1) **Mission, Scope and Role of the Service**

1.1 The Finance Office provides a range of services and advice to all areas of the University in support of the University’s short, medium and long term financial planning and management.

1.2 This is delivered through the following teams:

- **Accounting**
  Maintaining financial and management accounting records for all areas of the University’s business, giving information, technical and strategic advice to budget centres and producing the University budget, forward look and published accounts. For externally funded research activities; costing, pricing, advice on funder requirements, financial monitoring & invoicing.

- **Payroll, Pensions and Systems**
  Payroll makes sure that staff are paid promptly and efficiently. The Pensions team administers a range of pension schemes and helps raise staff awareness of the importance of pensions to their well-being in retirement. Systems manages those IT systems which support the University’s financial control and management.

- **Procurement**
  Providing procurement support and advice to all areas of the University, to help it get best value for money from all its suppliers.

- **Research and Commercial Services**
  Providing specialist support services required to deliver the research and knowledge transfer objectives of the University. These include University strategy development, research foresight, development of large 'strategic' funding bids, research governance and ethics management, commercial development of new and diverse income sources. External partnerships with business and other higher education institutes regionally, nationally and internationally. Management of Alta Innovations Ltd and the University Research Park.

- **Treasury Management**
  Collecting all of the University's income, paying our suppliers and arranging insurance and accounting for VAT, investing surplus funds and donations received by the University.

In addition to the teams listed above, the Internal Audit Service is notionally a part of the oversight responsibilities of the Director of Finance but it should be emphasised that the Internal Audit team provides an independent assurance service to the University’s senior management and to stakeholders such as HEFCE on University wide systems of governance, risk management, operational control, data quality and Value For Money.
1.3 The overarching priorities for all Finance Office staff are:-

- Building relationships of trust and reciprocal working with all Colleges and Corporate Services and at all levels.
- Continuing to critically examine what we do and how we do it to drive in efficiencies – often to accommodate new requirements – i.e. doing more with the same resource.
- Assisting in the enhancement of the financial awareness of colleagues around the University to deliver sustainable financial strength to support other strategic goals.
- Continuing to deliver the high volume of “business as usual” and the basics of financial and contractual control and management. That should never be underestimated.
- Engaging fully with the “Birmingham Professional” at all levels.

2) Summary of Activities

a) Contribution to Policy and Strategy

- Short, medium and long term financial planning for the University of Birmingham as a whole.
- Supporting development of Institutional, College, and Corporate Services Strategies.
- Development and delivery of a Procurement Strategy.
- Input into investment strategies for endowments, cash and BPAS funds.
- Contribution to policy and funding strategy to support the Capital Programme.
- Input into pension strategies at national level and within the University.
- Audit input into key control strategies e.g. fraud, whistle-blowing etc.
- Contribute to and support delivery of Research and Knowledge Transfer Strategy.
- Development and delivery of HEIF Institutional Plan.
- Development and delivery of Commercial Development Vision.
- Contribute to and support delivery of City and Regional Engagement.
- Support management of strategic partnerships.
- Contribution to national industry groups, funders etc, including BUFDG, TRAC users, HEFCE committees.

b) Support for decision making

- Reporting to UEB, SPRC, Council, Audit Committee, Research & Knowledge Transfer Committee and Investment Sub Committee.
- Advice and support to Colleges and Corporate Services and subsidiary companies.
- Regular production of TRAC analysis.
- Development of and provision of financial management reports.
- Business plans/investment appraisals.
- General business partner support.
- Research foresight, intelligence gathering etc.
• Analysis of market opportunities for intellectual capital of the University leading to decision regarding investment in patent costs, licensing and spin out company formation.
• Identification and development of opportunities to diversify income leading to decisions which to prioritise and pursue
• Advice and support on pension issues specifically in relation to support staff

