

Minutes of APUC Board Meeting held at 10.30 a.m. on Wednesday 28 March 2011 at Newbattle Abbey College, Newbattle.

Directors Present

John Doyle	Coatbridge College
Douglas MacKellar	Independent
Stuart Paterson	Independent
Nigel Paul	University of Edinburgh (Chairman)
David Ross	Independent
Angus Warren	APUC Ltd (Chief Executive)
Alan Williamson	Jewel & Esk College
Robert Kennedy	University of Dundee (joined the meeting by telephone)

In attendance

Michael Caithness	APUC Ltd (Company Secretary)
Elizabeth McFarlane	APUC Ltd
Hugh Ross	APUC Ltd

Welcome and Apologies

- 1 Apologies were received from Pat Briggs, Jim Crooks and Martin Fairbairn.
- 2 The Chairman opened the meeting and welcomed the Board members.

Minutes of Previous Board Meeting

- 3 The minutes of the 12 January 2011 Board meeting were approved as an accurate record of the meeting.

Matters Arising: APUC/05/2011

- 4 The position on all matters arising from the last meeting was as set out in Paper APUC/05/2011.
- 5 A meeting was scheduled to follow the Board meeting to progress the proposed change to the format of the summary report.
- 6 A copy of the revised Risk Register was provided to members of the Board for information purposes. An additional risk has been added to reflect actions necessary under the pending Bribery Act 2010.

Summary Report: APUC/06/2011 & General Discussion

- 7 Angus Warren talked through paper APUC/06/2011 and highlighted the fact that there are now 110 contracts with buyers' guides available to the sector on the CuPID website with a further 43 in progress, 5 scheduled and 12 in the research stage. There are now 50 institutions being supported by APUC as users of e-procurement solutions. A further 2 institutions are in the implementation phase for PECOS.
- 8 Angus also advised that, as a result of the merger of three colleges in Glasgow, there are now 60 member institutions and that City of Glasgow College is a trading name with the college legal entity being Glasgow Metropolitan College until such time as the new combined name is approved. The number will reduce to 59 when Edinburgh College of Art is absorbed into the University of Edinburgh on 1/8/11 but it is anticipated to go back to 60 if West Highland College joins on the same day or thereabouts.
- 9 Angus reported that the Hunter database has been improved allowing account managers to track and manage data more efficiently. It includes such features as:
- Commodity tracking
 - Contracts
 - College Services projects details
 - Contact relationship management
- 10 Angus informed the Board that a new, APUC developed, contract management website is online and under test. This will serve to gather information about who is using contracts and also to allow problems to be reported to APUC by institutions. 52 institution data sets have been preloaded to kick start the process. It was hoped that data sets for all 60 institutions would be available but the missing ones will be encouraged to use the tool and record their usage data.
- 11 Angus also advised that further development was planned to allow institutions to use the tool for contract management. It will allow information to be recorded by contract and supplier and should also provide more visibility of local contracts to APUC. Account managers will be able to monitor reported issues and take appropriate action where necessary.
- 12 Angus reported that APUC is now providing Datamart reports to institutions derived from spend data in PECOS.
- 13 Stuart Paterson asked if suppliers could be "rated" using the captured data - Angus advised that due to the subjective nature of inputs, there would not be enough measurable data on to obtain a reliable score – it would however be useful for ongoing contract management, establishing the overall performance of the suppliers (potential for high level ranking) and to aid decision making / setting of criteria at the next round of tenders.

- 14 To get full supplier performance measures – institutions would need to consistently use systems for all orders / call-offs and goods / service receipts (many do not use systems in this way consistently due to the complexity of the supply chains and institutional logistics) and then it would need to be integrated out of their finance systems. Due to the variety of systems used across the sector, it was felt that this was not achievable in the foreseeable future.
- 15 Angus also informed the Board that eSolutions workshops held to date have been well received and that they allowed attending institutions the opportunity to share their experiences of e-procurement.
- 16 John Doyle enquired about institutional uptake for these workshops and Angus advised that they have been well attended and that APUC will continue to develop them to include further aspects of e-procurement.
- 17 Angus reported that the annual Contracting Priorities workshop was held on 13 January and focused on consolidating the contracting effort as requested by the Board at the last meeting. Contracting resources will focus on higher spend areas and where fragmentation of supply market exists to achieve consolidation.
- 18 Douglas Mackellar emphasised that resources should concentrate on high value and high risk contracts.
- 19 Angus Warren advised the board that the proposed “asset based” pension guarantee has been rejected by the USS Board and that actions are now under way, including work being done by some of the Board, to find an alternative solution before the current arrangement expires in July.
- 20 Angus reported that benefits statements are now being issued to all institutions but that it was still proving difficult to get totally accurate information.
- 21 Angus noted that there have been issues with obtaining MI / data for some Procurement Scotland (PS) contracts, there are also concerns over the ability to ensure that the sector can maximise “added value” benefits, which are likely to amount to more than savings from tariff pricing. For Utilities, PS are adopting a “agency” style of contract which makes it more difficult for CoEs to work in partnership with PS – PS do not intend to focus on the added value so without the CoE involvement, the focus on added value could be lost. The Board felt that this could be contrary to the principles of the Public Procurement Reform Programme and offered their support in resolving issues, should such intervention be required. Angus advised that discussions were ongoing with Ian Howie who had agreed at a recent meeting to agreeing a new ways of working protocol to resolve the issues. It may be that this needs to happen / would be advised to happen through a joint dialogue with the other sectors, Angus would explore at PRDG. (**Action:** Angus Warren to continue dialogue and report back status)

