

Minutes of APUC Board Meeting held at 10:30 a.m. on Thursday 4 July 2013 at the Cottrell Building, University of Stirling.

Present

Nigel Paul	University of Edinburgh (Chair)
Irene Bews	University of Aberdeen
Gerry Webber	Edinburgh Napier University
Alan Williamson	Edinburgh College
David Ross	Independent (by telephone conference)
Douglas MacKellar	Independent
Stuart Paterson	Independent
Angus Warren	APUC Ltd (Chief Executive)

In attendance

Elizabeth McFarlane	APUC Ltd (by telephone for Agenda Items 5 only)
Emma Nicholson	APUC Ltd
Michael Caithness	APUC Ltd
Stephen Connor	APUC Ltd

Welcome and Apologies

- 1 Apologies were received from John Doyle, Andrew Haddon and Martin Fairbairn.
- 2 The Chair thanked everyone for attending and gave a warm welcome to Gerry Webber who was joining the board as an HE representative. He also recorded his appreciation for the valuable contribution made by Pat Briggs who had stepped down from the board. He also welcomed Stephen Connor and Emma Nicholson who were attending to present a Strategic Plan Review on Best Practice and Sustainability.

Minutes of Previous Board Meeting

- 3 The minutes of the 11 April 2013 Board meeting were approved as an accurate record of the meeting.

Matters Arising: APUC/14/2013

- 4 All matters arising from the previous Board meeting had been actioned or were in progress and the position was as outlined in paper APUC/14/2013.

Summary Report: APUC/15/2013

High level summary

- 5 AW gave an overview of the information contained in the Summary Report (APUC/15/2013) and highlighted the main points as follows:
- The number of collaborative contracts available to institutions is 138
 - Spend through collaborative agreements (either via APUC or local collaborations) was now at 27.9% (30.1% for HE and 19.4% for FE) and both are progressing well towards the 35% target set for the 2012/13 year. Focus will be on improving institutions at the lower levels of contract uptake.
 - The number of institutions using APUC Shared Services is 16 (3 HE and 13 FE). This is a new item in the summary report arising from a previous board action.

General update

- 6 AW explained that the Procurement UK (PUK) Advisory Group had met in April and that most of the meeting was devoted to discussing a proposal by London Universities Purchasing Consortium (LUPC) to use the Higher Education Statistics Agency (HESA) spend data to calculate the percentage of procurement spend that is collaborative. This data is not however actual procurement spend data, as is the case with the Scottish Government (SG) Hub data, and is therefore inaccurate (8% to 340% error range) and not ideal for the purpose. This situation is understood by the Chair of PUK and a revised methodology has been proposed albeit still using HESA data for England due to the lack of a consistent reporting methodology in England. SG Hub data will be used in Scotland as accuracy is the key to meaningful analysis.
- 7 DM asked about the composition of the PUK Advisory Group and AW advised that it had representatives from such bodies as ENP, APUC, BUFDG, the funding councils and institutions.
- 8 AW stressed the importance of networking in the sector to share best practice and to maximise use of resources and reported that the new format regional Procurement Network Workshops were held in May/June. These workshops were well attended by institutions and good feedback has been received from attendees. Further feedback has been requested from the PSGs.

- 9 ICT Shared Services Catalyst (ISSC) - AW reported that part funding for the proposed ISSC has been received from SG and that the balance, to be potentially funded by SFC, will be subject to the outcome of an updated bid to be developed by the end of July. If approval is given, recruitment of resources can proceed.
- 10 AW confirmed to the Board that Category Strategies for Estates and ICT were now published and that strategies for the other categories (Laboratories, HR and Libraries) were being developed.
- 11 AW advised that the Equipment Database and Maintenance (EDAM) database was now up and running and that a web-based interface was being developed for introduction as soon as possible.
- 12 AW informed the Board that the new Integration Management solution was now being used by 36 institutions of our 42 integrated institutions. The new platform is already proving to be more flexible and additional support has been put in place to cover organisations that have not migrated to the new platform yet but it is essential that those remaining on the old platform move urgently otherwise support will cease or come at a much increased cost.

Procurement Capability Assessment (PCA)

- 13 AW informed the Board that Southern Universities Procurement Consortium (SUPC) was interested in adopting the Scottish Questionnaire for its PCAs and that a meeting had taken place to help it derive a common set of PCA questions.
- 14 DR suggested that more could be done to promote the achievements resulting from the PCAs and the Chair informed that case studies will be included in a report going to the SG. AW added that case studies would also be provided to Colleges Scotland.
- 15 SP requested a list of commonly used acronyms for reference. (**ACTION: M. Caithness**)

Financial Management Report: APUC/16/2013

- 16 EM highlighted the main features detailed in the Financial Management Report (APUC/16/2013) to May 2013 noting that there was little change since the last report.
- 17 AW confirmed that we had now completed the compliance aspects in relation to operating as a Cost Sharing Group as per the HMRC guidance and as per the approach agreed with Chiene and Tait. We were now in the process of applying for Mutual status with HMRC.