c) Delivery of services

• Pre award research support services including the identification and development of funding opportunities with Colleges
• Direct support to academics making applications to sponsors
• Post award research support services to support levels of research income and strategies
• Operation of research governance and ethical review.
• Identification and protection of intellectual property arising from research.
• Commercial exploitation via licences, spin-outs etc. in delivering the Alta Innovations business plan
• Commercial development of services the University provides to business
• Effective credit control for all University income.
• Financial services to University & University-owned companies
• ‘e’ income collection – students, e-shop etc.
• Insurance.
• Payment of all University creditors
• Complete payroll service for University staff and subsidiary companies.
• Administration of all University pensions schemes.
• Management of procurement framework agreements and suppliers.
• Support to Colleges and Corporate Services for tenders and procurement of major purchases/contracts/services.
• Secure best value through contract negotiations.
• Managing suppliers and purchasing card administration.
• Provision of internal audit service including computer audit.
• Advice from Internal Audit to Colleges and Corporate Services on delivering effective controls and risk management.
• Management of core financial and other associated systems, ensuring licence requirements are met and upgrades are performed on a timely basis.
• Training – procurement, financial systems, financial procedures.
• Management of Alta Innovations and Research Park.

d) Managing risk through statutory compliance

• Provision of information to HEFCE, TDA, HESA (inc. HEBCIS) and RCUK.
• Timely returns, and often payments, to HMRC, SLC, the Pensions Regulator and other statutory bodies.
• Ensuring compliance with VAT, Corporation Tax, Charities Act, PAYE and pension legislation.
• Manage EU and other public body (e.g. AWM) tender processes.
3) SWOT analysis

Strengths:
- All our staff are focused on delivering an effective customer service.
- High level of professionally qualified, trained and committed staff across the office with great depth of expertise.
- Large number of long serving staff who have been involved in developing core systems and processes and have a significant level of corporate knowledge.
- Strong desire from staff to continually improve processes.
- Many colleagues across the office are well-networked into a variety of national groups.
- Reputation for delivering correct and timely financial information to input to key decisions across the University.

Weaknesses:
- Perception by academic staff that finance procedures are unduly bureaucratic and slow.
- Need to strengthen succession planning within some areas of the Finance Office.
- “Flat structures” in some Divisions which means that there may be limited opportunities for career progression.
- By staffing to match ongoing and current resource requirements only, combined with a customer service focus, the team is mainly reactive, with any required changes meaning that something else does not get done. Similarly with limited resources, many individual staff are key to the day to day running and therefore covering for longer term absences is challenging.
- Dependent upon a number of other areas of the University to support and deliver our services; therefore their performance challenges may become ours.

Opportunities:
- Development of e-procurement to generate cash savings and operational efficiencies.
- Continued development and roll out of e-shop and internal e-shop to increase efficiencies in Colleges and Corporate Services.
- Continue to grow relationships with Colleges in support of a unified administration.
- Input to a number of upcoming business process reviews to streamline administration going forward.
- Development of the Business Partnership infrastructure with Colleges in support of the goals of “Shaping our Future.”

Threats:
- Business continuity – high dependence on the provision of a remote location with IT functionality for critical processes e.g. payroll, payments, income collection.
- External funding changes and the wider economic environment will severely challenge the University’s ability to deliver its strategy. Greater pressure on Finance Office to support the consequences of the changes which will be required.
• Loss of “core” functions presently supported by “soft” funding, for example HEIF.
• Volume of ‘business as usual’ work exceeds capacity of current staff and systems.
• Reliance on core systems and other teams which can impact Finance Office’s ability to deliver, particularly in relation to central IT support.
• Statutory changes/changes in regulation and legislation. This is ever present and there is often a resistance to what “Finance insists is done” even though it is a result of legislative change. There is also an impact on delivering our priorities.

4) Progress on key Finance Office projects and priorities for 2010/11

This formal assessment of our progress is of course partway through the year, but it is pleasing to note there is significant progress in all of the projects which were identified last year. In particular UEB has recently committed to a level of investment to support the development of a step change in our procurement processes and procedures which over time will underpin additional areas of improvement and sustainability.

There are a number of projects which will continue in future years as by their nature they are not simple to deliver. A number of the Finance Office priorities impact University-wide on a cultural and procedural level; which in turn necessitates a longer timetable for change.

