

Minute of APUC Board Meeting held at 09:15 on Thursday 16th February 2023 via MS Teams

Present

Jim McGeorge (Chair)	University of Dundee
Pete Smith (PS)	Borders College
Angus Warren (AW)	APUC Ltd (Chief Executive)
Janet Thomson (JT)	Glasgow Clyde College
Veronica Strachan (VS)	Robert Gordon University
Harpreet Paul (HP)	Independent

Apologies

Margaret Cook	Perth College UHI
Gemma Lines	Independent
Lee Hamill	University of Edinburgh
Phil McNaull	Independent

Also, in attendance

Katie Fuller (KF)	APUC Ltd (Acting Secretary)
Dawn Mitchell (DM)	APUC Ltd (for item 4)
Steven Connor (SC)	APUC Ltd (for item 5)

Welcome

1. Chair thanked everyone for attending and introduced Katie Fuller as Acting Secretary due to Mike Caithness being absent due to annual leave. He noted that Dawn Mitchell was joining to present the Finance papers and Steve Connor joining to present on the New rUH Procurement Regulations.
2. This was a short agenda meeting due to a combination of it being virtual and the next meeting scheduled to have a larger agenda.

Minutes of Last Meeting

3. Members in attendance confirmed they were happy with the accuracy of the previously distributed Minutes.

Matters arising

4. All were closed except the item covering 'Benchmarking of Centre's of Excellence (CoE)'. AW provided an update to the Board on how this was planned to be progressed and the Board supported the proposed approach.

Financial Management Report

5. DM gave a brief overview of the distributed Financial Management Report.

- JT asked to be reminded what the mentioned Cost of Living increase was, AW confirmed that it was 3% and was aligned this year to the UK HE UCEA pay award.
- VS asked if there was capacity within the current budget if there was another cost of living adjustment agreed in year. DM advised that the staffing cost projections were already beyond budget (so budget adjustment / review would be required). When asked regarding the ability to absorb potential financial shocks, DM highlighted although the budget is tight, there is a reserve for larger unforeseen financial events.
- Chair was pleased there were positive signs of both staff retainment and recruitment which AW believes is directly attributable to the benefits of actions put in place around staff flexibility and the recent Cost of Living one-off payment.
- Chair thanked DM for another very clear financial report and for her attendance at the meeting. DM left the meeting after this point.

New rUK Procurement Regulations

6. SC shared a presentation over MS Teams to deliver the Background, Differences and Impacts of the new rUK Procurement Regulations.

- The legislation is felt to be 95% complete and likely to be in place by the end of 2023.
- The UK and Scottish Governments have agreed on the continued interoperability of procurement frameworks across the home nations. After the Bill receives Royal Assent, there will be a period of circa 6 months when regulations will be drafted which will set out the detail on how this will work.
- JT asked if the new regulations would make it easier to deal more decisively with performance issues by suppliers. SC and AW advised that no material changes were identified so far in the potential exclusion of suppliers on performance grounds.
- PS asked what the likely outcomes would be of the more commercial options in the new rUK legislation. SC responded that it would likely be some time after the new regulations were in place before many public buyers would stray from the process they knew well which can effectively still be used under the new approach. However some more commercially-aware practitioners would be able to drive improved commercial outcomes. AW noted that there would likely be a cautious approach to the new rUK regulations until some early case law had brought clarity to the risks of challenge.
- The Board had a general discussion on the changes set out. After a useful discussion, Chair thanked SC for his presentation. SC then left the meeting.

Summary Report (and Related Discussion)

7. AW gave a brief overview of some highlights from the Summary Report.

- There is a new approach for the latest round of PCIP, this is known as a “Pulse Check” and is a lighter touch assessment and is unscored. APUC would still be able to offer the more comprehensive, scored, assessment as an option with the addition of the new climate change questions. AW noted that a significant number of institutions had indicated that they would prefer the full scored assessment.
- The 2022/23 Contracting Procurement Workshop is taking place on Thursday 23 February via MS Teams.
- Staff Changes – new flexibility options including a compressed working environment has been very well received. This has also helped with recruitment with all previously advertised roles now appointed to.
- There have been no reportable Health and Safety incidents.
- AW advised that during the recent PSG Meetings, the subject location and frequency was discussed. The outcomes were that PSGC members would like to move back to 4 physical meetings a year (from 2 physical and 2 virtual) but felt monthly online catch ups were no longer required. PSGU members stated they would like to keep the monthly online catch-up meetings but felt that increasing the number of face to face gatherings (up from 2) was important and would be welcome.

