

# TRANSFORMING OUR PROFESSIONAL SERVICES



# UCL

## TRANSFORMING OUR FINANCE SERVICES SO WE CAN INVEST OVER THE LONG TERM TO DELIVER THE STRATEGY AND MISSION OF UCL

The Service Leadership Team for this review is made up of Phil Harding (Director of Finance), Matthew Swales (Director of Finance Services), Emily Bushby (Director of Finance, Academic, (acting)), Louise O'Brien (Director of Finance, Reporting, (acting)), and Helen Fisher (Faculty Manager, Bartlett).

For this design work, Procurement and Purchasing have been dealt with separately.

**Universities currently operate in a permanently unsecure financial environment. The recent debate about UK tuition fees (inflation, scrapping them altogether etc.) coupled with the increased burden on institutions to demonstrate value for money to students is evidence that there is more financial uncertainty than ever. In our case, our aim is to be both world-leading academically and financially sustainable, whilst ensuring these external factors are recognised and planned for:**

- 1. Our key UK competitors have been out-performing us financially – which creates the means for more investment in world-leading infrastructure**
- 2. We have grown significantly in the last decade – but our investment in our estate, equipment and infrastructure has not kept pace**
- 3. We need to adapt to this changed environment e.g. research-based teaching ++, optimising cost recovery on research, developing better professional support at lower unit costs**
- 4. There is a huge strain involved in maintaining business as usual with sub-optimal processes/systems**
- 5. In the Cubane benchmarking study the service received the lowest Net Satisfaction rating in comparison to other universities. On an internal analysis, the service received an average satisfaction score of 4 (the second lowest, the average score was 17).**

All of these factors mean that UCL, like every other HEI, is having to generate money/surplus/profit to run itself. As part of TOPS we want to address these issues and ensure that we are making progress toward existing sustainability targets, notably the surplus requirement.

### **1. We have heard from a large number of colleagues regarding the issues they are facing. These include:**

- The financial landscape is becoming more complicated at UCL, meaning there is a greater need for more specialist finance skills
- There is frustration with processes that are too complicated, cumbersome and time consuming with limited standardisation or clear mapping. This has led to low satisfaction scores for the service
- Data is hard to access and not always presented in a useful format, which prevents key information from being shared and used to inform effective decision making
- Systems do not have all the necessary features enabled in order to drive greater self-service and speedier response times. In addition, non-finance specialists find it difficult to use finance systems
- Business partners currently perform many operational tasks, and therefore do not have the capacity to focus on advisory work. This means we are not utilising the capability of our resources to best effect
- There is difficulty in retaining and attracting top quality talent, as there is a lack of clear career pathways for finance professionals, and no comprehensive training programmes to develop our staff both new and existing
- To develop more effective partnership working in order to explain how targets are set, and develop plans to achieve them.

## 2. Overview of the principles and emerging ideas

*\*activities related to procurement and purchasing, planning and research post award finances are not covered by this work stream*

The key principles and emerging ideas are:

- Finance staff could be line managed by central professional services with joint appraisals and recruitment taking place with faculties for those roles that are faculty/dept. –based roles.
  - Responsibility for the strategic elements of financial management and oversight of departmental/faculty budgets would remain the responsibility of departments/faculties
  - There could be dedicated Finance Managers/Officers/Administrators staff who could sit at faculty or department level. Operational activity would be directed by the locally based management teams
  - Larger departments could have dedicated finance resources, while midsized and small departments could benefit from a pool of dedicated finance resources
  - Business Partners would focus on offering strategic advice and support, whilst supporting other financial staff to ensure good quality work is being delivered
  - Greater self-service for a variety of finance related activity, freeing up staff time
  - Transactional, simple processes that are repeated time and again across UCL could be brought together. There is an opportunity to support one another, better manage peaks and troughs and deliver these processes through a new service model.
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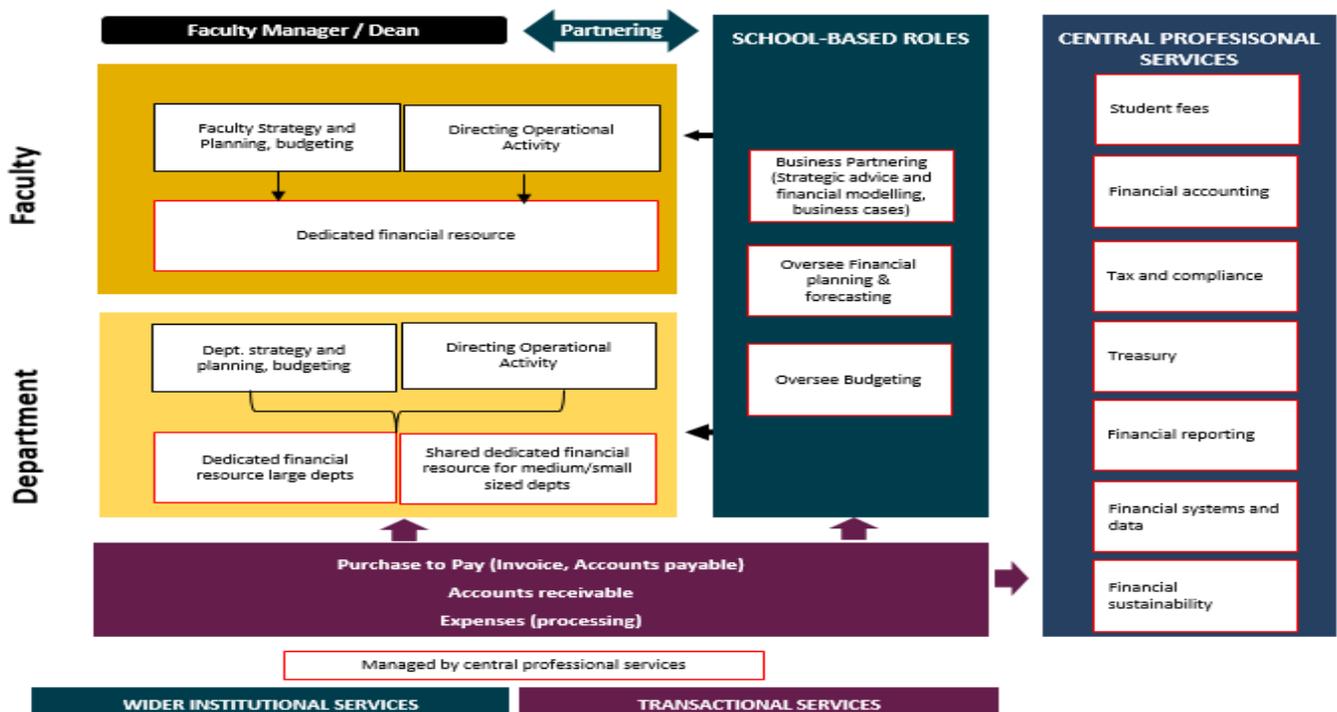
## 3. What could potentially change?

