW)**

Staffing

- 13 AW informed the Board that Barbara Munro, one of the longest serving APUC employees, has now retired and that Ricarda Bieke has taken over her portfolio. He praised the good work that Barbara had done in her years with APUC. Hayley Crawford will take over Ricarda's previous role.
- 14 AW added that Angela Cahill (Procurement Manager - Advanced) has been recruited to work in a new role that will have Scotland wide responsibility (on a 0.5 FTE basis) for planning and managing/delivering a programme for a broad range of C1 requirements across client institutions both on a regional and specialist basis. She will be based in Stirling.
- 15 AW noted that a flexible resource was working well at the University of Strathclyde and would soon be moving to work at the University of the West of Scotland. He added that the vacant shared service post at the City of Glasgow College has now been appointed and that APUC currently has no vacancies.

Procurement Reform Act and New EU Directives

- 16 AW informed the Board that the consultation period on the EU Directives and Reform Act options closed at the end of April and that APUC had submitted a response on behalf of the sectors. The regulations and guidance that were hoped for in the summer are not now

expected however until October. The Government has indicated that there would then be a 3 month period before the law would come into effect. APUC has raised serious concerns over this timing as it is believed that organisations across the publicly funded sectors will need 6 months to properly prepare for the implementation of the changes.

Health and Safety

- 17 AW advised that there had been no accidents logged and that the annual fire drill had taken place in May 2015.

College services

- 18 AW advised the Board that College Services was very busy at the moment with 79 projects in progress across 23 institutions.
- 19 Chair noted that AWi (*in absentia*) had raised queries about the level of activity in FE collaboration and AW advised that the college sector does have a lower spend on collaborative contracts than the university sector and that the new resources in place across Colleges should enable that to increase.

eSolutions

- 20 AW advised that in preparation for the Procurement Reform Act, a spend analysis project has commenced jointly with the D&S Team to look at the impact on the number of contracts each organisation will potentially be required to set up and manage using the new procedures going forward. This work will then be progressed by the D&S team with institutions. These are significant changes and this work will help institutions to plan the way forward.
- 21 The PECOS marketplace, to be known as “Gateway”, is being piloted by Fife College and New College Lanarkshire. When PECOS v14 is released soon, APUC will be able to expand on the project to capture transmitted orders back into core PECOS.
- 22 AW informed the Board that a new specification for PCS, that will include a link to PCS-T, is now out to tender.
- 23 AW reported that the PECOS integration platform continues to work well with no issues encountered in recent months.

D&S Training and Development

- 24 AW reported that the Sustain web tool is now in use with the first 5 prioritised suppliers and roll out is ongoing.
- 25 AW informed the Board that the PCA has now been rebranded as the Procurement and Commercial Improvement Programme (PCIP) and that its first year will establish a new baseline – it is not directly comparable to the previous PCA. He added that a new ‘dashboard’ is part of it and that Hunter was being developed to support this need.
- 26 AW advised that a more proportionate approach has been agreed regarding the application of questions, which are reduced in number, and demands for evidence with three levels of PCIP now applying as follows:
- Lite (under £15m annual spend),
 - Medium (£15-£60m annual spend)
 - Full (over £60m annual spend)

There will now be 4 assessment levels and sectors will be able to align scores at up to level 3 to be closer to the previous assessment standard. Level 4 is a new level of assessment and will only be applicable to the high end performers in the 'Full' category.

- 27 SS asked if a senior stakeholder communication could be made available and AW advised that the Project Board are preparing such a document.
- 28 AW advised that the timelines for carrying out the first full round of PCIP assessments are that all Full and Medium PCIPs are to be complete by June 2016 and all Lites are to be complete by December 2016.

Training

- 29 AW advised that work has started on developing tools and templates that will support the changes to the legislation and that training needs for various levels of staff have been reviewed and the courses required have been identified, these being:
- General Awareness Sessions (non-procurement staff)
 - What Senior Stakeholders Need to Know
 - What Admin Staff (with some element of procurement in role) and Budget Holders Need to Know
 - Procurement Staff
 - Essentials of Procurement Reform Act Compliance (Below EU threshold compliance)
 - Understanding and Maximising Opportunities of the New EU Regulations (Above EU threshold compliance)
 - Sustainability / Community Benefits / Workforce Matters
 - Construction Procurement (open to Estates staff as well as Procurement staff)
 - Tools for Optimising the Process

These courses will be offered at a local institution and regional level as required.

