

April 2017

## 1. Update from Steve Dauncey

Let me start with a few reminders, the finance conference is on April 6th and I look forward to meeting as many of the team as possible at this. Charlie Allen has kindly agreed to Chair the event which has a theme of the Impact of Change. Secondly, many are now in training for the Manchester 10k and there are still places in the purple wave (discounted entry fee!), this is a great opportunity for both fun and fund raising. Finally the staff survey is still open for anyone who has yet to complete it.

A key event for me in March was the Board Accountability and Planning Conference. I presented on Financial Challenges that the University faces and the implications which, whilst uncertain, certainly mean that we have to plan for increased income generation. At least one of the challenges has become clearer recently with the announcement of increased medical students and the changed arrangements for those who are international. This is good news at a headline level and whilst we know the impact for 2018/19, we have to enter a bidding process for subsequent years where there are an additional 1,000 home students. The accountability part of the conference focused on areas where performance was not aligned with the ambition laid out in Manchester 2020 and the planning aspects reviewed the steps we need to take to correct the gaps in performance. The growth in income will not be easy given the increased competition in the sector and the political uncertainty that persists and therefore we will need to combine with a continued drive for further efficiencies across all activities.

I attended a UMI3 Board meeting and met the new Chair, Luke Hakes. We perform well in terms of managing intellectual property and technology transfer, but I believe we can do more to generate income for the University. This would involve putting more investment behind spin outs and joint ventures but there is potential to generate more than we do by investing cash with banks given the very low interest rates. However, such investment brings greater risk so it is a question of moving cautiously. However developments around graphene with a focus of problem lead solutions with industrial partners mirrors the approach needed in healthcare, both need to create impact quickly.

I met with the Finance Directors from MMU and Salford to discuss the International Medical School and also explore items of common interest. There are many areas where I believe that further collaboration will bring benefits to all parties. The sector does collaborate on Research but we could provide better value to our funders through even greater sharing of equipment and facilities.

We have now more than 1,000 suppliers signed up to our supplier engagement tool, which is tremendous. This provides a very rich data source for us (academic colleagues now very interested) and allows us to promote improved environmental performance as well as deepening our relationships with regional SMEs. We are leading the sector here and congratulations to Kevin and the team for the work done in achieving this milestone.

I would like to thank Philippa Woods for her support and great work as she acted as the interim Head of Finance in Humanities and I look forward to Nicola Smith coming back at the start of April. They have been in regular contact across the budgeting period (which I am aware has been a challenging time for a lot of you, so thanks to all).

I look forward to taking questions on the 6th, see you then.

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## 2. February Management Accounts and Forecast

Our February management accounts show an underlying contribution of £38.2m, £11.4m favourable to budget.

Tuition fee income is £1.5m adverse to budget. Lower home UG and overseas PGR fee income are partly mitigated by increased PGT fees. Fee discounts are also higher than budgeted. Latest view on full year fee position is £2.7m adverse, being an improvement of £0.8m on the Q1 position.

Non-pay costs are £7.5m favourable, £2.5m of which is timing, the remainder is largely unspent contingencies.

Core staff costs, excluding ERVS, are £3.8m favourable (includes £1.7m release of an element of the prior year overseas tax provision). Q2 forecast indicates £0.6m favourable at year end, a significant downturn. This is due to significant costs expected during the second half of the year over a number of areas, primarily within Estates and ITS. Some increase is expected and is in line with prior year trends, however the size of this increase is higher than usual.

Research income continues to be of concern being £15.0m behind budget, with underlying contribution being £1.1m adverse to budget. Forecast indicates that underlying contribution will be £1.3m adverse at year end.

Our overall underlying forecast contribution is £43.4m, £12.3m behind budget. However, this includes forecast pension costs of £12m (reported as part of operating results, not actuarial gains/losses), so excluding these, our underlying contribution is £0.3m behind budget.

The next forecast will be based on results to the end of May. Again, it is important that we deliver a robust and realistic forecast at that stage, being only a couple of months off year-end.

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## 3. Budget Update

First draft budget submissions were due in end of March, so thank you for all your hard work on these so far.

A period of review will now take place, including budget challenge meetings with Colin Bailey over the next few weeks. We will also be providing tuition fee income and student number budgets to Clive Agnew, and meeting with him in April (feedback will be provided to faculties following discussions with him).

Once budget meetings have taken place, faculties/areas will have a chance to update Corporate Planner for any changes they have agreed to make, prior to version 2 being submitted by Friday 19 May.

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## 4. Corporate Planner Training

The Corporate Planner training has been redesigned and is now available on the website here:

<http://www.finance.manchester.ac.uk/corporateplanner/>

The training material has been split into a short [introduction course](#) and a series of [how to guides](#) for quick and easy reference. Going forward we intend to adopt this training format for all of our online courses so any feedback you have on this new style would be greatly appreciated. Please contact [Adam Birch](#) with your thoughts.

## 5. Staff Survey

A quick reminder that we are now over halfway through the Staff Survey period. Please do complete and share your views if you haven't done so already.

## 6. Website Changes

Update	Link to page
Corporate Planner training	<a href="http://www.finance.manchester.ac.uk/corporateplanner/">http://www.finance.manchester.ac.uk/corporateplanner/</a>
Buying Goods and Services – guidance notes on supplier set ups	<a href="http://www.finance.manchester.ac.uk/buyingexpenses/buyinggoodsandservices/">http://www.finance.manchester.ac.uk/buyingexpenses/buyinggoodsandservices/</a>

In addition to the above, a full review of the website is currently underway to ensure all content is up to date. If you have any updates or suggestions for improvement, please contact [Adam Birch](#).

## 7. Staff Updates

BMH:

- Aeryn Atkins has joined the School of Health Sciences as a Finance Officer

FSE:

- No staff updates in FSE this month.

HUM:

- Suzanne Davies has been appointed as the permanent Head of School Finance for Social Sciences.
- Wayne Ferris will be covering as Head of School Finance for Social Sciences whilst Suzanne is on leave.
- Palminder Uppal has started as a Research Finance Officer in Arts, Languages and Cultures.
- Netsai Hakurotwi has joined as a Finance Officer in the Faculty Office.
- Nicola Smith has been appointed Head of Faculty Finance.
- Philippa Woods has been appointed as Head of Faculty Finance Reporting and Analysis.

# Finance Update

PSS:

- Clare Moore has been appointed as Project Accountant.
- Chris Gould has been appointed as Finance Assistant in the Income Office.

Working Groups:

There have been some changes to the HOFFRA sponsorship of the [working groups](#):

- Jill Roberts – Systems and Training Working Groups.
  - Nicola Cosens – Endowments and Donations Working Group.
  - Gemma Lyons – Pay Working Group.
  - Miranda Hall – Capital and Consolidation Working Groups.
  - Philippa Woods – Tuition Fees Working Group.
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