

Minute of APUC Board Meeting held at 9:15 on Thursday 14 August 2025 on MS Teams.

Present

Veronica Strachan (Chair)	Robert Gordon University
Angus Warren (AW)	APUC Ltd (Chief Executive)
Andy Goor (AG)	University of St Andrews
Nicky Anderson (NA)	Dundee and Angus College
Gemma Lines (GL)	Independent
Phil McNaul (PM)	Independent

Apologies

Pete Smith (PS)	Borders College
Harpreet Paul (HP)	Independent

Also, in attendance

Michael McLaughlin (MM)	APUC Ltd
Lorona Watts (LW)	APUC Ltd
Dawn Mitchell (DM)	APUC Ltd
Michael Caithness (Sec)	APUC Ltd

Welcome

1. The Chair thanked everyone for attending and noted that Michael McLaughlin and Lorona Watts were attending to present their Category Update and Dawn Mitchell would be joining to present the Finance papers.
2. Chair also advised that apologies had been received from Pete Smith and Harpreet Paul.

Information Services Category Update

3. Lorona Watts, Head of Sourcing, Information Services, gave a PowerPoint presentation outlining the activities of her team using the following slides:
 - Team - *Currently has four members.*
 - Category Highlights – *50 Frameworks in placed with category spend of £99.5m*
 - Achievements 2024/25 – *Mainly periodicals and ebooks. Successfully defended a legal challenge on Periodicals.*
 - In Progress 2025/26 – *9 frameworks in progress with a further 11 scheduled and 1 in research stage.*
4. Michael McLaughlin, Category Director, Information Services, continued the presentation outlining the following slides:
 - Current Supply Chain Issues – *Highlighting volatility, Cyber threats, Geopolitical, Supplier Performance and AI Risks*
 - Negotiation of Strategic Partnerships
 - Strategic Stakeholder Engagement
 - Commercial Focus
 - IS Cost Optimisation

- Software Resellers - Cost Optimisation
 - Strategic Vendor Management
 - Responsible Procurement
 - Future Opportunities
 - Questions were invited from the Board.
5. Chair noted that her institution was very positive about the support of the IS team and that their work was much appreciated.
 6. It was noted that collaboration with JISC continues to grow, assisted by the recent UUK Efficiency and Transformation Review and that combined with the new Strategic Sourcing model, was providing clearly increasing value to the sector.
 7. Chair thanked LW and MM for their presentation, and for the significant benefits being delivered for member institutions.
 8. LW and MM left the meeting at this time.

Minute of Previous Board Meeting

9. The minute of the 15 May 2025 Board meeting was approved as an accurate record of the meeting and for posting on the website. **(ACTION: Sec)**

Matters Arising: APUC/10/2025

10. All matters arising from the previous Board meeting had been actioned or scheduled as outlined in the paper.
11. Regarding item 18, getting granular data has been the greatest challenge and Chair offered the University Secretaries Group network to provide support if required. AW felt that this could be valuable and would respond in due course.
12. All other actions are considered to be closed / actioned.

Summary Report: APUC/11/2025

13. Report highlights were as follows:

Highlights

- A further Tariffs Impact Review is ongoing to establish where risks exist and to determine appropriate mitigations based on the latest changes. Information is / will be shared on the Category Hubs and via the Market Insights Report.

General

- The Scot-Gov Public Procurement Group (PPG) is being expanded to include representatives from bodies within the publicly funded sectors. There is one position available for the combined HE/FE sector. Andrew Foulner, the Head of Procurement at Heriot Watt University was elected to the role for the next two years.

- The Procurement Network Conference took place on 21 May 2025 at Glasgow Caledonian University. The agenda consisted of only plenary sessions as an experimental approach and feedback has been gathered to continue the development of the events' format.
- The programme of upgrading APUC staff laptops to Windows 11 has commenced and will run over several months. The majority of laptops have been updated and more will be completed at the forthcoming Open Forum. APUC is safely on plan to complete this by the October deadline.

Data Protection

- APUC has had no reportable data protection breaches in the last reporting period.

Health and Safety

- There have been no reportable accidents or incidents in the last quarter, and the Lost Time Injury Frequency Rate (LTIFR) remains at 0.

Responsible Procurement

- We have a total of 294 rated supplier scorecards available via EcoVadis with a further 108 in progress.

Policy, Process & Compliance – Procurement Reform Bill, EU Directives

- The UK Government's (rUK) Procurement Reform legislation - The Procurement Act 2023 - went live on 24 February 2025. The UK Government have however started a consultation on changing the legislation across rUK again from as early as early 2026.

Development

- The Procurement Skills Development programme for 2025/26 is currently being planned and the Scottish Government's Procurement and Commercial Skills Framework Agreement is being re-let later this calendar year which gives us an opportunity to have many of the routine training courses (and their format) refreshed.
- We currently have one Trainee based on the original graduate trainee model, who is based in the North-East Scotland region. Final placement is with University of Aberdeen before completing the 18-month programme in September.

