

Minutes of APUC Board Meeting held at 9:30 a.m. on Tuesday 16 February 2021 online via MS Teams.

Present

Jim McGeorge (Chair)	University of Dundee
David Beattie (DB)	University of Aberdeen
Veronica Strachan (VS)	Robert Gordon University
Margaret Cook (MC)	Perth College
Pete Smith (PS)	North East Scotland College
Janet Thomson (JT)	Glasgow Clyde College
Fiona Gavine (FG)	Independent
Maureen McCrea (MM)	Independent
Phil McNaull (PM)	Independent
Angus Warren (AW)	APUC Ltd (Chief Executive)

In attendance

Michael Caithness (Sec)	APUC Ltd
Elizabeth McFarlane (EM)	APUC Ltd. (5 only)
Martin Fairbairn (MF)	Scottish Funding Council

Welcome

1. The Chair thanked everyone for attending and noted that DB would be leaving the meeting at 11:00 and that EM would be joining to present agenda item 5.

Minutes of Previous Board Meeting

2. The minutes of the 18 November 2020 Board meeting were approved as an accurate record of the meeting.

Matters Arising: APUC/01/2021

3. All Matters Arising from the previous Board meeting had been actioned or scheduled as outlined in paper APUC/01/2021.
4. Item 35 - Chair reminded the board's sector members that it would be helpful to air the concept of the commitment contracting approach with other groups that they are members of, such as the University Secretaries' Group and both sectors' finance groups.
5. Item 61 - AW advised that it is now mandatory under Scots Law for all institutions to report on their supply chain climate change impacts & activities.

Summary Report: APUC/02/2021

AW gave the following updates on the Summary Report (APUC/02/2021):

6. Spend data is still to be finalised but will, understandably, be down overall due to the pandemic. Some areas have reduced significantly (food, temporary staff etc, where there was almost total

use of collaborative agreements) and others, such as laptops and PPE, have increased. Large purchases of laptops in 2020 will suppress / distort future purchase levels for the next 2-3 years. There will undoubtedly be some continued market volatility going forward.

7. All (PCIP related) OPRs were completed by the end of January 2021.
8. APUC staff continue to work remotely and there has been a high level of staff engagement using MS Teams.
9. Brexit impacts have resulted in a 70% reduction in port traffic in the first few weeks of the year, the situation is being continually monitored for the effect on supplies. Some other delays are being caused by COVID and, for example, the high demand for laptops and electronic components.
10. There are still lots of issues to be resolved and understood relating to Brexit, with information management / EU data sharing one of the most critical.
11. In terms of future operating models, current thinking was that most staff will be expected to work 1-2 days a week in an office as a minimum (unless they have more remote arrangements agreed) and dialogue with institutions will start soon to establish their requirements for shared service staff.
12. Rica Bieke will be going on maternity leave in April and Steve Connor will be providing cover for Responsible Procurement. Hayley Clarke, who recently re-joined and will work from Cheshire, will cover for Steve in College Services East.
13. There were no Health and Safety issues in the reporting period.
14. Brexit and COVID activities and actions are merging due to their similar mitigating actions.
15. Around 12 new staff have been recruited during the pandemic and the latest batch of graduates are flourishing in their roles. A new trainee will be joining in June and a new role in the North East is to be recruited for.
16. SG has published an SPPN 1/2021 – ‘Taking account of climate and circular economy considerations in public procurement’. The policy note highlights that public bodies should use their public procurement spend to support the Government’s climate and circular economy ambitions and clarifies expectations on the recently strengthened climate change reporting. A further update is expected soon.
17. Each sector is required to develop a strategy for climate action and APUC is consulting with relevant professional groups to help co-ordinate this effort.
18. A planned interim review of the Sustain Supply Chain Code of Conduct took place at the end of 2020 with the Sustain Working Group as well as potential new adopters of the code. The meeting provided useful feedback and minor updates. Prior to publishing of the updated document, agreement of wording on one clause is to be reached, but this is expected in February [completed since the meeting], following academic expert input.
19. Work on developing Scope 3 emissions reporting functionality as part of the spend reporting is technically complete and awaits final conversion factors before release [completed since the meeting]. This new feature will provide institutions with easy access to the information required

to report to HESA (and other bodies as applicable) and also provides the ability to drill down to supplier level to identify high areas of carbon emissions.