In practice, the emerging ideas could mean:

- **Staff aligned to our needs:** one option would be to have Finance Officers/Administrators, who have finance as a predominant part of their role, managed by central Financial Services. This could enable us to provide better career pathways for staff and a more effective financial service to faculties to help them manage their budgets. Specifically, centrally managed finance colleagues would influence strategy and support financial outcomes, collaborate with management to support delivery, safeguard scarce resources, ensure best practice and knowledge is shared across UCL, ensure good governance and compliant accounting, and provide financial operations and expertise to deliver on our financial targets. School finance teams would line manage finance staff who are based in depts./faculties. Staff who have a very limited amount of financial activity as part of their role would not be managed by the centre
- **Staff aligned to our needs:** we could create a pool of resources dedicated to providing financial services for midsized and smaller departments so that we can ensure they are getting the support they need, whilst maximising the economies of scale of the resources. Large depts. would be provided with dedicated financial resources.

*This diagram is indicative of the activities that could sit at School, Faculty, Dept. and central professional services*

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- **Staff aligned to our needs:** over time, the role of Finance Business Partners could be a role that focuses on offering strategic advice and support to organisational units to drive effective decision making by:
  - Understanding the business - speak 'academic'
  - Being organised as a premium – e.g. responsiveness
  - Business cases – learn from the best; steering decisions and choices
  - Get everyone to good - training, knowledge-sharing, propagating skills.
- **Make processes simpler:** we could redesign and simplify our processes and policies, so there is clear process ownership and accountability
- **Make basic tasks easy:** transactional, simple processes that are repeated time and again across UCL could be brought together. There is an opportunity to support one another, better manage peaks and troughs and deliver these processes through a new service model. This would accelerate and facilitate consistency and harmonisation, and offer significant improvement opportunities for transactional services to make them work more efficiently and effectively. This could be applicable to:
  - Purchase to Pay (Invoice, Accounts Payable)
  - Accounts Receivable (build service capability)
  - Expenses (processing).
- **Help me to help myself through self-service:** we could support greater self-service for the following processes:
  - Financial reports
  - MI and Data
  - Expenses
  - Financial queries (budgeting, forecasting, reporting, tax)
  - Guidance on planning (Finance) activities.
- We could work with the Management Information and Data project to develop our capability for the following activities:
  - Forecasting
  - Financial modelling
  - Budgeting
  - Benchmarking
  - Scenario Planning.

- We could review financial controls and the associated processes to ensure that we are effectively managing our financial position
- **Great careers:** we could set up Communities of Practice according to their need for Financial Services. This would help create clear career pathways to ensure we can train and retain our best performing staff. We could create training programmes to ensure our staff have the right skills needed for the roles and are supported in their development.

#### 4. What would not change?

There are a number of areas which are not covered by the emerging ideas and would not change. Although not exhaustive, these include:

- Where responsibility for setting and implementing strategy lies (it will remain with faculties and departments)
- The school finance team model of service delivery.

#### 5. The potential benefits and investment we could make

The following table details the benefits we are aiming to achieve within the finance service, as well as the investments we need to make in order to realise these benefits.

Benefits	Costs
<ul style="list-style-type: none"> <li>• Improved ability to achieve a level of surplus that is commensurate with the investment plans necessary to support delivery of UCL2034 Increased</li> <li>• Improved staff satisfaction through delivery of a better and more efficient service</li> <li>• improved career development for staff who want to pursue careers in finance</li> <li>• Systems that are easy to use for all members of staff</li> <li>• Improved compliance rates and a lower cost of compliance</li> </ul>	<ul style="list-style-type: none"> <li>• IT costs to make systems more user friendly (shared across HR, Finance, Student management)</li> <li>• Training</li> </ul>

#### 6. What are the outstanding questions we would welcome feedback on?

1. How could a pool of finance resources be deployed to small/midsized depts.?
2. What are the control and governance frameworks for Faculties to hold Finance to account and vice versa?

Disclaimer:

These documents contain emerging ideas for how UCL professional services could be delivered in a more effective way in the future. At present, no formal change proposals are being put forward by UCL and so engagement remains at an informal stage. Where a preferred option is mentioned, this pertains to PA Consulting recommendations and does not constitute a formal proposal for change by UCL.