

## Minute of APUC Board Meeting held at 09:15 on Tuesday 20 February 2024 via MS Teams

### Present

Jim McGeorge (Chair)	University of Dundee
Pete Smith (PS)	Borders College
Tracy Elliott (TE)	Glasgow Clyde College
Margaret Cook (MC)	Perth College UHI
Phil McNaull (PM)	Independent
Gemma Lines (GL)	Independent
Harpreet Paul (HP)	Independent
Angus Warren (AW)	APUC Ltd (Chief Executive)

### Apologies

Lee Hamill (LH)	University of Edinburgh
-----------------	-------------------------

### Also, in attendance

Dawn Mitchell (DM)	APUC Ltd (for item 5)
Ricarda MacDonald (RM)	APUC Ltd (for item 2)
Michael Caithness (Sec)	APUC Ltd

### Welcome

1. Chair thanked everyone for attending and noted that an apology for absence had been received from Lee Hamill and that Margaret Cook would be joining later. He also noted that Dawn Mitchell was joining to present the Finance papers and Ricarda MacDonald to present the Responsible Procurement workstream update.

### Minutes of Last Meeting

2. The Board was happy with the accuracy of the previously distributed Minutes.

### Matters arising (APUC/01/2024)

3. All were closed or actioned as stated in the paper APUC/01/2024.

### Responsible Procurement Update

4. RM introduced her presentation and advised that the Responsible Procurement team's activities have a multitude of impacts on the procurement process in APUC and the sector. RM's PowerPoint presentation highlights the key areas of influence and achievements as follows:

- Slide 1 – Responsible Procurement team is Ricarda MacDonald and Amy Ledger.
- Slide 2 – Four spheres of activity:
  - Strategic – Policies and action plans.
  - Stakeholders – Bodies that are actively engaged.
  - Institutions - Point of contact for General RP and sustainability guidance and support.
  - Collaborative Team – Support for APUC Teams.
- Slide 3 – Sustainability Standards – List of applicable standards.

- Slide 4 – Primary Impact Areas of Climate Change:
    - Catering.
    - Laboratories.
    - Furniture.
    - ICT.
  - Inherent Benefits – Benefits arising from Responsible Procurement activities.
  - Challenges – Constraints that affect progress.
  - 2024 and activities looking forward:
    - Institutional support.
    - Collaboration.
    - Tools.
5. PS appreciated the fantastic work being done and asked about visibility/awareness at senior levels in institutions. RM advised that feedback from procurement teams is that visibility with senior stakeholders is not as good as it could be and that planned workshops aimed to address this.
  6. PS enquired about how the process could be managed to cover wider areas and RM noted that the cost to achieve net zero is immense but improving efficiencies will be helpful. She added that capital expenditure is important but not enough at present and that repairing and upgrading equipment instead of renewing is a useful approach.
  7. PS asked if there was any resistance to change and RM advised that the team is happy to talk to senior stakeholders to improve awareness and knowledge.
  8. PS added that small institutions struggle to get the message out effectively and suggested that it could be useful for the RP team to work with the local institution to showcase / case study the positive things around RP that are impacting on institutions. RM agreed and suggested that SharePoint could be used to get the message out to a wider audience. RM advised she would explore developing brief case studies that could be shared locally where institutions are utilizing the support provided to highlight the local positive impacts.
  9. Chair noted that Labs/ICT usually want the newest equipment and that improved climate impact awareness would be helpful to get the message over. RM added that good news stories on sharing/refurbishing equipment would help.
  10. HP had spent some time recently reviewing the RP environment and activities at APUC, so AW asked HP for her thoughts on APUC's approach. HP noted that the Responsible Procurement team were extremely passionate and that they were punching above their weight compared to other sectors. She added that fantastic work was being achieved by the small team.
  11. Chair concluded that it is good that APUC is leading the way and thanked RM and team for their great work. RM left the meeting at this point.

### **Financial Management Report (APUC/02/2024)**

12. DM gave a brief overview of the Financial Management Report for the period to end of December 2023 highlighting the following:

#### **Annex A**

- This shows us that our actual income is lower than budget to the end of December, by c£182k, mainly due to income from shared services being lower than we originally budgeted (£92k), however it does remain higher than last year, as the service continues to grow. The other reason income is under budget by c£70k is because we have not released as much deferred income as originally planned.
- Actual expenditure to end of December is also down compared to budget, by c£226k, mainly as seconded salaries have fallen, but this is in line with the related income reduction. To date, there are falling costs for conference and course fees (of £29k), but this is due to timing differences and is expected to be back on budget at the year-end.

