Minutes of APUC Board Meeting held at 10:00 a.m. on Tuesday 22 August 2017 at Borders College, Galashiels.

Present

Gerry Webber (Chair)	Edinburgh Napier University
Liam McCabe (LM)	University of Stirling
Sheena Stewart (SS)	Abertay University
Carol Turnbull (CT)	Dumfries and Galloway College
Janet Thomson (JT)	Glasgow Clyde College
Pete Smith (PS)	Borders College
Douglas MacKellar (DM)	Independent
Fiona Gavine (FG)	Independent
Stuart Paterson (SP)	Independent
Angus Warren (AW)	APUC Ltd (Chief Executive)

In attendance

Michael Caithness (MC)	APUC Ltd
Elizabeth McFarlane (EM)	By phone for agenda item 5 only
Emma Nicholson (EN)	APUC Ltd for agenda item 12 only

Welcome and Apologies

1   Apologies were received from Martin Fairbairn, Scottish Funding Council

2   The Chair welcomed everyone and thanked Borders College for hosting the meeting and the Strategy Meeting on the previous day. He also noted that EM would be joining the meeting by telephone to give a summary of the Finance Report.

Minutes of Previous Board Meeting

3   The minute of the 18 May 2017 Board meeting was approved as an accurate record of the meeting.

Matters Arising: APUC/12/2017

4   All matters arising from the previous Board meeting had been actioned or scheduled as outlined in paper APUC/12/2017 except for item 6 pertaining to recognition of long service staff for APUC's 10th anniversary.

5   The Board were happy for AW to make the final decision on this matter and provided guidance on what would be felt appropriate.

Summary Report: APUC/13/2017

6   AW gave an overview of the information contained in the APUC Summary Report (Paper APUC/13/2017) and highlighted the main features as follows:

High Level Summary Table

7   There are currently 178 agreements available to the sector and a further 20 are in progress.

8   Benefits reporting is still being affected by lack of accuracy on suppliers MI. AW noted that rebates are based on suppliers' MI and that this may explain the tendency for them to under-report. A better system is being put in place to link supplier spend records and improve the quality of their MI inputs by validating it against institutional data.

9   DM asked if we should have supplier managers for a given set of suppliers. AW advised that category manager already fulfil the supplier management function but that there was room for further focus.

10   The method of validating savings remains time consuming as it is based on average figures (as per the cross-sector savings methodology) and there is a tendency for institutions to validate at contract level which will almost never be an exact match, whereas the overall institutional value is almost always accurate.

11   These matters were discussed and the Board agreed that we should ensure institutions were aware of the concept of averaging that was used for benefits reporting – including making an extract of the methodology available as a single page document for easy reference. The validation process should be based on asking institutions to confirm the accuracy of the spend data, rather than the benefits per contract, with clarity that the benefits per contract were not expected to be accurate for every contract at every institution but were provided as an overall guide to the potential benefits achievable. **(ACTION: AW)**

General Update

12   AW advised that Institution Contracts Register Dashboards have now been made available within institution secure areas for all the institutions using Hunter. The dashboard is currently set up to highlight contracts which are past expiry date but will also be reconfigured to show agreements expiring in the next six months. This has been well received by institutions.

13   AW confirmed that most staff are now using Microsoft OneDrive and that the SharePoint data migration is progressing well with initial focus on the contracting area.

14   AW advised that the Procurement Networking Conference in May continues to be a successful event.

15   He added that some APUC staff will be attending the bi-annual COUP conference that is being hosted in Swansea this year in September.

16   He also noted that the current position on the Cost Sharing Group status was stated in the report.

Staffing

17   AW advised that 3 people had left the company (one end of contract, one retiral and a trainee).

18   He noted that four new staff members had joined and that they would be based at Inverness College, Abertay University, University of Dundee and University of Edinburgh.

19   In addition, one member has gone on maternity leave (being temporarily replaced by another staff member) and another has moved to take up a shared service role at Glasgow Kelvin College.

Procurement Reform Bill & New EU Directives

20   AW reported that APUC is currently drafting a sectoral Annual Report Template, based on our sectoral strategy template, which will be shared with members as soon as it is available.

21   The first Annual Reports will be due as soon as practicable after the FY end 2017/18, and should cover the FY 2017/18, plus the period 1 Jan 2017 to 31 July 2017. Institutions are being encouraged to collect report data for the period Jan to July 2017 now if possible, to ease the reporting burden in 2018.