In a period where staffing changes and the demands on limited resources have placed many in the office under increased pressure, achievement of this number of projects should not be undervalued. That said, the amount of spare capacity in the Finance Office is now effectively nil and our ability to deliver future projects requires engagement and support from a wider group of other areas.

This includes:

- Central IT – for the development of the new research workflow system, for updates and enhancements to the current research finance system and development of an enhanced research contracts management system;
- Estates – for the implementation of Planon, on which the fixed asset project relies and for the development and delivery of the future Capital Plan; and
- Colleges – to support the embedding of procurement processes and changes required in relation to sustainability.

If this support is not forthcoming as required then delivery of complete projects in future will not be possible.
### A - Progress towards 2010/11 targets

<table>
<thead>
<tr>
<th>Owner</th>
<th>Priority/Project</th>
<th>2010/11 target</th>
<th>Progress to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>GB, EC</td>
<td>Support the delivery of financial sustainability including the monitoring of Sustainable Excellence additionality</td>
<td>Clarity within UEB of University’s financial position compared to cash target of £30m. Specific monitoring against sustainable excellence. Ongoing monitoring of changes in internal &amp; external environment.</td>
<td>Good progress is being made in the year, with a large number of changes having been announced that will have significant impacts on our sustainability into the longer term. Following changes to the funding structures announced following Browne and CSR we are working as part of the review group to consider the value proposition, of which financial control and modelling is a part. This is expected to conclude early in 2011. We continue to monitor the progress against the key financial sustainability targets. We have commenced discussions as to whether the cash target of £30m continues to be appropriate given declining capital funding from external sources. As our own funds will be required to fund more in future, it is probable that a higher level is needed to achieve true sustainability.</td>
</tr>
<tr>
<td>RAS</td>
<td>Complete tax arrangements</td>
<td>Complete project to review, modify and implement revised VAT guidelines to ensure compliance with HMRC regulations. Implement Corporation Tax policy statement and ensure compliance</td>
<td>A report has been completed which identifies recommended areas where additional input is required in order to comply with HMRC guidance and regulations. Good progress is being made and will be completed in 2011. The Corporation Tax policy statement will be implemented in 2011. During 2010, software developed by KPMG to determine the tax status of research projects was successfully implemented.</td>
</tr>
</tbody>
</table>
# University of Birmingham - Finance Office Business Plan 2011/12

