



# Annual Report 2022





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# About PHES

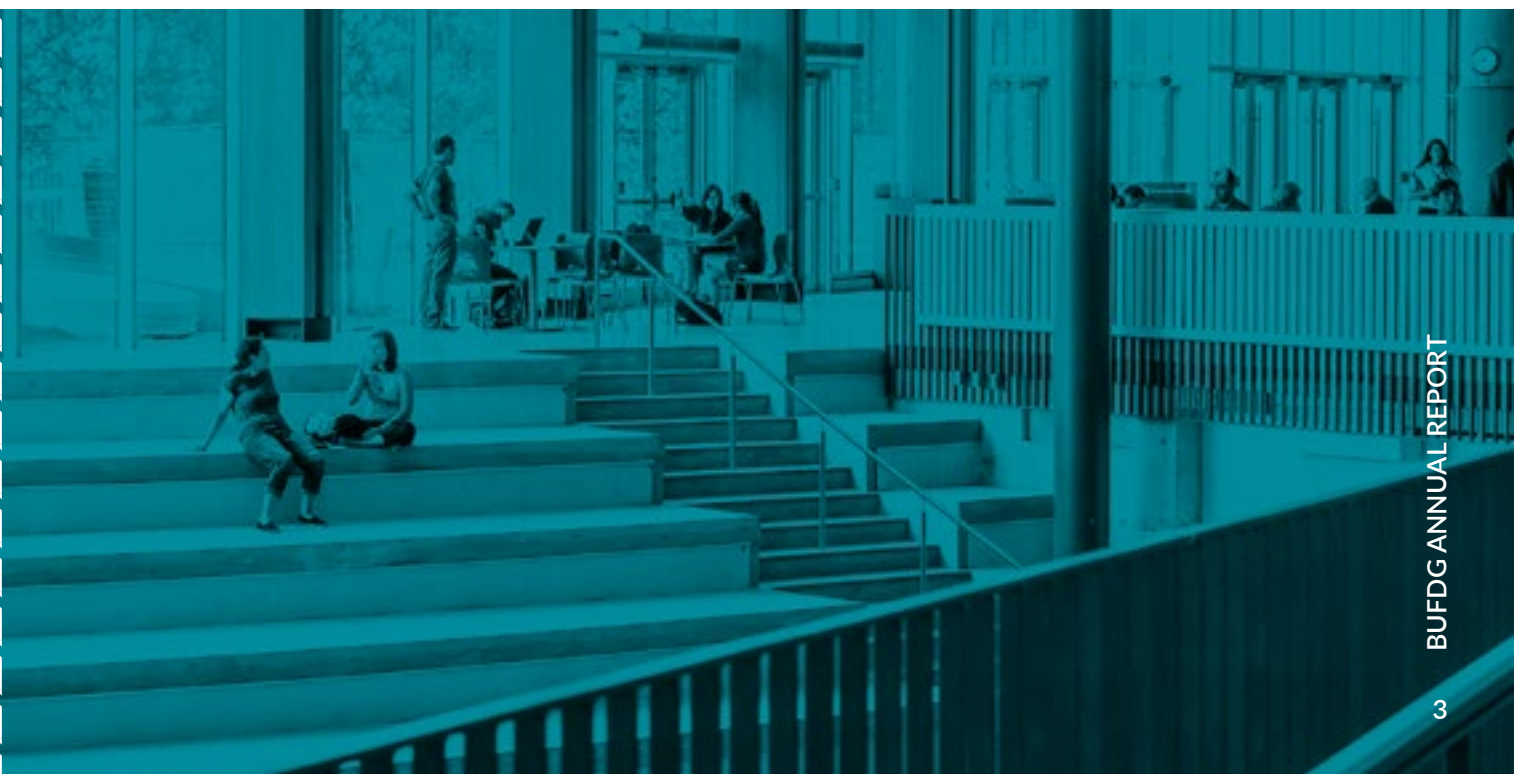
BUFDG is an association run under the umbrella organisation Professional HE Services Ltd (PHES), of which it is the founding member. PHES is a not-for-profit company limited by guarantee and, like BUF DG, is owned entirely by its member HE institutions.

PHES is a shared service that provides the legal framework for different HE sector organisations to be run effectively and share staff and operational resources. There are currently six sector organisations under the PHES 'umbrella': BUF DG, AUDE, HESPA, UHR, CHEIA, and AULP.

