

Minute of APUC Board Meeting held at 15:15 on Thursday 18 May 2023 at APUC, Stirling.

Present (in person or via Teams)

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

Apologies

Lee Hamill (LH)	University of Edinburgh
Margaret Cook (MC)	Perth College UHI

Also, in attendance

Dawn Mitchell (DM)	APUC Ltd
Michael Caithness (Sec)	APUC Ltd

Welcome

1. The Chair thanked everyone for attending and noted that Dawn Mitchell would be joining to present the Finance papers.
2. Chair also advised that apologies had been received from Lee Hamill and Margaret Cook.

Minute of Previous Board Meeting

3. The minute of the 16 February 2023 Board meeting was approved as an accurate record of the meeting.

Matters Arising: APUC/04/2023

4. All matters arising from the previous Board meeting had been actioned or scheduled as outlined in the paper.

Summary Report: APUC/05/2023 & Related Discussion

5. AW highlighted some aspects of the summary report as follows:
 - Responsible Supply Chain deep-dive assessment programme is exceeding objectives with over 180 deep-dive reports now received from EcoVadis.
 - There is increasing demand for construction procurement support and APUC are recruiting for new Procurement Project Managers with construction-specific expertise to meet the projected increase in demand including from climate adaptation activity.
 - The recent online Contract Priorities Workshop was well supported by a wide range of attendees.

- The next Procurement Network Conference is taking place on 19 May 2023 at the Stirling Court Hotel. It is well supported with over 120 attendees and over 80 booked for the networking dinner the night before. SG Procurement will be presenting.
- There have been no Health and Safety reportable accidents or incidents in the last quarter.
- There are now 178 collaborative Framework Agreements available to the sector.
- APUC are currently providing procurement as a shared service to 30 (two thirds) of Scotland's Universities and Colleges and there is potential for further growth.
- In view of the forthcoming merger of UHI's Rural and Islands Colleges (UHI Outer Hebrides, UHI West Highland and UHI North Highland), APUC has taken the opportunity to re-align the shared service delivery model.

Responsible Procurement

- The Universities Scotland Efficiency and Climate Emergency Committee (USECEC) is now chaired by the Principal of the University of St Andrews. USECEC is planning to have a cross-disciplinary climate workshop in September. The College equivalent has not met recently.
- The Scottish Government C&PF (Climate and Procurement Forum) which was established by the Scottish Government in November 2019 to coordinate procurement efforts across Scotland's publicly funded sectors has been re-structured and reduced in scale as the activities move into delivery phase within sectors.
- Workshops took place for the sector from late summer until December 2022 on use of the updated FNT2030 templates, some were generic while others were focussed on specific PIACC areas. Further workshops are planned for Summer 2023.

eSolutions

- eSolutions has taken on a new Modern Apprentice and he is currently managing the helpdesk to gain experience on the general issues dealt with by eSolutions. Going forward he will get involved with Hunter web development and APUC Cyber Essentials accreditation tasks.
- Work is scheduled to take place in May to upgrade the network equipment in the Stirling offices. This will include upgrading the main meeting room to assist in sector multi-device hybrid meetings.
- The eSolutions team has been extremely busy with the web-enabled Hunter roll out programme. All but 2 institutions are now live, with 373 user accounts set up across the sector. Development work continues at pace to make available further new and enhanced features. Work is ongoing to enable institutions to manage their own service.

Development

- The (face to face) Procurement Skills training development programme for 2022/23 commenced in September. Courses this year have been delivered by Arc Blue, Scotland Excel's The Academy, Sustainable Procurement Ltd, and the Chartered Institute for Public Finance.

6. A discussion took place over how procurement and sustainability worked together and what part EAUC had in the process. AW advised that APUC and EAUC collaborate on a number of initiatives. AW noted that EAUC effectively formed the professional group for sustainability managers across the sectors. PS noted that the EAUC had recently appointed a new CEO with further service development expected.

7. AW noted that due to many sustainability aspects residing in organisation's supply chains, there was increasing talk in some corporate organisations of merging the two functions.
8. PM enquired about resource levels in procurement teams and if there was a consensus of what 'good' looked like, in particular in terms of procurement staff ratios to spend. AW noted that APUC had metrics that it uses when developing IPS offerings, which use a combination of spend, campus environments, demand complexity and the current level of embedding of procurement within institutions. AW advised that work had been done in the past on this through data gathering with institutions. PM asked if it would be possible to understand where the sector was currently with regards to procurement resource levels. AW took an action to explore this further. **(ACTION: AW)**

Financial Management Report (APUC/06/2023)

9. DM gave a summary of highlights from the paper as follows:
 - Actual income is lower than budget to the end of March, by c.£22k, mainly due to a decrease in deferred income released.
 - Actual expenditure to March is also down compared to budget, by c.£64k, mainly due to decreases in eSolutions costs, office expenses, conferences and travel.
 - Forecasted outturn by the year end is a surplus of £1.2k.
 - The 2023/24 budget is to be updated to reflect current position.
10. Chair asked if there were any significant areas of risk or concern projecting forward and DM advised that there were none between now and the end of the year but that the pay award would be a full year hit for next year. AW added that staff salaries are 3.5 to 6.5% above budget going into 2023/24 AY but that plans were in place to address the risks.
11. The Board noted the content of the update and thanked DM for the report. At this point DM left the meeting.

