

APPROVED minutes



## FINANCE COMMITTEE

15 July 2021

**Present:** Ms Caroline Johnstone (Chair), Mr Edward Astle, Dr Neil McArthur, Professor Dame Nancy Rothwell and Mr Kwame Kwarteng.

**In attendance for all items:** Robert Fraser (Chief Financial Officer), Louise Bissell (Deputy Director of Finance), Professor Luke Georghiou (Deputy President and Deputy Vice-Chancellor), Patrick Hackett (Registrar, Secretary and Chief Operating Officer), John Marsh (Senior Governance Manager), and Emily Morris (Governance Manager) (minutes).

**Apologies received:** Mr Richard Solomons and Professor Steve Jones

### 1 Welcome

**Noted:**

- a) This was an additional Finance Committee scheduled to discuss the two programmes, Finance Systems Upgrade and Student Experience Programme.
- b) This was the last meeting for Kwame Kwarteng and Professor Steve Jones. The Chair thanked each of them for their wise counsel, contributions and support to the Finance Committee.

### 2 Declaration of Interests

**Noted:** that there were no declarations of interest in relation to the agenda.

### 3 Minutes of the Previous Meeting

### 4 Matters Arising

**Noted:** that approval of the minutes of 23 June Finance Committee, and the receipt of the Committee action log were deferred to the next meeting of Finance Committee (13 October 2021).

### 5 Finance Systems Upgrade

**Received:** an update on the current project status and financial profile.

**Noted:**

- a) The committee had been expecting to sign off the business case at today's meeting. However, the full business case will be ready for approval in September. It was

confirmed that the design work was scheduled for July and that it is not possible to complete the business case before the design work.

- b) The Committee was reminded that fundamental structure of the ledger will be changed and therefore the project will need to be completed by the end of the new financial year, 31 July 2022.



- g) Earned Value Management (EVM) techniques have been used which have been very effective in terms of detailed planning and visibility across the full scope of the project. The upfront cost of this was considered well worth the investment in terms of value. Using EVM, the team were able to identify that the partner TCS was falling behind agreed schedule in certain aspects of the delivery which was swiftly addressed and allowed the programme to remain on track.
- h) Conference room pilot phase is going well. Proof of concept will be finished in July and will provide confidence that the project will work as well as allow the team to understand how much customisation is required to determine overall costs.
- i) Data moving over to the new system will be minimised, the team are currently archiving transactions from the current ledger system.
- j) Cost centre codes will replace the current activity code structure and the number of elements to be managed will be reduced and simplified.
- k) In response to committee member queries it was reported:
- The use of a Cloud-based system was undesirable due to the limitations it would place on the University's agility in relation to any organisational change activity it might undertake. Members shared their experience of cloud based systems being the norm in the corporate sector and shared concerns that too much tailoring will impact effectiveness of the system and lead to issues experienced in the past with tailored systems.
  - That the interfaces are the biggest concern, particularly the HR interface and payroll system and the allocation of the new cost centres. Interface work will be undertaken by a third party, discussions have already commenced with the third party and have commissioned scoping work. Other critical areas will be data migrations and testing.
  - There have been issues around project management resource which have now been resolved. There were issues at the peak of the pandemic with the resources in India but the partner TCS were quick to resolve this and have a great deal of consultant resource available for the project.

- l) It was confirmed that approvals are in line with commitments to suppliers. No contracts have been issued as of yet for the implementation of the main build and we have committed to the design phase only. Once complete, further contracts will then be issued for the next phase.
- m) Committee members were assured that approvals are in line with the appropriate governance processes and that the Finance Committee will be provided with independent assurance from the Gateway Reviews.
- n) The Chair requested that Strategic Change Projects are a standing item which will include updates compared to budgets.
- o) There is a need to ensure colleagues are engaged and involved with the project and this will be reviewed at the next gateway. It was added that the work undertaken up to now has been very technical therefore it has limited the amount of contribution that others could have made towards the technical build.

**Agreed:** The committee noted the progress of the project and would approve the business case in September / October. The committee approved an additional £2m to the project's budget.

**Action:**

- a) To advise whether an additional meeting for full project approval is required in September. (Chief Financial Officer)
- b) Strategic Change Projects to be added as a standing item to the Finance Committee agendas. (Governance Office)

## **6 Student Experience Programme**

**Received:** an update on progress on the Student Experience Programme Phase 2b, which included a proposal to increase the Programme budget by £2.5m.

**Noted:**

- a) The Chair had previously suggested that the business case format requires review to ensure that there is an appropriate level of financial and business case detail so that the committee can more effectively support and challenge as well as be assured.
- b) Discussed the background of the programme along with the Strategic Change Office, the scope has changed to reflect new ways of delivering change in the university. There is a significant element of co-creation with colleagues to help shape the new design across SEP.
- c) The University has been launching improvements and service improvements as progress has been made throughout the programme.
- d) Staffing Committee had approved the recommendations relating to the organisational aspects of SEP Phase 2, at its 15 July 2021 meeting. These proposals would be recommended to the Board of Governors for final approval at its 21 July meeting.



- [REDACTED]
- h) Changes in the programme's original scope were discussed.
  - i) Costs noted as 'analysis' comprise internal project management resource, business readiness and user testing. Fixed term project resources have been used and backfill costs are included.
  - j) There was a question raised regarding the accounting of the programme. Historically this has not been capitalised and therefore a discussion is required around accounting and any costs that have been capitalised.
  - k) The committee discussed how to demonstrate programme savings more clearly. It was noted that the programme was not initiated as a cost saving exercise; however, there will be substantial savings in staff time as a result of the programme which would be difficult to quantify. The committee agreed that it would be good to review the likely savings (and costs) when updating the programme status.
  - l) The savings target was doubled from the original business case and members welcomed the assurance that there is challenge and ambition regarding the savings target.
  - m) The savings target reflected the University's institutional operating model.
  - n) Reviews are undertaken by the internal auditors, Uniac; the Chair requested to be involved in scoping the next review.
  - o) The University had appointed a new Head of Workforce Planning and will adopt a workforce planning approach across Professional Services to give a single picture, this will enable more control and will make the programme more transparent.
  - p) The programme will deliver the University's digital approach which is crucial, buy-in is of upmost importance and it is hoped that through the co-creation approach buy-in will be much more positive. Engagement has been positive so far.

**Agreed:**

- [REDACTED]
- b) that Finance Committee would review the revised proposal for the programme when the executive revisits this with the full budget update and future requirements

**Action:**

- a) The Committee to be kept up to date regarding spend on the programme. (Registrar, Secretary and Chief Operating Officer)
- b) The Chair to be consulted regarding the next audit review. (Registrar, Secretary and Chief Operating Officer)
- c) The business case format to be reviewed (Registrar, Secretary and Chief Operating Officer)

**7 Additional Business Raised in the Meeting**

**Noted:**

- a) The MECD tour took place on the 12<sup>th</sup> July and the Chair was able to view more of the University's estate. There will be a half day of residence tours in the new academic year which Committee members are welcome to attend.