

Minutes of APUC Board Meeting held at 11:00am on Thursday 21 July 2011 at the Robert Gordon University, Garthdee Campus.

Directors Present

Irene Bews	University of Aberdeen
Pat Briggs	Robert Gordon University
Stuart Paterson	Independent
Nigel Paul	University of Edinburgh (Chairman)
David Ross	Independent
Angus Warren	APUC Ltd (Chief Executive)
Alan Williamson	Jewel & Esk College
Douglas MacKellar	Independent (joined meeting by teleconference)

In attendance

Michael Caithness	APUC Ltd (Company Secretary)
Martin Fairbairn	Scottish Funding Council

Welcome and Apologies and Introductory Comments

- 1 Apologies were received from Jim Crooks, Robert Kennedy & John Doyle.
- 2 The Chairman opened the meeting and welcomed the Board members. He also welcomed Irene Bews, Director of Finance at the University of Aberdeen, who is replacing Robert Kennedy as the HE Finance representative on the APUC Board.
- 3 The Chairman noted that the AGM was well attended and that the seminars were well received by those attending.
- 4 He also advised the Board that Universities Scotland is preparing a report on sector efficiencies and that APUC is featured as an acknowledged success.

Minutes of Previous Board Meeting

- 5 The minutes of the 28 March 2011 Board meeting were approved as an accurate record of the meeting.

Matters Arising: APUC/09/2011

- 6 The position on all matters arising from the last meeting was as set out in Paper APUC/09/2011.
- 7 Angus Warren advised the Board that the grant letter for APUC funding for next year was expected to be approved and signed this week.

Summary Report: APUC/10/2011

APUC Membership

- 8 Angus talked through paper APUC/10/2011 and highlighted the fact that there are currently 60 institutions that are members of APUC. The status quo will be maintained when Edinburgh College of Art is merged with the University of Edinburgh and West Highland College joins. Membership will then reduce to 59 when Jewel & Esk and Stevenson Colleges merge.

Operational Procurement

- 9 Angus further advised that there are now 116 contracts with buyers' guides available to the sector on the CuPID website with a further 36 in progress, 8 scheduled and 11 in the research stage.
- 10 He explained that we are now working on the more difficult contracting areas, hence why collaborative agreements have not been put in place for these areas before, so these take more time to launch and progress.

eProcurement

- 11 Alan Williamson enquired if there are any special considerations affecting PECOS when colleges merge and Angus stated that this would depend on the Finance systems in use at each college. City of Glasgow College will be the first converged PECOS environment and this could be used as a model for future mergers.

Hunter Database

- 12 Angus reported that the Hunter database development is continuing and that the AGM demonstration was well received by those in attendance. He also advised that there is interest in Hunter from and NHS Procurement, who may be willing to contribute to part fund its further development. Hunter was also demonstrated to a Heads of Consortia meeting and this generated further potential interest in the product.
- 13 Angus advised the Board that the CuPID contract website is being replaced with a new tool called GeM that is the sector's own eMarket and contract database and will be available to all institutions to use without charge. The contracts database will be smarter and more intuitive to use than CuPID but

its eOrdering feature is not “Scotland” compatible as it does not have pre-purchase approval functionality. This tool could be linked to Hunter and further development could also allow suppliers to input information directly into the database. The current method of input is via spreadsheets provided by suppliers. It is very labour intensive and demanding on APUC resources. Suppliers need to provide relevant data against appropriate contractual agreements.

- 14 Angus reiterated that getting quarterly data from suppliers is still (and will likely always be) proving difficult but that we will continue to drive this initiative forward.
- 15 Angus also mentioned that there was still a problem in gathering data from SPCD.
- 16 David Ross asked if APUC should protect the IP for Hunter and Angus advised that NHS would be required to sign a usage agreement if it decides to use and develop Hunter.

Proposed Summary Report Format

- 17 Angus tabled a document, based on 2009/10 data, with the development approach supported by Stuart Paterson and Douglas MacKellar. It contained:
 - Sector spend sector then by institution
 - Sector spend by ProcHE grouping
 - Sector spend by supplier
- 18 He explained that some of the categories (e.g. in Estates & Buildings) included are out of collaborative contracting scope but that the document highlights where there are gaps and leakages.
- 19 The document was discussed with PSGU and will also be discussed with PSGC to try to understand why contracts are not being used and a strategy will be developed following their feedback.
- 20 Angus said that the data will be refreshed for 2010/2011 and the granularity by contract area will be improved.
- 21 There are currently 100 strategies but these need to be developed further with reference to the ProcHE codes and subdivisions.
- 22 Martin Fairbairn discussed thoughts on collaboration in NHS Education for Scotland’s activities on library and periodicals (APUC has a framework for this).