Public Procurement Strategy for Scotland (APUC/07/2023)

12. AW presented the strategy document noting that it had been developed across all publicly funded sectors. He highlighted the following points:
 - The strategy defines a set of high-level principles.
 - It allows publicly funded bodies to align local strategies to national objectives.
 - The PSG groups and APUC will explore how best to address objectives on a collaborative basis.
 - There is a cross sector Heads of Procurement workshop planned for 31 May to launch the strategy.
 - APUC's Operational Procurement Strategy would be updated to ensure alignment with the new national strategy.

APUC Corporate Strategy Status Update (APUC/08/2023)

13. AW presented the Corporate Strategy Objectives Tracker. The Board discussed the current status of each of the objectives, noting that delivery was well aligned to planned objectives and timings.

14. The cost charging model for Hunter was discussed and it was agreed that pricing should be carefully managed and in particular APUC should ensure users outside Scotland were paying appropriate charges.
15. It was agreed that the structural change potential opportunity aspect of the *Maximising Value Through Developing New Opportunities* section would best be explored as a workshop session at the next in-person Board meeting in November 2023. **(ACTION: AW/MC)**

How to embed climate action in sector supply demand?

16. AW invited a discussion on how to change the demand for climate impacting goods, works and services. A discussion took place including the potential for the various professional groups to have conversations about how to reduce or modify the relevant demand in their areas of scope or control.
17. In relation to demand created through research grants where there may be alternatives to buying new equipment, PM suggested that funding bodies were likely to take steps to address this and manage funding awards accordingly. AW noted that the UKRI had just joined the UK wide HEPA Responsible Procurement Group which could allow this to be discussed jointly by them and the sector.
18. GL asked who is driving climate change actions. AW noted that beyond our legal (stronger legislation and targets in Scotland versus the rest of the UK), and ethical responsibilities to do so, low climate impact strategies/approaches are often the best value option on a whole life costing basis. PM noted that institutions are driving climate actions with ambitious net-zero targets and PS added that student bodies have a strong interest and influence on the climate agenda.
19. AW added that there is an annual APUC report on supply chain GHG emissions that goes out to professionals in Procurement (and Estates in HE to assist in HESA reporting) and PM suggested that wider awareness of the report and its wider circulation could be beneficial.
20. It was agreed that Board members would raise demand management actions/change as a discussion topic at the professional leadership groups with which they are members [Post meeting note: the sectors' Supply Chain Climate and Ecological Emergency Strategy could be used as a catalyst for discussion]. AW advised he was happy to attend these meetings to assist in dialogue. **(ACTION: Sector Board Members)**

Supply Chain Disruption update (and Resilience Report)

21. AW gave an update on the current supply chain situation noting that it remains stable with regard to impacts from the Ukraine / Russia war, although fuel prices are now dropping. Sector energy prices remain below the reduced market prices, so pricing has not come down.
22. Brexit remains the biggest cause of supply chain disruption due to the UK being an unattractive market to sell to, chaotic delays at ports, and staff shortages at suppliers and logistics firms across the UK.
23. AW advised the Board that a resilience report is developed and circulated internally in APUC as a management tool. It is available on request to Board members for information.

Potential Shared Service Exploration – C&I – Risks & Approach

24. AW advised that there is a workshop planned for 25 May to discuss the potential Complaints and Investigations shared service and that most universities will be attending. He added that Colleges Scotland will also send a representative.

Risk Register (APUC/09/2023)

25. AW presented the status of the Risk Register, with the Board noting that:

- No significant changes since the last review.
- Sustainable procurement resource risk has been removed.
- Recruitment / retention has improved due to changes to work practices.
- No new risks have been added.
- Cyber Essentials accreditation renewal is due in early Summer.

COUP 2025 – Scotland

26. AW advised that the 2025 Conference on Universities Purchasing (COUP) will be organised by APUC and that the 2023 'London' event will be held in Exeter. A note will be sent out to universities to identify a likely host campus for the 2025 event, and it is hoped to have this secured by September 2023.

27. AW noted that the last time APUC organised COUP was in 2011 at the University of St Andrews.

Any Other Business

28. There being no further business, AW closed the meeting at 17:05.

Date of Next Meeting

29. The next (short format) Board meeting will be held on Thursday 17 August 2023 online via MS Teams.

A handwritten signature in blue ink, appearing to be 'D. G. G.', is located at the bottom right of the page.