Health and Safety

22   AW advised that there have been no reportable H&S accidents or incidents.

OP – Category Bulletins

23   AW noted that Category Bulletins for C1 contracting have now been introduced.

eSolutions Update

24   AW advised that the PECOS "Gateway" was now being used in preference to the P2P system where institutions had Finance or ERP systems that have web-based workflow. He noted that Glasgow Kelvin College went live in June and that Glasgow Clyde College and West College Scotland connections are now in place with projects moving forward with indicative go live of October for GCC and next year for WCS. Edinburgh Napier University, Edinburgh College and Forth Valley College are in discussions on implementations.

25   SP asked if spend data was available from PECOS and AW advised that it was only generally available for 'catalogue items'.

26   AW advised that Scottish Government (SG) eInvoicing was now live, currently with three institutions. The cost of Finance System integration remains a challenge.

27   AW advised that APUC has been developing a spend analysis module as part of the supplier MI toolset. This will allow us to develop a suite of reports linking contracted suppliers with spend data reported from institutional finance systems. Much more accurate on and off contract spend reports will result. Data from 1/8/17 will be handled by this new tool.

eSolutions – For Info – Progress of the Scottish Government ePS Projects

28   AW informed the Board that new version PECOS v15.1, was released in July 2017. Several issues with the workflow module were encountered after release which required considerable investigation and workaround implementations for APUC and institutions.

29   AW noted that a few of the SG solutions are currently up for tender/retender.

D&S Sustain

30   AW noted that a total of 55 suppliers have now been requested to complete the Sustain supply chain assessment. Six suppliers have completed the assessment and results have been published. A further 5 suppliers are currently being validated / awaiting publication.

D&S Responsible Supply Chain Category Guides

31   AW advised that the "Protecting Human Rights in the Supply Chain" document published in collaboration with LUPC and CIPS is now available on the APUC website.

D&S – Procurement and Commercial Improvement Programme (PCIP)

32   AW informed the Board that all the institutional PCIP assessments have now been completed successfully and the next round is planned for 2019.

D&S – Training and Development

33   AW advised that APUC's D&S team has adapted the content of the two face to face training modules (PRA and EU legislation) into six elearning modules.

D&S – Supply Chain Management Programme

34   AW informed the Board that recruitment for the fourth round of trainees was in progress. He added that there was a need to emphasise possible pressures in public procurement to ensure that any trainees are fully aware of the role that they are signing up for.

35   SP asked if there had been any requirements for anyone to attend a court case as a result of a challenge by a supplier and AW advised that there had been none to date.

IS Catalyst and InfoSec Shared Service

36   AW advised that there are currently 18 members of InfoSec and that recruitment had been 'backed off' due to resource constraints. New resource is now in place.

37   He added that a GDPR Workshop had been hosted by InfoSec and that the IS Catalyst was looking at the sectors' appetite for Project Management and Business Improvement shared services.

Financial Management Report: APUC/14/2017

38   EM joined the meeting by telephone and highlighted the main items detailed in the Financial Management Report APUC/14/2017 which included a summary of the actual income and expenditure for the period to the end of June 2017, the forecast balance sheet as at 31 June 2017 and the cash profile for 2016 -17.

39   LM thanked EM for her usual good report and asked how the level of reserves sat with respect to strategic aims. EM replied that the report was based on current information and noted that reserves will be reduced when entries for the transition to FRS102 reporting standard are included.

40   AW added that reserves were at the lower end of that required for a clean wind up of the company should it be necessary and that FRS102 would take it below that level on paper.

41   Chair asked what 'permanent' meant with regard to contractor spend and EM explained that it meant a permanent difference from the budget.

42   AW noted that the revised budget for next year would be advised soon. **(ACTION: AW)**

43   The Board was happy with the financial report.

Gender Statistics Update (APUC/15/2017)

44   AW noted that the paper was an update on the report from last August and that the format was slightly changed. He noted that the average salaries for male and female staff did not include extreme modifiers notably CEO and Trainees and that there was no real difference between them after the adjustment was made.

45   He added that InfoSec was not included at this time as to do so would provide identifiable personal data due to the size of the team.