Strategic Plan Review 3 – Best Practice and Sustainability: APUC/17/2013

- 18 The Chair introduced Stephen Connor and Emma Nicholson and AW explained their roles as Process & Best Practice Co-ordination Manager and Special Projects Manager respectively. He added that further information supporting their presentation material was included in the board papers.
- 19 SC & EN distributed a hard copy of a PowerPoint presentation for reference during the talk.

Procurement Journey (PJ)

- 20 SC gave an overview of the SG PJ and noted that all HE institutions should be aligned to it by the end of this year. A number of FE institutions are already aligned and others are planning to do so with support from APUC to develop the necessary strategies. For merging institutions, it was generally being planned to be part of that process to avoid 2 stages of change in a short period.
- 21 AW explained that the supporting PJ adoption table was based on last year's PCA.

2012 PCA Programme

- 22 SC outlined the figures for the last PCA noting that the average score for the sector was 58% compared to 52% for the previous year.
- 23 DM commented that the results were excellent and testament to APUC's efforts as a supporting organisation. He added that having no institutions in the non-conformation band is a great achievement.
- 24 SP asked why there were no FEs in non-conformance if the majority had not aligned to the PJ and SC explained that FEs procedures are compliant and built into their financial processes even if they are not using the PJ yet.
- 25 DM asked if only institutional procurement professionals are using the PJ and SC advised that some non-procurement staff with devolved responsibilities would also be using it.
- 26 SP asked for clarity if lower value procurements were using the PJ and AW advised that this was covered by Route 1 in the PJ.
[Explanatory extract from PJ website "Route one has been designed to be used by staff across the public sector who have a requirement and are authorised by their organisation to conduct low value/low risk/non repetitive procurement for goods or services. It is not necessary for staff using these processes to have extensive purchasing training, however it is assumed that individuals who are authorised to procure for their organisation have an awareness of EU Regulations and any applicable local procurement policies,

guidelines and governance arrangements. We have tried to ensure that the toolkit has been written in clear and concise language.”]

Key Themes

- 27 SC highlighted some key points of progress from the PCAs as follows:
- Procurement is being taken seriously at senior level
 - Procurement is extending its scope of influence in institutions
 - Procurement is increasingly being resourced properly
 - Procurement improvements recognised as valuable
 - The spread of college results is narrowing upwards (less with low scores)
 - Significant improvement year on year achieved with the effective partnership working of APUC and institutions
- 28 AW informed the Board that the PCA results will likely be published by SG. A link to the publication will be sent to the Board if / when it is live online. **(ACTION: M.Caithness)**
- 29 AWi commented that the shared service model was providing the expertise to help FEs to improve their PCA scores.
- 30 GW asked if institutional representative bodies were aware of the PCA improvements and the possibility that they would be published - it was agreed as soon as it was confirmed to provide an update / briefing to Universities Scotland and Colleges Scotland. **(ACTION: A.Warren)**.
- 31 SC informed the Board that APUC was assessed by SG and was scored in the Superior band.
- 32 The Chair asked what the PCA challenges were for the next 2 to 3 years and SC explained that a working group was looking at how it should evolve. The group are considering how to assess commercial outcomes and how to “stretch” high end performers. Inclusion of “Construction” is also being considered.
- 33 DM enquired if APUC had been approached by other organisation to conduct PCAs and AW informed the Board that 5 PCAs had already been conducted in England and that NEUPC would shortly become the first English consortium to be assessed by APUC.
- 34 AWi asked how the English institutions PCAs had fared and AW added that their results were good but that it was the better institutions that had requested assessment. He added that APUC would consider further requests for PCA related support and assessments if required.

- 35 DM asked if involvement in additional PCA was a drain on APUC resources and AW explained that additional resource was available for this type of activity.

Scottish Sustainable Procurement Action Plan (SSPAP) and Flexible Framework

- 36 SC introduced the section on SSPAP and gave an overview of its objectives as follows:
- Public commitment
 - Obtaining organisational buy-in
 - Sustainable procurement training
 - Collaborative contracting
 - SMEs and supported businesses
 - Engaging with EAUC (UCCfS)
- 37 DR expressed a wish that Sustainability guidelines should be in plain English and adaptable to cover all areas in pragmatic manner.
- 38 SC explained that a key part of the SSPAP is the Flexible Framework and that all institutions have assessed themselves against it and had a plan to achieve level 3 in the people, policy, process, suppliers and results areas. This is reinforced through the PCA process.
- 39 GW enquired about guidelines for including SMEs in tendering and AW stated that tenders are structured and lotted to ensure maximum inclusion of appropriate SMEs. It was agreed to circulate figures on SMEs involvement. **(ACTION: A.Warren)**

Carbon Calculator

- 40 SC explained that we are exploring adopting the Fife Council based EU carbon calculator and implementing it for appropriate tenders.
- 41 AWi enquired who will supply the guidelines for carbon footprints and SC advised that it was a difficult area and that a subset of DEFRA guidelines may be used in the short term.
- 42 The Chair suggested, and it was agreed, that it should be evaluated on a few tenders where appropriate and the outcomes evaluated.