- 30 Chair agreed that it was a worthwhile approach to target the training at the various professional groups (Secretaries, SUFDG etc.).
- 31 AW added that awareness training could be trimmed down to 1 hour duration and that it will need to be well marketed to get non-procurement staff involved. APUC will aim to offer training slots to professional service groups. **(ACTION: AW)**

ISSC Catalyst update

- 32 AW advised that the HE/FE Sector ICT Oversight Board has confirmed the continued funding for the ISSC. He added that a 98 page landscape review has been prepared and it was currently under review. It is planned that the team will now narrow their focus to the areas of priorities coming out of the report and commence development of business cases over the coming months. The report will be shared with the Board when approved. **(ACTION: AW)**

CSG – VAT

- 33 Chair commented that the letter submitted to HMRC, and copied to Board members, was excellent and that the issue is being actively progressed.

- 34 AW advised that there was a meeting with HMRC the next day and that it would be necessary to proceed to a tribunal if a successful outcome was not achieved.
- 35 SS asked if this would be the first tribunal and AW advised that there had been one in Glasgow but that it was badly managed by the CSG concerned, but a higher level case in Holland had supported APUC's approach. He added that the defined law, the HMRC's own guidance and case law is very clearly in support of the APUC model.
- 36 The Board confirmed that they fully support these actions and taking the matter through to further legal stages if required.

Financial Management Report (APUC/14/2015)

- 37 EM joined the meeting by telephone and highlighted the main features detailed in the Financial Management Report (APUC/14/2015) that included a summary of the actual income and expenditure for the period to end of May 2015 compared to the approved budget; the forecast outturn for 2014 - 15; the forecast balance sheet for the year ending 31 July 2015 and the cash profile for 2014-15.
- 38 AW noted that there was now provision for possible tribunal legal costs and that the figure budgeted for office relocation had been slightly increased.
- 39 Chair enquired if the reported SFC under budget figure was a timing effect and EM advised that it was due to the recently agreed funds handed back to SFC.
- 40 AWi (*in absentia*) asked what the overspend in office expenses was and EM advised that it was for laptops and other costs associated with new staff.
- 41 Chair noted that it was a good clear financial report.
- 42 The Board noted the contents of the Financial Management Report.

Property – Pension Guarantee Fund

- 43 The Board discussed the APUC/INV1/2015 paper on the proposed Pension Fund acquisition of a property in Stirling. All of the inputs of those that could not attend, but who had submitted feedback by email, were included in the discussion. After much discussion and consideration, the approval was given by the APUC Board to, if supported by the Guarantors, make an offer subject to the conditions detailed in the Approval Notes to be circulated to Board members separately from these minutes.

Workstream Review – Collaborative Contracting

- 44 CS joined the meeting and distributed a PowerPoint handout with the contents of her presentation.
- 45 CS explained the information contained on each slide as follows:
- Slide 1 - Overview diagram showing the main functional areas of Operational Procurement.

- Slide 2 – Collaborative Contracting Highlights including 168 contracts available to the sector, up from 139 two years ago.
- Slide 3 – List of templates now being used by the sector to ensure uniform compliance with regulations.
- Slide 4 – Details of Stakeholder engagement and Cross Sector activities by APUC.
- Slide 5 – Contract and Supplier Management activities.
- Slide 6 – E-tools used by Collaborating Contracting including Hunter, PCS-T, Award, UniBuy and EDAM.
- Slide 7 – Key areas of focus for resources in 2015/16

46 Chair thanked CS for the presentation and the great work by her team.

47 SP asked for an electronic copy of the presentation to be available with the minutes. **(ACTION: CS/MC)**

Client Satisfaction Survey Update

48 AW advised the Board that a client satisfaction survey had been handed out to delegates at the Procurement Networking Conference and MC added that 25 returns had been received. A report will be published and circulated when the results have been analysed. **(ACTION: MC)**

Any Other Business

49 AW outlined the proposed pay awards for APUC that included cost of living plus a staff development element. The proposals were endorsed by the Board.

50 SS suggested that APUC staff should be formally thanked for their contribution to the success achieved to date.

51 There being no other relevant business, the meeting closed at 12:40.

Date of Next Meeting

52 The remaining 2015 date and proposed dates for 2016 are as follows:

- Board: Wednesday 21 October / APUC, location tbc.

Proposed dates for 2016 to be confirmed shortly.