<table>
<thead>
<tr>
<th>Owner</th>
<th>Priority/Project</th>
<th>2010/11 target</th>
<th>Progress to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>TGF, RAS, BJH</td>
<td>Identify and implement improvements for Purchase to pay and invoicing.</td>
<td>Full roll out of Asset Register project</td>
<td>This is ongoing, with progress to date being:</td>
</tr>
<tr>
<td></td>
<td>Introduction of end to end procurement ranging from e-sourcing to asset disposal</td>
<td>Identify improvement opportunities from implementation of outputs and recommendations from Sourcing to Disposal process mapping exercise and produce action plan to implement.</td>
<td>- The fixed asset register is moving forward and we expect to be able to implement much of this by year end. We are currently awaiting Estates roll out of Planon as this is required prior to go live.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Implementation and pilot roll out of Proactis Purchase-Point Software.</td>
<td>- We have achieved recognition that we not only need to implement improvements in purchase to pay but in the whole Sourcing to Disposal cycle. UEB recently approved the procurement and implementation of an e-marketplace solution as well as the procurement and implementation of electronic invoicing.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pilot implementation of e-sourcing and e-marketplace solutions (subject to outcome of Sourcing to Disposal process mapping exercise)</td>
<td>- Electronic requisitioning will be implemented during 2011.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The above developments have superseded the need to roll out Proactis Purchase-Point which may or may not form part of the requisitioning and e-marketplace solutions.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The process changes require cultural changes across the University to deliver all of the benefits, which whilst Finance Office can support, we cannot in isolation deliver.</td>
</tr>
<tr>
<td>RAS</td>
<td>Implementation of the internal e-shop software</td>
<td>Implementation of the software on a University-wide basis</td>
<td>The internal e-shop will be released in early 2011.</td>
</tr>
<tr>
<td>TGF</td>
<td>Undertake upgrades to core financial systems</td>
<td>A major upgrade of Coda is scheduled for 2010/11 delivering functional improvements. There will be routine annual upgrade of Proactis and a more substantial upgrade of Alta HR addressing areas of functionality agreed as part of the Liverpool collaboration.</td>
<td>The expected upgrade of Coda is being deferred until a later release in 2011/12 which provides more benefits to the University.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The Proactis upgrade is now a more substantial double upgrade due to take place in January 2011. The Alta HR upgrade will now be a legislative update due to major statutory changes imposed by HMRC.</td>
</tr>
<tr>
<td>Owner</td>
<td>Priority/Project</td>
<td>2010/11 target</td>
<td>Progress to date</td>
</tr>
<tr>
<td>-------</td>
<td>-----------------</td>
<td>----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>BJH</td>
<td>Embed procurement skills within Colleges</td>
<td>Review organisational structure and infrastructure in Colleges to evaluate fitness for purpose. Implement identified improvement opportunities. Implement any necessary changes in central Procurement structure and skills and experience base.</td>
<td>Each College, except EPS now has a designated lead role for Procurement – either on a full time or part time basis. EPS have currently nominated two staff members that share the role. MDS and CAL have also included this in specific Job Descriptions and COSS are working towards it. We are now identifying which procurement activities should be undertaken in Colleges and which should be performed centrally, with MDS being used as a pilot.</td>
</tr>
<tr>
<td>BJH</td>
<td>Explore and implement e-sourcing and e-market place solutions to exploit efficiencies in the purchase to pay process</td>
<td>Roll out of e-sourcing and e-marketplace solution (including Proactis Purchase Point) Establishment of Project Team to deliver implementation of e-solutions. Establishment of Procurement infrastructure to support e-solutions and delivery of efficiencies available from the implementation of e-solutions in association with the project to embed procurement skills within Colleges. Commence to embed the concept of “perfect data” in University purchase order processing activities. Establish quantity and value of transactions that can be processed fully electronically.</td>
<td>UEB recently approving the procurement and implementation of an e-market place. Dr Peter Byers has agreed to chair the Project Board for the e-marketplace implementation. Targets were included in the Business Case setting out the quantity and value of transactions that will be processed in full electronically.</td>
</tr>
<tr>
<td>JHW/EC</td>
<td>Review research awards process and deliver “Process Map” project</td>
<td>Continue to support implementation and changes to work practices</td>
<td>This has been overtaken by the Research review performed in Summer 2010. A new combined operational support team for research awards is being established and systems to deliver work flow management are being looked at for Easter 2011 implementation.</td>
</tr>
<tr>
<td>Owner</td>
<td>Priority/Project</td>
<td>2010/11 target</td>
<td>Progress to date</td>
</tr>
<tr>
<td>-------</td>
<td>-----------------</td>
<td>----------------</td>
<td>-----------------</td>
</tr>
</tbody>
</table>
| JHW   | Define the University’s offer for business and launch a marketing campaign | Continued campaign – three pronged approach:  
1. Provide Marketing tools for wider use  
2. Focused activity for engagement of large companies (multinationals)  
3. Showcases for investment, alumni involvement, spin out and SME targets | Appointed a marketing professional to lead projection of the University’s business externally.  
Successful delivery of the “Heroes” campaign reaching millions of people locally and nationally  
Engagement with a larger number of companies at a variety of events |
| JHW   | Support delivery of City and Regional Engagement | Targeted activity in support of ‘Civic’ and ‘National’ agendas  
Monitor effectiveness | Extensive support for Provost in regional engagement and managing the issues created by the demise of AWM. Much has been done to engage with the new Local Economic Partnership. |
| RAS   | Complete the Endowment review | Comply with the new SORP and ensure Colleges have plans to spend in accordance with the endowments’ terms and conditions. | The published accounts 2009/10 complied with the SORP. New account codes have been implemented and we are now working with colleagues in Colleges and Corporate Services to ensure that expenditure is made in accordance with the endowments’ terms and conditions. Where this is not possible we will need to approach the Charities Commission to vary the conditions, in accordance with the Charities Act 2006. |
| GB    | Monitor and modify action plan following staff survey results | Agree action plan with timings available to Finance Office staff | Ongoing and recent output from IiP visit suggests that this is showing much improvement around communication and engagement. |
### B - Targets 2010/11 to 2013/14