- The forecasted outturn by the year end is a surplus of £411, which is overall as budgeted (£nil).
- We are also forecasting a reduction in shared service income (£78k), and as such, a related fall in shared service salaries (£75k), due to placement reallocation. Core team salaries are also forecast to fall compared to the budget, as some roles have been streamlined, and spending on development roles will now run into next year, due to the timing of onboarding trainees.
- Savings are now forecast for travel and for esolutions, as strategic development costs will not be required in full this year. These funds have been re-prioritised to cover capability development costs next year.

#### Annex C

- We are forecasting a balance sheet with adequate cash and reserves at the year-end. Debtors are expected to reduce due to the timing of invoicing cycles (last year heavy billing near the year-end). Creditors are also expected to reduce as we carry out projects throughout this year, for which we have previously deferred funding.
13. TE asked if there was a version of the spreadsheet with formulae included and DM has said that this can be provided but there are links to external sources that may distort some data. It was therefore agreed that the board did not require this level of access.
  14. TE asked why Underlying Reserves differ from Reserves, and DM explained that it is because the Underlying Reserves remove the USS pension provision adjustment (required in reporting under FRS102) to reach the actual real available cash position which our Reserves Policy is based on.
  15. Chair, noting the tiny surplus, asked what level of flexibility and resilience we have within-year financials – DM noted that there were efficiencies and savings expected as she reviewed departmental budgets as the year progresses. AW added that any unforeseen drop in income would likely be due to reduced needs within IPS and that we have a six-month contract notice period which would allow time to make adjustments in the use of resources.
  16. Chair thanked DM for another very clear financial report and for her attendance at the meeting. DM left the meeting after this point.

#### FCG Update

17. AW reported that funding for the next year would be effectively flat-cash (at best) and that APUC had explored (and will continue to) ways to manage this in an environment where most costs are rising.
18. AW added that money saved during the COVID pandemic will assist into the 2024/25 AY to support core jobs. He stressed that there would likely be none of this deferred income left for the 2025/26 year so the budget for then reflected this.
19. AW summed up by noting that the funding approval process was in its final stage and just waiting for approval from two members. The outcome will then be shared with the SFC.
20. Chair noted that the financial outlook was tricky and that APUC's efforts to tightly manage funds are most helpful especially given the financial pressures facing Colleges and Universities.
21. MC commented that it was a concern if the graduate training programme was impacted as it is viewed as very important by institutions.
22. TE agreed and noted that the trainees have been outstanding. The Board stressed the need to invest in the longer term and that APUC needs to fight to keep the programme going in future.
23. AW added that the funding process was progressing well and that he would progress-chase the remaining approvals from the FCG. (**Action: AW**)

## Summary Report (APUC/03/2024)

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

### General updates

- Collaborative spend is recovering towards pre COVID levels with catering and travel back at pre-Covid levels.
- The annual Procurement Development Workshop was held at Abertay University Dundee on the 23 November 2023 and feedback was universally positive.
- COUP 2025 will be held in Stirling, which was the venue for the first COUP in the 1970s.
- We aim to create a bespoke construction procurement training programme that will be available to all APUC members' staff. Supporting funding for this programme is planned for 2024/25 academic year so as soon as APUC's funding is confirmed for this period, we aim to form a Steering Group comprising relevant APUC staff, institutional procurement leaders and other subject matter experts to co-design the programme.
- The APUC Collaborative Contracting Team is to be re-modelled into a more appropriately named Strategic Sourcing Team to provide enhanced category support including increased stakeholder dialogue, increased market category knowledge coverage, and to provide more flexibility and resilience. As well as providing wider support and more resilient services for client institutions, the new approach will improve opportunities for development and succession planning. The new structure and proposed changes will commence later in Q1/2024.
- There were no Health and Safety incidents reported in the period.
- There are now 176 collaborative Framework Agreements available to the sector.
- The Joint Contracting Group (JCG) is working to develop and build their forward contracting plans for the next 5-8 years. The purpose of this work is to help identify and manage future UK wide collaborative opportunities and those with other Scottish CoEs, and even out workloads especially after the disruptions to tender timings elsewhere in the UK during the Covid period.
- The CPW will be held on Thursday 29 February 2024 and will be virtual over Teams. Heads of Procurement are encouraged to share and invite their key stakeholders to attend the relevant category discussions.
- HPDF Trustees agreed to use 10% of supplier rebates to allow the fund to open again and this has been approved by Heads of Procurement for a two-year period until more funds can be injected in 2026 after COUP 2025.

### Staffing

- Leon Mouat joins us in February to take up a role within our UHI shared service team where he will provide support to Amanda Mackenzie and client liaison with UHI Argyll, SAMS, SMO, UHI Moray and HTC.

### Responsible Procurement

- USECEC are planning to have a cross-disciplinary workshop in April 2024 (postponed from September 2023). When details are advised we will share this with the community if appropriate (attendee scope TBC).