- 23 Angus advised that most consortia are happy to share contract access without formal agreements but added that some CoEs, due to their corporate arrangements, require for more formal arrangements.
- 24 Irene Bews stated that contract sharing works well in the North East area and noted that a local sharing arrangement has been organised and put in place by APUC across various publicly funded sectors.

eSolutions

- 25 Angus advised the Board that eSolutions workshops have been well received and that further sessions were being developed to satisfy demand for various topics.
- 26 Angus advised that despite the SPCD committing to provide core funding for ePS services and solutions in summer 2010, there appeared some recent question marks over this commitment. Angus would keep the Board updated on any developments.

Contract Management Website

- 27 Angus informed the Board that adoption of the new, APUC developed, contract management website is progressing well after a slow start.

Pensions Status

- 28 Angus advised the Board that the pensions guarantee was now in place and thanked Robert Kennedy, Irene Bews and Susan Wilkinson for their specific efforts in handling the process to get completion in such a tight timescale. He further advised that USS now have the documentation.
- 29 Angus noted that as agreed by the Board, an undertaking clarifying arrangements over membership levels and potential security fund updates was now to be drafted. Angus noted that with constrained budgets moving forward, fund updates may be difficult in some years so proposed that an additional figure from this year's in-year savings, of £100k, be added to the initial security fund. This additional £100k was agreed by the Board.
- 30 The Chairman expressed his appreciation for the commitment made by the universities providing the guarantee and to the individuals within the institutions who had led the initiative in obtaining their institution's support. The Chairman also noted the work done by Angus Warren and Martin Fairbairn to get this solution agreed and Martin also congratulated the team on their achievement.
- 31 The Board requested that their thanks be relayed to each of the seven institutions that have provided the joint guarantee. (**Action:** Angus)

Benefits

- 32 Angus advised that the benefits reported of £10m cash and £2.7m non cash were for collaborative contracts and that they applied to data for 2009/10. The figures do not include benefits from the Procurement Scotland energy contract as MI is still not available.
- 33 A discussion took place over serious concerns in the sectors over the situation regarding the electricity contract. Initial outputs regarding the review of what went wrong were not felt complete or adequate by those in the sector that were aware of it and more importantly did not give confidence that it would not re-occur. The Board after discussion agreed that this matter should now be escalated to the top level in SPCD and actioned Angus accordingly. **(Action: Angus)**
- 34 It was also requested that an estimate of potential savings for the electricity contract could be included. Angus agreed that APUC would explore what could be estimated based on the data available. **(Action: Angus)**

College Services

- 35 Angus reported that the team were having a busy summer and flexible resources were utilised to cover for a member of the team who had a prolonged illness. Despite this problem good work has been done and well received by institutions. Fortunately the team is back to full strength again.

Shared Services

- 36 APUC is currently providing a chargeable procurement resource to Glasgow School of Art on a 0.5FTE basis to assist with its procurement requirements and provide knowledge transfer in the process. Discussions had also taken place with UHI Partners. Angus also explained that APUC will be providing interim procurement support to Glasgow Caledonian University from 1 August 2011 for a few weeks as they re-structured.

PCA Status

- 37 Angus reported that the second round of PCAs was complete and that good progress has been made since the initial assessments last year. APUC is now exploring ways of further improving scores and funds will be deferred from this year to help institutions to achieve levels of compliance and improve the value of their procurement strategies.

Financial Management Report: APUC/11/2011

- 38 Angus Warren introduced the Financial Management Report and explained some of the key figures outlined in the document.

- 39 He noted that restructuring had achieved savings on the past year and that this would enable more funds to be put into the pension guarantee account.
- 40 He also proposed to the Board that the annual financial report be slightly later this year in order to ensure reporting of the security fund handling can be included. The Board were happy with this approach.
- 41 After discussion regarding timing of funding, it was agreed that consideration should be given and related discussion to take place on this matter.

Any Other Business

- 42 In view of the poor response received from those invited, Martin Fairbairn queried the future of the "Meet the Board" sessions. Pat Briggs suggested that more comprehensive local events (a shortened AGM seminar type session) might be preferred as travel to attend a one hour meeting was not an attractive travel proposition for members. **(Action:** Board to consider possibility of such events and discuss at next Board meeting)
- 43 Douglas MacKellar enquired about the current situation regarding staff morale and turnover and Angus advised that it is generally now very good. The shared service role is seen as attractive and provides more career development opportunities.
- 44 Angus advised the Board that Dee Denholm will become a permanent employee of Queen Margaret University with APUC having her services on an approx 1 day per week basis.
- 45 The Chairman thanked Robert Kennedy for his contribution to the APUC Board and wished him good luck in his new post.
- 46 Provisional dates for 2012 meetings were proposed as follows:
- 12 January (Wednesday)
 - 24 April (Tuesday)
 - 19 July (Thursday)
 - 25 October (Thursday)
 - AGM on 14 May (Monday)
- Board members to confirm availability (and availability around these dates if these dates are not suitable) and then final dates will be published.

Date and Venue of Next Meeting

- 47 It was agreed that the next Board meeting will be held on Tuesday 18 October 2011 at a venue to be decided.