<table>
<thead>
<tr>
<th>Owner</th>
<th>Priority/Project</th>
<th>Strategic framework goals</th>
<th>2010/11 target</th>
<th>2011/12 target</th>
<th>2012/13 target</th>
<th>2013/14 target</th>
<th>Start date</th>
<th>End date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GB, EC</td>
<td>Support the delivery of financial sustainability post Browne/CSR including the monitoring of Sustainable Excellence additionality and dealing with the impact of a new funding regime. This in turn is expected to impact significantly on the level of investment available for capital spend and the plan will need to be reviewed and adjusted in line with this.</td>
<td>Sustain our financial strength and use it purposefully</td>
<td>Clarity within UEB of University’s financial position compared to cash target of £30m. Consider need to increase cash target given levels of investment required for future capital plans and achievements in recent years. Specific monitoring against sustainable excellence. Ongoing monitoring of changes in internal &amp; external environment.</td>
<td>Develop and deliver against revised financial position post Browne/CSR Sustainable excellence embedded in the overall University position with renewed focus on the overall financial targets. Ongoing monitoring of changes in internal &amp; external environment. Delivery of updated capital plan and associated funding</td>
<td>Sustainable excellence embedded in the overall University position with renewed focus on the overall financial targets. Ongoing monitoring of changes in internal &amp; external environment.</td>
<td>Ongoing through the period</td>
<td></td>
</tr>
<tr>
<td>Owner</td>
<td>Priority/Project</td>
<td>Strategic framework goals</td>
<td>2010/11 target</td>
<td>2011/12 target</td>
<td>2012/13 target</td>
<td>2013/14 target</td>
<td>Start date</td>
<td>End date</td>
</tr>
<tr>
<td>----------</td>
<td>---------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>------------</td>
<td>----------</td>
</tr>
<tr>
<td>2 TGF, RAS, BJH</td>
<td>Identify and implement improvements for Purchase to pay and invoicing. Explore and implement end-to-end procurement including e-sourcing, e-marketplace, disposal etc. Required in order to exploit efficiencies to be gained in these processes and to achieve sustainability targets.</td>
<td>Sustain our financial strength and use it purposefully</td>
<td>Roll out of e-sourcing and e-marketplace solution (including Proactis Purchase Point)</td>
<td>Establish of Project Team to deliver implementation of e-solutions. Establishment of Procurement infrastructure to support e-solutions and delivery of efficiencies available from the implementation of e-solutions in association with Objective/Project 8. Commence to embed the concept of &quot;perfect data&quot; in University purchase order processing activities. Establish quantity and value of transactions that can be processed fully electronically</td>
<td>Review Proactis functionality and identify priorities for implementation of any modules not currently utilised. 25% of sourcing to pay transactions by quantity to be processed fully electronically.</td>
<td>Routine review of Asset Register software and implementation of improvement opportunities and upgrades. Implement specific Proactis modules identified for beneficial use following review. Continue to embed the &quot;perfect data&quot; concept. 40% of sourcing to pay transactions by quantity processed fully electronically.</td>
<td>2010</td>
<td>2012 for systems and ongoing for upgrade and review</td>
</tr>
<tr>
<td>Owner</td>
<td>Priority/Project</td>
<td>Strategic framework goals</td>
<td>2010/11 target</td>
<td>2011/12 target</td>
<td>2012/13 target</td>
<td>2013/14 target</td>
<td>Start date</td>
<td>End date</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>3</td>
<td>JHW/EC</td>
<td>Delivery of research operations team changes and supporting systems and processes implementation  Devolvement of contract authorisation and responsibilities</td>
<td>Enhance our research power</td>