### Policy, Process & Compliance

- PCIP process is proceeded to plan.

### eSolutions

- All UKUPC consortia are now signed up to pay to use Hunter and provide a single point of access for members and suppliers for framework information.

## Development

- Release 2 of the Procurement Skills Development programme for 2023/24 has been published with further courses added from March to June 2024.

25. Chair noted that the Board was happy with the summary report content and there were no questions.

## Board Performance Survey (APUC/04/2024)

26. AW advised that the survey results were positive, and that the governance process was working well. He added that the knowledgeable and supportive Board was of huge value.

27. AW note the following point arising from the survey:

- Succession planning needs to be reviewed. This was recently added to the risk register. AW and Julie Edgar would work on this and liaise with GL for advice on approach etc. **(Action: AW)**
- Desire to move Board meetings around the country. The geography of Scotland is a challenge in this respect, especially in the context of Board member locations and caring responsibilities.

28. AW asked if the August meeting should be virtual or in person at an institution.

29. PS suggested that the current split between virtual and in-person meetings works well, and that in-person meetings are best held in or near the central belt for travel accessibility reasons. He added that the Board has not engaged with institutions that have previously hosted meetings in recent years and that having more time to do this would be useful.

30. TE felt that alternate virtual/in-person meetings work well for the four meetings per year and that a meeting could be held at an institution once a year and that it should be planned well in advance to ensure high attendance by the Board members.

31. AW suggested that an overnight stay with dinner the previous evening and a tour of the hosting institution would work well and that options for the November meeting should be considered. He asked if any of the Board would like to host the meeting and MC invited the Board to hold it in Perth College.

32. AW noted that Perth is easily accessible by car or public transport. The Board felt that Perth would be a good venue for the November meeting. **(Action: AW)**

## New Logo Roll-out Plans

33. AW advised that a Marketing and Comms Manager has been appointed, with a strong focus on managing the preparations for the COUP 2025 event. They will early on manage the rollout of the new APUC logo that the Board decided on at the November meeting.

## Potential Shared Services update

34. AW advised that dialogue with the sector had taken place to identify early adopters for a possible 'Complaints Investigation' shared service and that there were at least three interested institutions at present.

35. He added that a soft/flexible approach was required due to the low initial client numbers and that a meeting would be held in March to progress the plan.

36. AW explained that the service would be separate from APUC and that it would have minimum fixed costs with staff being on Minimum+ contracts.

37. He proposed that a ring-fenced deferred income budget line (for shared service development) be potentially used to provide circa £25k to support the service get off the ground if the initiative was supported to implementation phase by the identified early adopters. The Board were happy to approve this approach. AW noted that as this would mean the funds being used by a separate legal entity, he would also seek the agreement of the SFC for this.
38. Chair noted that his institution was interested, but not for all investigations, and asked for the relevant colleague in his team to be included in discussions moving forward. He indicated that other institutions had expressed an interest in such a model, and it was agreed to communicate with institutions again to check that they were aware of that option with the hope of generating additional interest (**Action: AW**)
39. MC said it was a good proposal with low employment risk and that her college would be interested. She suggested that she could share information on it with the College Principals' Group if it is to move towards implementation.
40. AW confirmed that it was the intention that institutions would maintain the legal liability. GL noted that there have been increased litigation concerns lately and that this was a good approach.
41. AW committed to share a draft Soft Launch Briefing Paper with the Board for information after the March meeting which could then be shared with relevant stakeholders' groups. (**Action: AW / then Board members as appropriate**)

### Supply Chain Volatility update

42. AW provided a summary of current/potential impacts as follows:
  - The situation in the Red Sea is not materially impacting supply chains yet but there is potential for some extra costs although sea transport is relatively cheap, and freight is a small percentage of overall costs of products.
  - The Panama Canal is drying out and causing significant delays to shipping, but this is not however expected to affect Scottish HE/FE supplies to a large extent.
  - The war in Ukraine is not having a material supply impact but it continues to be used by some companies to push for cost increase to significantly increase profit margins. APUC and its collaborative procurement partners, and procurement colleagues within institutions, continue to resist these wherever applicable / possible.
  - Brexit impacts remain a major issue and severe delays are expected at ports with food products as the next wave of UK regulations are implemented early in 2024.

### Any other business

43. There being no other business, the meeting finished at 10:50.

### Dates and venues of next meetings

- 16 May – RemCom (RemCom members only) - APUC HQ Stirling
- 16 May – Board – APUC HQ Stirling
- 17 May – AGM & Procurement Network Conference (PNC) – Stirling Court Hotel
- 15 August – Board - location tbc or virtual
- 30 October – Audit Committee (Audit Committee Members only) – Edinburgh tbc
- 26 November – Board, location UHI Perth.