20. The 3 “Impacts of Brexit” webinars delivered by Thorntons over December and January were attended by approximately 80 delegates from across the sectors. Follow-up session(s) with Thorntons are being planned for the coming weeks within the context of the now live EU-UK Trade and Cooperation Agreement.
21. The Collaborative Catalyst will be wound up over the coming months with some of its activities transferring over to HEFESTIS.
22. AW asked for any questions.
23. JT advised that, as with others, her college had been experiencing supply chain problems with its laptop supplier. She noted that the Contracting Priorities Workshop had been well attended and asked if there were any themes arising from the discussions. AW advised that there was a strong focus on maximising the value of agreements with the consensus view that a minimum of 50% award criteria should be based on price. He added that they discussed issues such as what to do with agreements that are not being well used and whether or not ‘dead’ agreements should be closed. He stressed that the Workshop is APUC’s main client feedback forum for focussing its activities on the coming year.
24. PM asked how resilient APUC’s information security practices are for remote working staff and AW advised that APUC operates via a secure VPN to provide a high level of security and noted that there had been no issues to date. APUC has Cyber Essential accreditation.
25. PM asked how a positive emphasis could be put on procurement and the work of the team and AW suggested that agenda item 9 (Operations & Strategy Review) would form the basis for developing some brief communications on this.
26. FG enquired about staff morale in the current remote working situation and AW advised that morale was lower now than it was in the first lockdown but that there are signs of improvement now that the vaccine is rolling out and the outlook is brighter. He added that a new staff support system was in place to provide counselling if required. He noted that staff with young children were finding it particularly difficult to manage home schooling together with their APUC work commitments. He concluded that there has not been a drop in productivity, but rather that staff seemed to be working longer, which brought its own separate challenges.
27. Chair suggested that any relevant MI insights from the staff welfare / counselling provider should be shared with the board members once there was a few months of anonymised data available.
(ACTION: AW)
28. MC suggested that people will attend virtual meetings that are of interest, but that they would not necessarily travel to attend and that this seems to be a common view now, but there needs to be a balance of remote and office working moving forward. She added that staff living on their own, or in less-than-ideal conditions, and those with children were finding remote working more difficult.

Financial Management Report: APUC/03/2021

29. EM presented the Financial Management Report (APUC/03/2021) and highlighted the following details in the report to the end of December 2020.

- Income for the period was £1,735k against a budget figure of £1,676k, the increase due mainly to shared service secondments.
 - Expenditure was £1,521k against a budget figure of £1,674k, the difference being mainly due to lack of conference fees, lower travel and office costs.
 - Forecast income is expected to exceed expenditure by £175k.
 - Forecast balance sheet shows an increase in reserves of £175k with a cash balance held at year-end of £1,997k.
 - Debtors at year-end are expected to be £375k and creditors £771k.
30. MM noted that the variance in the budget was shown as ‘budget minus actual’ which is negative and suggested that it should be shown as ‘actual minus budget’ which would be positive. **(ACTION: EM)**
31. Chair thanked EM for her usual good, clear report and analysis and EM left the meeting.
32. AW advised that discussions on 2021/22 budget with the funding consultation group were ongoing, APUC had proposed a budget reduction of £86k, and that the outcome would be sent to the SFC later in the week. **(ACTION: AW)**

Procurement Rules Briefing for APUC Board

33. AW gave a PowerPoint presentation on Procurement for senior management. The slides gave an overview of the procedures and regulation that public procurement practitioner must follow and was intended to provide the APUC Board with high level awareness of relevant procurement laws and how they impact the HE/FE sector in Scotland – and what APUC does to help members. He also outlined risks and opportunities for HE and FE Institutions.
- The following key slides were presented:
- Legal framework for different contract value bands
 - Issues of Public Procurement in HE and FE Sector
 - Key Procurement Risks
 - Overview of EU Rules –still in force
 - EU <> UK Procurement Principles and most recent changes
 - Overview of Procurement Reform (Scotland) Act
 - Overview of PRA reporting and transparency duties
 - SG Sustainable Procurement Duty
 - Impact of the Reform Act versus UK regs
 - Impending changes – the Green Paper on English Law changes
34. JT asked if the potential Green Paper changes are bad for morale and how APUC can keep staff motivated. AW advised that this was a subject for discussion at the last Open Forum meeting, so it has good visibility and staff are encouraged to highlight issues and make suggestions for how to deal with them. He added that a sectoral response to the possible changes is in preparation, which will go to the Cabinet Office in London with a slightly different version to SG. The draft will be shared with PSG before submission.