Sustainable Supply Chain

- 43 This was a significant project and of strategic value to APUC and the sectors, with a high level of interest from student bodies - as such however it required a high degree of resources to deliver it. This was being led and co-ordinated by EN in partnership with eSolutions and Operational Procurement.

- 44 EN gave an overview of the Sustainable Supply Chain project objectives and outlined a 2 staged approach to be taken for contractors and bidders with reference to a chart in the hand-out.
- 45 GW asked for clarification on some of the wording in the Sustainability Policy on what could be brought into scope regarding ethical issues and AW explained that the Code of Conduct provides a definition of what is within our context of “ethical”.
- 46 GW suggested that it might be wise to clarify the scope as being that set out in the code of conduct policy and it was agreed that this should be done.
(ACTION: E.Nicholson to update and liaise with the working group to implement the changes)
- 47 The Board reiterated their support for this project and welcomed updates on the continued development of the new website etc.

Supplier and Contract Management

- 48 This was a critical area for improvement both across the sector and within APUC. EN gave an overview of the areas targeted for improvement as follows:
- Information flows
 - APUC / Sector training
 - Clarity / guidance of process / methodology
 - Formalised approach
 - Easy to use tools and templates

Training

- 49 EN outlined the plan to provide appropriate training for the sector, as required, arising out of the PCA process. The events described in the presentation table will be posted on the APUC website. **(ACTION: M.Caithness)**

Policy Forum and Consultation

- 50 SC explained that APUC will continue to take part in consultations on best practice/process developments and publish updated documentation to client institutions as appropriate. There is also an institutional member on the policy forum, that being Karen Bowman from the University of Edinburgh.

Supply Chain Management Trainee Program

- 51 EN gave an outline of the 18 month development program to place trainees in APUC and institutions with the objective of developing them to Procurement Manager (Operational) level by the end of the period. One trainee has already

completed the first APUC phase and is now at the University of Dundee and the second trainee will complete first phase APUC training at the end of July and move on to the University of Aberdeen. A third trainee will commence at APUC on 15 July and then move to the University of Edinburgh.

- 52 DM complemented APUC on the “depth and breadth” of the activities that are in progress.

Impacts of FE Reclassification: APUC/18/2013

- 53 AW introduced the paper on the FE reclassification and explained that colleges will be regarded as general central government bodies for accounting purposes.
- 54 He added that the financial year for FEs will be aligned to the fiscal accounting year, with monthly reporting, not to the academic year and that this could create problems for managing MI if procurement data was also done in this way. Retention of the academic reporting year is being explored with Finance Directors across colleges. It is likely however that the college sector will continue to report procurement data on an academic year basis as they will still have to undertake their management accounting on an academic year basis even if financial reporting is done on a fiscal year basis.
- 55 AW clarified that APUC would continue to be the CoE for the colleges.

Reform Bill and EU Directive

- 56 AW advised that the new EU Directive was due in autumn 2013 having already been postponed. It may be implemented in England over 12 months ahead of Scotland.
The Procurement Reform Bill has also been postponed pending the outcome of the release version of the Directive.
- 57 AW also explained that there was on-going dialogue with the SG to ensure the best possible outcome for the sector in the Reform Bill. He added that there may be divergent interpretations of the new EU Directive between English and Scottish government and that we must strive to minimise the differences where possible.

Construction Review: APUC/19/2013

- 58 AW introduced this paper and advised that a client focus group had been set up to rationalise the contents of the Construction Procurement Review. Some

of the contents have been improved and a Centre of Knowledge is now proposed rather than a further Centre of Expertise as originally proposed. He added that some of the biggest issue areas had been removed and that a more balanced consultation approach was now beginning to be undertaken. SAUDE is working in partnership with APUC and the procurement community on the consultation process. There are still however concerns with some of the matters and still new proposals coming from the group. APUC will continue therefore to be fully involved in addressing the relevant concerns.

- 59 GW enquired about the status of the feedback document and AW confirmed that it has been passed to the review team for consideration.

Any Other Business

- 60 There was no other competent business.

Date of Next Meeting

- 61 The next meeting will be held on 23 October in Edinburgh at a venue to be determined (likely APUC Offices with the annual Meet the Team / Board session before hand).
- 62 There being no further business, the meeting closed at 12:50