<td>Combine finance, governance, ethics and contract teams into one management and location  Feed into changes in University wide systems to deliver improvements to document management processes  Develop model for one point of operational contact for Colleges through the local research partners and facilitators as well as PIs</td>
<td>Bed in changes to teams and systems, making amendments as required, to become business as usual  Identify training and support needs for contract authorisation and acceptance of devolved responsibility and deliver support as required</td>
<td>Review core reporting of management information for potential improvements and system updates  Review operation of devolved processes and address any additional training or support needs</td>
<td>Oct 2010</td>
<td>July 2013</td>
</tr>
<tr>
<td>4</td>
<td>JHW</td>
<td>Define the University’s offer for business and launch a marketing campaign</td>
<td>Enhance our performance and status as an engaged university</td>
<td>Continued campaign – three pronged approach:  1. Provide Marketing tools for wider use  2. Focused activity for engagement of large companies (multinationals)  3. Showcases for investment, alumni involvement, spin out and SME targets</td>
<td>Continued campaign of roll out across Colleges/Schools  Determine success measures  Support provided to ensure the University responds to the changing environment, such as the introduction of LEPs</td>
<td>Monitor effectiveness of business offer and modify campaign</td>
<td>Monitor effectiveness of business offer and modify campaign</td>
<td>Ongoing throughout the period</td>
</tr>
<tr>
<td>Owner</td>
<td>Priority/Project</td>
<td>Strategic framework goals</td>
<td>2010/11 target</td>
<td>2011/12 target</td>
<td>2012/13 target</td>
<td>2013/14 target</td>
<td>Start date</td>
<td>End date</td>
</tr>
<tr>
<td>-------</td>
<td>-----------------</td>
<td>---------------------------</td>
<td>----------------</td>
<td>----------------</td>
<td>----------------</td>
<td>----------------</td>
<td>------------</td>
<td>---------</td>
</tr>
<tr>
<td>5 BJH</td>
<td>Embed procurement and commercial skills within Colleges</td>
<td>Sustain our financial strength and use it purposefully</td>
<td>Review organisational structure and infrastructure in Colleges to evaluate fitness for purpose. Implement identified improvement opportunities. Implement any necessary changes in central Procurement structure and skills and experience base.</td>
<td>Review of overall organisational structure to quality assure and ensure fitness for purpose. Use of HE Sector “Measure” Procurement performance measurement tool and HE Sector Procurement Best Practice Indicators to demonstrate value added and efficiencies.</td>
<td>Continuous reviews of overall organisational structure to quality assure and ensure fitness for purpose. Use of Procurement Best Practice Indicators to demonstrate value added and efficiencies.</td>
<td>Continuous reviews of overall organisational structure to quality assure and ensure fitness for purpose. Use of Procurement Best Practice Indicators to demonstrate value added and efficiencies.</td>
<td>Ongoing through the period</td>
<td></td>
</tr>
<tr>
<td>6 RAS</td>
<td>Implementation of the internal e-shop software</td>
<td>Implementation of the software on a University-wide basis</td>
<td>Ensure extensive University wide use to support a more efficient, smaller and better Estate</td>
<td>Implement upgrades</td>
<td></td>
<td></td>
<td>Ongoing throughout the period</td>
<td></td>
</tr>
<tr>
<td>7 JHW</td>
<td>Support delivery of City and Regional Engagement</td>
<td>Enhance our performance and status as an engaged university</td>
<td>Targeted activity in support of ‘Civic’ and ‘National’ agendas Monitor effectiveness</td>
<td>Support the University engagement in the significant and changing regional environment. Monitor effectiveness</td>
<td>Targeted activity in support of ‘Civic’ and ‘National’ agendas Monitor effectiveness</td>
<td>Targeted activity in support of ‘Civic’ and ‘National’ agendas Monitor effectiveness</td>
<td>Ongoing throughout the period</td>
<td></td>
</tr>
</tbody>
</table>