46   DM asked if there was a statutory requirement to publish this information and AW confirmed that there was not.

47   DM asked if APUC intended to report diversity and AW confirmed that it did not at this stage although it did review it internally - but that it could be included in next year's update. It was agreed that it should be kept on the horizon and that it was good practice to show that it had been considered with a statement to that effect to be included in next year's report. (**ACTION: AW**)

GDPR Preparation Update

48   AW advised that guidance was being prepared around how procurement is affected by GDPR, both for internal and external considerations.

49   He added that APUC was reviewing its processes, including procurement, and IT usage with a focus on security and that it was the intention to revisit various areas on a 1, 2 or 3 yearly cycle as applicable.

50   He noted that changes would be made to terms and conditions and that simple guidance would be prepared for staff in institutions.

51   AW stressed that care needs to be taken where contractors handle data and that our local management of data and external relationships need to be monitored.

52   JT asked about the possibility of setting up a shared service for the data protection officer role and AW advised that a paper was being prepared to propose an approach to how this could be actioned.

53   Chair asked if the Board should have sight of this document before it was published and AW suggested that he could share a discussion document. **(ACTION: AW)**

54   Chair concluded that the Board was happy for AW to deal with it, but to keep them informed of progress. **(ACTION: AW)**

2017 Modern Slavery and HT Statement (APUC/16/2017)

55   AW noted that the paper was for approval purposes and that it was not mandatory but considered good practice to have. He added that it had been updated to reflect current activity and that Electronics Watch had been included.

56   Chair requested Board approval for the document and it was unanimously given.

Brexit Update

57   AW advised the Board that there was a Public Procurement Group meeting the following day but he did not expect there to be anything of significance regarding Brexit as an outcome.

58   He added that there was a risk that the Westminster Government (WG) could take back control of procurement and that would mean a loss of influence opportunity by APUC and the sector on the direction going forward.

59   Chair noted that procurement rules might change and they might, in fact, get easier, but it was too early to know.

Audit Committee Members

60   AW suggested that a representative from each section of the Board should sit on the Audit Committee.

61   LM, JT and FG agreed post meeting to sit on the committee.

Work stream Update (D&S)

62   EN gave a PowerPoint presentation with links to live websites on the activities of the Development and Sustainability work stream.

63   Key points from Strategic Objective Progress slide were as follows:

- PCIP assessments are all completed and most institutions had a 'trial session' to best prepare them for their actual assessment.

- Organisational Procurement Reviews (OPR) were also included for institutions with annual non-pay spend less than £5M. These are less onerous that the PCIP process.

- These assessments will be conducted again in 2019.

- D&S team have delivered and are working on various training modules such as EU and PRA regulations, Sustainable Procurement, Annual Report requirements and Principles of Life Cycle Costing.

- Two Supply Chain Specialist trainees are in place based in the Stirling office and in Dundee.

- Recruitment for the next round of graduate trainees is in progress.

64   Key points from Forward Plans slide were as follows:

- Launch Continual Improvement Programme activity.

- Launch face to face Sustainable Procurement module, and convert to eLearning.

- Further develop Sustain to improve verification process and report availability. Look at ways to increase Contract Manager process involvement.

- Align Electronics Watch monitoring activities with APUC member IT hardware product purchases.

- Manage upcoming resource needs – D&S Manager extended leave period etc.

65   SP asked if any of the training included videos and EN confirm that some do and demonstrated the online content that has videos and quizzes etc.

66   PS asked if user numbers on SharePoint would be an issue and AW confirmed that it would not and explained that access to the content is by Office 365 login credentials by institution staff and we can have 500,000 people accessing the site.

67   DM asked how suppliers had responded to Sustain and EN confirmed that most were happy.

68   Chair thank EN for her presentation.

Any Other Business

69   Chair advised that he was happy to report that Stuart Paterson had agreed to serve on the Board for a further year, during which time a new Non-Sector Director would be appointed with membership possibly overlapping.

70   Chair also advised the Board of his intention to retire from his post at Edinburgh Napier University at the end of the year and that this would make him ineligible to serve as Chair of the Board.

71   A new Board member to replace GW would need to be selected from the Universities Secretaries Group. **(ACTION: AW/SS)**

72   A new Chair would need to be appointed from the sector members of the Board – this activity would be coordinated by AW and MC. **(ACTION: AW/MC / Board)**

73   There being no further business, the meeting closed at 11:45.

Date of Next Meeting

74   The Audit Committee will meet at the APUC Edinburgh Office on 23 October 2017 to approve the annual accounts.

75   The next Board meeting will be held on 15 November 2017, in Edinburgh, most likely at the APUC office.