14. Chair thanked AW for his helpful report.

Financial Management Report: APUC/12/2025

15. DM gave a summary of highlights from the paper to the end of June as follows:

- The finance papers look a little bit different this quarter, as it is the first Board report generated from the new Sage finance system. The system is working well, and all teething problems are resolved.
- The results to the end of Jun 25 are just short of the full financial year and show we are on track to break even at the year end, which is consistent with the initial budget.
- **Annex A** shows that actual income is lower than budget to the end of June, mainly as we have not had to release as much deferred income as estimated. Other income is over budget as we have received more bank interest and eSolutions income than initially expected.

- Actual expenditure to June is down compared to budget, mainly as core payroll costs have fallen and also because there is reduced spend to date in other areas.
 - The forecasted outturn by the year end is a surplus of £1.5k, which is as budgeted with no material changes since the last board meeting.
 - Income is less than budgeted due to the amount of deferred income released. All other income streams are forecast to rise, compared to budget and also when compared to last year's results.
 - Expenses are forecast to be under budget overall, mainly as net core payroll costs have reduced.
 - Shared service salaries and related income are expected to come in close to budget. When compared to last year, shared services have once again expanded with income, staff numbers and salaries for this service all rising throughout this year.
 - There are additional costs in professional fees due to a supplier initiating a legal process and recruitment costs due to staff turnover.
 - Annex C shows a healthy forecast balance sheet, with adequate cash and reserves at the year-end. Creditors are expected to reduce as we carry out projects throughout this year, for which we have previously deferred funding.
 - The Finance Team are currently working on preparing the annual statutory accounts to Jul 25, which will be audited at the end of this month. There are still accounting and tax adjustments to make, but the first draft surplus is minimal indicating a break-even position.
16. It was noted that the numbers look to be where we would want them to be. There was a question on whether legal fees were likely to rise in coming year versus this year's budgeted figure. It was reported that there were no further legal fees expected by the end of the 2024/25 AY and the decision to fight an unfounded legal challenge should lead to less likelihood of future challenges such as this.
17. Chair thanked DM for the report and noted that the success with the periodical legal challenge was a good experience to learn from.

APUC Financial Outlook

18. AW gave an update on the potential financial outlook for the 2026/27 AY and discussed mitigations to deal with potential risks.
19. It was asked if there were other means of generating external non-grant income and AW advised that Hunter was generating income from the provision of non-member access.
20. It was asked if there were further options to reduce dependence on SFC funding - AW shared some potential options for both revenue increase and cost reduction, including that the use of AI was being evaluated to increase efficiency. AW advised that collaboration with JISC, UUK and Colleges Scotland were promising areas of development and that a shared service catalyst was being explored to identify other areas for development.
21. Chair thanked AW for his report.
22. DM left the meeting at 10:25.

Supply Chain Volatility Update

23. There are currently no significant impacts to report beyond what was already identified. The situation is being continually monitored.

Equality Statistics (APUC/13/2024)

24. The equality statistics paper is not legally required but it is useful to analyse the data and report the information.
- Ethnicity is now included but due to numbers there is a risk of data volatility.
 - APUC's ethnic minority staff numbers are higher than the general population across Scotland (based on the latest census).
 - Most grades showed minimal differences between genders or ethnic status, where there was, the reasons had been identified and were generally historically based in nature.
 - Continued decrease in the gender pay gap is welcomed.
25. It was noted that it was a useful report and that there was a need to pay attention to succession development and retention of staff emanating from a variety of backgrounds (including social grouping / class). It was noted that the UK Government was starting to take interest in this subject.
26. Chair suggested that reporting and tracking the data by grade across years might be appropriate from August 2026 as we accumulate more years' data in this form. **(ACTION: AW)**

APUC Modern Slavery and Human Trafficking Statement (APUC/14/2023)

27. AW presented the Modern Slavery and Human Trafficking Statement for Board approval to publish on the website. He noted that there in the wider landscape both nationally and internationally, there was increasing pushback from political and business leaders on responsible business conduct which was hampering progress. The October International Working Group of Ethical Public Procurement gathering aims to focus on how to counteract this through international collaboration.
28. The Board was happy to approve the updated document for publication on the website. **(ACTION: Sec)**

Plans for November Board and Workshop

29. AW advised that the Board would gather at Borders College in the afternoon on 26 November as follows:
- Strategy discussion to commence development of the 2026 – 2031 APUC Strategy.
 - This will be timely as we should have clarity on the potential for hosting a new shared service catalyst by then and the sector will have a good understanding of 2025/26 student numbers and financial positions.
 - Discussion will focus both on future activity and ensuring good governance in any emerging model (re the Gillies Report etc).

- The Board is invited to suggest topics for discussion (**ACTION: Board to share ideas with AW/Chair**)
 - Dinner and overnight stay will be at the Kingsknowes Hotel, Selkirk Rd, Galashiels TD1 3HY
30. The following day will commence with a campus tour followed by the formal Board Meeting with normal Year-End and Audit matters.
31. Julia Edgar, Head of People & Operations and Deputy CEO – Corporate, will attend both days.
32. The question was asked as to consider how the Board could do more to support the delivery of APUC's work in the future. (**ACTION: AW** to consider and feedback during the workshop)

Meeting Closure

33. There being no further business, Chair closed the meeting at 10.59.

Date of Next Meeting

34. The next Board meeting will be held on Thursday 27 November 2025 at Borders College, with the Strategy Workshop the afternoon before.

Veronica Al-Shachan