



**Kenneth Gibson MSP**

Convener of the Finance and Public Administration Committee

31 January 2025

Dear Convener,

I was pleased to have the opportunity to give evidence to the Finance and Public Administration Committee at the roundtable session on Public Service Reform on 7 January. During the session, you asked for further information about savings delivered through Advanced Procurement for Universities and Colleges (APUC), and I am writing to provide further information.

To secure efficiencies across the sectors, the Scottish Funding Council (SFC) provides funding for the delivery of procurement services at a national level through APUC. Overall procurement spend in the sectors was £1.2bn in 2022-23, and around 35% (£420m) of this was through collaborative contracts. By managing the the continued volatility in local and global supply chains, APUC has delivered collaborative agreements with pricing often 5-15% below prevailing market pricing. Therefore, through these collaborative agreements, Scotland's colleges and universities saved approximately £35m during 2022-23.

Colleges and universities also benefit from other APUC services that deliver efficiencies in procurement, including:

- Institution-based procurement resources as a shared service. Over 25 institutions use this service, and it is charged to each institution at actual cost (and without the cost of VAT due to APUC's special status as a VAT exempt HMRC approved Cost Sharing Group). The savings achieved through this approach are reported locally at institution level and are in addition to the £35m savings already detailed.
- All member institutions are able to access tools, training and expertise; for example, a contract management tool, a variety of training courses and development programmes, and access to expertise in policy guidance.

These benefits are underpinned by APUC delivering a responsive service that adapts to the changing needs of its members, as well as wider external factors. APUC engages closely with institutions to understand key drivers, which enables it to manage supply chain resilience, sustainability challenges, and a challenging fiscal landscape.

I trust this information is helpful.

Yours sincerely,

**Lynne Raeside**, Deputy Director, External Affairs & Policy