- 22 Angus reported that the alternative UIG model was working well and receiving excellent feedback from institutions.
- 23 Angus advised the Board that there are now 47 tenders in progress with the college services team and that they are working to maximum capacity. Additional resource is not being considered (there is one flexible resource however within Operational Procurement who can be partly focussed on supporting management of peak demand) as the workload is expected to level out in time and Angus does not want to constantly change account management responsibilities as this could damage client relationships.
- 24 Angus advised that there is only one institution (college) which has not submitted BPI data yet (and one, a university, that has not completed validation) and that this situation would be escalated to the Principals in order to resolve it if the data was not obtained by the end of the week. Spikes then unfortunately take 4-6 weeks to process the final data for publishing (so that we can actually use the MI), although we will liaise with them to speed this up (**Action:** Angus Warren / Stephen Richardson)
- 25 Angus informed the Board that the current PCA exercise was progressing well and scheduled to be completed in April.
- 26 Nigel Paul asked how contract usage could be increased and Angus advised that the low usage on some contracts is because institutions have not fully evaluated all of the contracts available to them.
- 27 Douglas MacKellar suggested that the potential value of contracts should be included in the summary report. Angus agreed to do this. (**Action:** Angus Warren)
- 28 Angus also noted that they were trying to obtain enough meaningful in-year (quarterly) MI to also be able to report actual spend against each contract but that obtaining that was very resource intensive and involved significant dialogue with suppliers and other consortia.

Financial Management Report: APUC/03/2011

- 29 Liz McFarlane introduced the Financial Management Report and explained some of the key figures outlined in the document.

Management of Funds: APUC/04/2011

- 30 Angus Warren introduced the Management of Funds Paper and highlighted the key aspects of the proposals in the document.
- 31 Alan Williamson pointed out that the bank would require a Board resolution to authorise movement of funds to another account and that it would make sense for the Board to grant delegated authority for money to be transferred between accounts held at different banks approved by the Board. Moreover, Robert Kennedy suggested that the document needs to be more specific regarding different bands of funds and that movement of funds between “approved” bank accounts should be permitted. It was agreed that the policy document should be revised to reflect these changes. Alan Williamson and Rob Kennedy said that they would provide some inputs to assist in the updating of the document (**Action:** Alan Williamson, Rob Kennedy, Angus Warren & Elizabeth McFarlane)

Strategic vision discussion

- 32 A discussion took place over how to manage staffing if the organisation was to be involved in providing a shared services facility. It was agreed that as this would be a new venture, quite different to the core APUC operation, that this should be run out of UCSS only and all staff employed by UCSS under standard UCSS terms (unless for an exceptional reason, current APUC employees were to be involved and in such case the cost should be cross charged by APUC to UCSS. It was anticipated that these would be new roles so TUPE of staff would not be applicable but if it was, then the institution transferring staff would need to be liable for any additional costs incurred. UCSS can only offer the stakeholder pension provision and cannot offer staff from other schemes the option of remaining in legacy schemes if transferred into UCSS. UCSS must decline being involved in shared service provision where this is not workable.

Any Other Business

- 33 David Ross asked if APUC has adequate resources, given the reduction in headcount and the increased workload. Angus replied that people management and the flexing of our resources were tuned to meeting the workload. The operation was however very lean (particularly at the moment with two people on maternity leave) and if exceptional issues developed, re-prioritisation of work would be required. Angus as also exploring cross team flexible resourcing.

- 34 Angus informed the Board that APUC's financial advisers (who are also our auditors) have recommended that as APUC completes plans to move from the end of start-up phase to fully operational (by end 2011/12) it was now a timely point to review the APUC VAT status. Angus advised that they would liaise with the advisers in the coming weeks – the Board agreed we should do this and it was best to do so after receiving the 2011/12 year grant letter as this would likely confirm the nature of deliverables next year and moving forward. (**Action:** Angus Warren to liaise accordingly)
- 35 The Chairman thanked Hugh Ross for his contribution to APUC and wished him well with his retirement plans.
- 36 The Chairman reminded the Board that the next AGM would be held at Glasgow Caledonian University on Wednesday 18 May.

Date and Venue of Next Meeting

- 37 It was agreed that the next Board meeting will be held on Thursday 21 July 2011 at a venue to be decided (possibly Aberdeen).