

June 2017

1. Update from Steve Dauncey

I have to start with a reflection on the tragic events of the evening of 22 May and I am sure we were all deeply saddened by what happened and our condolences go to the families and friends of those who tragically lost their lives and those who are severely injured. If you were affected by the events, I would remind you of the counselling service which is available to all staff. The Mayor, Andy Burnham, stated that we should all be carrying on and not let the terrorists beat us. To quote him; "It's our spirit, we don't cancel things and we're not to be defeated" – and this determination, whilst difficult, is something that I hope we all support.

The main work related talking point this month will have been the announcement concerning the M2020 programme and the restructuring of some teams and activities in FSE and Humanities. Whilst I have met twice with the staff impacted directly by these changes and been involved in the consultation process with the Unions, this is my first opportunity to share with the full team. I realise that all change comes as a shock but the restructure is driven by improving the effectiveness of the services we deliver and providing greater consistency across the full finance team and therefore improving career paths. The intent is to manage the changes through redeployment where possible and voluntary redundancy and the timeline will become clearer as part of our formal consultation process. I would like to thank all those impacted by these changes for their professionalism and integrity as we have entered into this process.

The full M2020 programme covers both income and costs and is intended to help the University to meet its ambitions by using the financial headroom to make investments that would not otherwise be affordable. If you have not yet done so, I would encourage you all to view the M2020 web pages which include FAQs. The University has been participating in a benchmarking process for all support activities and this has now been coupled with an effectiveness survey. This benchmarking is being used to identify areas where effectiveness and efficiency could be improved and this process is being led by Will Spinks with all his direct reports. The most obvious area is the Student Lifecycle Project which is now well underway and will have positive impacts on the linking of student data with finance systems. We have already identified the opportunity to improve our cost efficiency through category managements for common items of goods and services and Kevin Casey is developing the action plan here which will, over time, standardise products, reduce unit costs, improve process efficiency and ultimately address demand management.

The Board of Governors met at the beginning of the month and approved our revised Socially Responsible Investment Policy and my thanks to Gemma Mossop for all the great work in developing our revised approach in this area. We now have a more proactive policy and more active engagement with our Investment Managers which involves a more transparent reporting of the investments held. This is an area which attracts a lot of attention and lobbying and the policy has not met with universal endorsement which was to be expected perhaps, however we can expect to be held to account even more in the future. We are developing the revised reporting required by the Finance Committee and the Board. This greater transparency also applies to research grants and strategic research relationships and greater governance and the use of negotiating mandates will help us ensure that the pricing/costing policies are applied rigorously in future – thus supporting the related element in the M2020 programme.

I met with RCUK and EPSRC to review the findings of their recent audit of our research costs and to take them through our action plan. They were extremely concerned about our ability to provide the source documents for a number of costs but particularly fees and expenses. Whilst this is predominantly a records management issue, the missing paperwork has generated a drop in their assurance confidence and we will be under special measures for a while, which will add to our workload. We have also clarified our guidance

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relating to the eligibility of alcohol as an expense whilst on University business. The move to scanning is the medium term solution and is included in our plans.

I appreciate the need for open communications during these difficult times and please feel free to contact me directly should you wish.

2. April Management Accounts

Our April management accounts show an underlying contribution of £50.4m, £13m favourable to budget.

Tuition fee income is £2.5m adverse to budget, which is an additional £1.8m shortfall in month. Tuition fees have fluctuated a lot over the last few months, and an accurate forecast in June will be critical as we approach year end – we appreciate your help in getting a better understanding around fees.

Core non-pay costs are £9.9m favourable, £3.7m of which is timing, with the remainder largely due to unspent contingencies. Core staff costs, excluding ERVS, are £2.3m favourable.

Research income continues to be of concern being £15.2m behind budget. Monthly activity has increased over the last few months which is a positive sign that our forecast may be achievable. Again an accurate forecast at end of June is important as we approach year end.

3. Budget Update

We have now completed the budget review and challenge process. The gap between budget and target for 2017/18 is £13.8m, £5.8m due to bringing forward expenditure on student life cycle, £3m due to cost of living rises being higher than originally planned, £2.7m additional investment (proposed to be funded from endowments) and £2m relating to our contribution to the SKA project at Jodrell Bank.

The gaps rise through the outer years, and the overall shape of the plan reflects investments being brought forward prior to achievement of income generation and savings. Although we propose to submit the budget and plan in its current form, we will continue to work on the shape in the outer years in order to improve cash generation and bottom line position.

The budget and plan will be submitted to FSC for approval on 13 June.

4. Recruitment of temporary staff via agencies

When recruiting temporary staff via an agency, the University has a list of recruitment agencies who have been awarded a contract to supply agency workers. These agencies have been selected through a tender process and we must only use agencies from this preferred supplier list for recruiting temporary staff. The list can be found at this link:

<http://www.staffnet.manchester.ac.uk/human-resources/managers/employing-temporary-staff/agency-workers/>

5. Room Changes

There are a number of office relocations taking place currently within the John Owens Building. As a result Room G.005 is currently out of service and will be turned into a new office room for the Financial Reporting team. G.013 has been booked out as a lunch room each day between 12 and 2pm.

6. Website Changes

Link to page	Update
Training	All training on the website is being consolidated into this area.
Preparing for Audits	New section aimed at giving guidance for preparing documents and evidence for audit

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. Upcoming Training Sessions

Session	Date
Technical Training	13 th June

These training sessions, along with other important dates in Finance, can be viewed in the [Finance Calendar](#).

8. Staff Updates

BMH:

- Caroline Wilson (Head of Institute Finance & Consolidation) has now left the University.
- Gemma Aird (Senior Finance Officer – SHS) has now left the University.
- Aeryn Atkins (Finance Officer – SHS) has now left the University
- Richard Howard (SBS Service Delivery Manager) has now left the University.
- Claire Diggie (SMS Research Finance Officer) is now on leave.
- Peter Micallef (SMS Research Finance Officer) has joined.
- Rob Sugg (SBS Research Finance Officer) will go on extended leave as of 6/6/2017.
- Rachel Wood (SBS Research Finance Officer) has work 50% in SMS.
- Gemma Deacon (SBS Senior Research Finance officer) has moved to SHS.

FSE:

- Vanessa Menon has joined as Research Finance Officer from BMH – Medical Sciences.
- Janet Valentine has joined as Research Finance Officer from BMH – Health Sciences.
- Marian Harding has joined as Senior Research Finance Officer from BMH – Health Sciences.
- Zunaira Ali has joined as Finance officer on a temporary basis until July.

HUM:

- Wayne Ferris is current acting Head of School Finance in SoSS covering Suzanne Davies whilst on leave.

PSS:

- Emma Beard has left Expenses Control to take up a 12 month secondment to HR Services.
 - Asif Unia has joined Expenses Control from Procurement covering Emma Beard's role.
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