Scottish Government “A Plan for the Future Strategy”

8. AW provided an update on the ‘Plan for the Future Strategy’.

- AW explained that the Scottish Government together with the Public Procurement (leadership) Group (PPG) had established a need for a new strategy for Public Procurement. A cross-sector group was set up with a good blend of participants from several of our Institutions.
- The Strategy is at the end of the process of review, with approval of the latest draft provided by PPG on the 15 February.
- It will now go through the ministerial approval process and be prepared for publish-formatting, with publication planned for the 3rd week of April.
[Action: AW to share current draft for info (it is not a restricted document)]

Deep-Dive Responsible Supply Chain Assessment Programme

9. AW spoke in more detail about this program and shared some key points.

- It was explained that the previous approach was very labour intensive and neither APUC, nor the sector teams had the resource capacity to cover the scope that we would ideally cover. A third party provider had been appointed therefore to provide this deep dive assessment service (which they also provide to several hundred other buying organisations), with this arrangement due to remain in place until July 2024.

- The aim is to engage as many high-risk suppliers as possible. Several institutions are also moving ahead with utilising the service.
- PS observed that it sounded very useful and asked if there were any reasons why some institutions weren't signed up. AW advised that it can be due to local resources constraints, combined with the situation in some smaller institutions where all the higher risk suppliers are on framework agreements so the assessments were being organised by APUC.
- JT asked if any suppliers had refused to take part, and how did it impact on SMEs. AW noted that as it is focused on higher risk suppliers, and these tend to be the larger and / or international suppliers, it has minimal impact on small suppliers. 'Push back' was commonly from framework suppliers ranked lower and who were therefore receiving only small amounts or no business from frameworks.
- The Board welcomed the progress made in this programme.

Supply Chain Volatility update

10. Volatility from the Ukraine war was tailing off. AW provided a brief summary including:

- The energy market is stabilising, with gas pricing currently dropping significantly, but this could change.
- Andy Anderson had shared an updated paper on energy across the sectors in February to assist people for budgeting over the next 2 years.
- The motor industry still has 6–12 month lead times for new cars, especially electric vehicles. Although the chip shortage is easing, there remains a huge back-order to clear for most manufacturers.
- Brexit impacts remain, but they are now being regarded as the 'new' business as usual.

Other Shared Services update

11. In relation to the potential shared service for climate project office support, two workshops were held (Nov / Dec 2022) but only 2 institutions were interested in continuing to implementation at the time. A decision had therefore been taken not to pursue the idea further at this time, although this may be revisited if there was clear "pull" interest in future.
12. A new potential area had been suggested, this being an Independent Complaints Handling and Investigation Service. AW had a meeting to explore this further later in the day. **[Action: AW to feedback to Board in due course.]**
13. APUC had been approached by a university to provide an ICT shared service. As this was normally within the scope of HEFESTIS, the enquiry has been passed to them.

Any other business

14. Chair suggested it would be a good time to undertake a periodic review of the scheduling, both in terms of the dates and location, of future Board Meetings, taking into account the location and other working parameters of Board members. **[Action: AW / MC to review]**

Date and venue of next meetings (* = subject to review)

- 18 May – RemCom (RemCom members only) - APUC HQ Stirling
- 18 May – Board – APUC HQ Stirling
- 19 May – AGM & Procurement Network Conference (PNC) – Stirling Court Hotel
- 17 August – Board - location tbc or virtual*
- 18 October – Audit Committee (Audit Committee Members only) – Edinburgh tbc
- 16 November – Board, location tbc*

A handwritten signature in blue ink, appearing to be 'D. G. G.', is located to the right of the meeting list.