35. In relation to ONS based Government Accounting rules, MF noted that SFC relies on institutions' own contract award processes and stressed that where only one supplier was being used there needs to be more effort to ensure equal opportunities for others.
36. Chair thanked AW for his very informative and helpful presentation.

UK GPA Procurement Rules Consultation

37. AW provided a reference link in the agenda to the UK Government's 'Green Paper: Transforming public procurement' relating to changes resulting from Brexit.
38. PM suggested that this could 'throw a spanner on the works' for Scottish Public Procurement and stressed the importance of preserving all aspects of procurement and not just price. He asked how APUC is addressing this concern and AW confirmed that EU rules ensure good practice and behaviour, but the new proposed rules do allow more 'commerciality' in procurement activity, which could bring significant benefits and that we therefore need to get the balance right going forward.
39. Chair recommended that APUC's draft response to the consultation should be shared with the Board (**ACTION: AW to provide a draft when ready**)

Brexit and COVID Update

40. AW informed the board of the continuing efforts to ensure adequate supply of PPE and noted that NHS holds excess stock that can be available to the sector free of charge as it is owned by SG. All University and College Procurement leaders are aware.

Operations & Strategy Review

41. AW introduced the paper APUC/04/2021 and noted that it was the outcome of a consultation done to provide background information in preparation for the 2021 strategy review.
42. AW highlighted the fact that APUC has good training programs available and these could be beneficial to institutions at a time when their own programs are constrained budget-wise.
43. AW proposed that the potential 'emerging leaders' development programme for the sector be taken forward and asked for the Boards support in redirecting £12-15k of the surplus generated from Covid impacts, to fund the initial programme. The Board strongly supported this proposal.
44. JT asked how we could encourage staff to see themselves as emerging leaders and AW advised that the course would be structured based on sector requirements and that a steering group is being set up to develop the programme.
45. MF stressed that supplier management needs to be addressed in the strategy development. AW agreed that it is a key area for development and noted that APUC's SCM tool already incorporates supplier/contract management in its feature set.

Climate Emergency Update

46. AW informed the board that, as required by the Scottish Government, APUC is working with FE/HE groups to develop a climate and supply chain strategy going forward.

47. AW noted that demand for support from institutions in moving the climate agenda forward was increasing materially so a second person to support work in this area has been recruited.
48. A template to use for climate action planning at category / commodity group level has been developed to ensure consistent and appropriate feedback from suppliers. The template has been approved by the Climate Forum and it may be built into the SG annual reporting.

Employee Health and Wellbeing

49. AW advised that a new organisation has been appointed to provide health and wellbeing support for APUC's staff. He added that a series of online sessions have already been held to help staff with issues related to working remotely and that this facility will continue post-COVID.
50. Chair asked how feedback from staff was gathered and AW advised that this was done during team and event meetings, as well as in individual meetings between managers and staff.
51. MM stressed the importance of this approach and asked if the risk register needed to be updated accordingly. (**ACTION:AW**)

Edinburgh and Glasgow Offices

52. Post COVID working practices and office accommodation requirements are being reviewed. The Glasgow office is moving into a facility in Glasgow Caledonian University and notice has been served on the lease for the Edinburgh office for September when a suitable campus alternative will be sought in the city with appropriately convenient public transport access. The Stirling office will be maintained as it is the most cost effective and is most centrally based for physical meetings.
53. AW added that a suitable reduced desk/staff ratio had been calculated, which had contributed to reduced budget costs. He also noted that administration costs would also be reduced when staff are relocated to institution-based offices.

Any Other Business

54. PM enquired if there were any material changes to the Risk Register and AW advised there was nothing new but noted that staff morale had been scored at an increasing level of risk, albeit now beginning to improve again. He added that APUC was providing support when required.
55. AW proposed that the Networking Conference, originally scheduled for May, should be moved to the end of September / early October as there was strong demand from the stakeholder community to have a physical gathering.
56. There being no further business, the meeting closed at 11:40.

Date of Next Meeting

57. The next Board meeting will be held on Thursday 13 May 2021.