Each has complete autonomy to run its finances within the financial sustainability rules set out in the PHES agreement. Each organisation has its own structure and terms of reference and is run by its own executive.

There are many benefits to HE membership organisations being members of PHES, which in turn benefit their member institutions:

- The shared legal framework and terms of reference ensure each member does not have to go through the expensive process of establishing their own separate, legal entity
- The shared accounting and governance services through the PHES board are a considerable efficiency saving over each organisation contracting separately with, or employing an accounting function



- The shared staff resources offer considerable savings to all organisations and to their university members, particularly around the collection of subscription fees, where the subscriptions of all six organisations are collected on the same invoice
- The database and Content Management System form the ‘engine’ that runs behind all six organisational websites. This provides significant savings as each organisation does not have to establish and pay for its own website development, and improvements to one can be shared across all six. Each organisation can also help the others in keeping the institutional and individual data up to date, and members only require one login to access all six websites

Perhaps the biggest benefit however is the collaboration between staff from different SIOs. As there are many similarities between membership organisations, the familiarity of staff allows each of the organisations to learn and benefit from all the others. There are joint PHES team meetings three times a year and multiple working groups to facilitate this.

You can find out more about PHES [on the PHES website](#) – in particular, by downloading the ‘This is what PHES does’ document.

*“Thank you to the  
BUFDG team for all the  
support you have given  
me over the years.”*



**We’ve hosted  
3 Annual conferences  
Attended by 1,760 delegates**

**in 2021**

## About BUFDG

The British Universities Finance Directors Group (BUFDG) is the **representative body** for higher education finance staff in the United Kingdom. We have been delivering professional services and support to our members for over 20 years.

**Our members** are the Directors of Finance and Chief Financial Officers of UK higher education institutions, and their staff. Our work in the Higher Education sector **supports over 8,000 HE employees**, in over **180 HE organisations**. We are entirely owned by our member HE institutions and are **not-for-profit**.

We aim to be the recognised channel for the provision, analysis, and dissemination of information, guidance and support across the HE Finance sector. In a nutshell, this means that BUFDG helps institutions deliver value, save money, enhance finance capabilities, and work together.

*“The support of BUFDG is very valuable to a small institution where we can’t have all the expertise in-house.”*



**We’ve held 67 networking meetings, for 1,369 members**

**In 2021**



## With BUFDG membership HE staff can:

### Team development

Access all the e-learning modules, training events, regional meetings, and BUFDG conferences, for you and your colleagues

### Technical support

Get technical tax, employment taxes, and procurement support and guidance from our three in-house specialists

### Instant knowledge

Access hundreds of useful resources and guides covering a wide range of subject areas, and use the busy discussion boards to ask questions of colleagues from across the sector. You'll also benefit from the knowledge, insight, and contacts of Karel and the rest of the BUFDG team

### Accounting insight

Benefit from the work of the Financial Reporting Group on issues such as the SORP and pensions accounting, including notes, discount rates, and pension deficit recovery modellers

### Special reports

Contribute to, and access special projects and reports including the annual institutional audit and FD responsibilities surveys, and **special guides** such as **Understanding University Finance**, **Understanding Pensions in HE** and **UK Universities and Tax**

### Sector advocacy

Have a say on, and contribute to, our liaison and advocacy work with HMRC, the Office for Students, UUK, Purchasing Consortia, and other sector bodies

To find out more, **visit our website**, or download **the statement of benefits**.

# About this report

The timing of this Annual Report is slightly earlier than last year, so that it is published in time for both the Annual Meeting in May (the first national face-to-face meeting in over three years – more on this later), and for the AGM in June.

The report seeks to adopt some of the principles of the Integrated Reporting (IR) framework. Integrated Reports don't just talk about the numbers, or list achievements. They look at how all the different resources in an organisation (what the IR framework calls 'Capitals') impact on each other. It's about how an organisation works, as well as what it does.

An Integrated Report is a journey, as well as a snapshot in time. It reflects the strategic decision making and integrated thinking that happens throughout the year, as well as the cumulative effect that thinking has on how the organisation is run over many years. It also shows how the organisation has sought to meet its objectives over the last year.

In reading this report, we hope you will gain an insight into how BUFDG thinks and works, as well as the more 'traditional' annual report of what the organisation has achieved over the last year, and its financial situation and projections. This will hopefully show that BUFDG not only delivers value in the short-term but is also a sustainable and worthwhile partner for the whole sector in the long-term.

*"Thanks as ever to you and to contributors for such a helpful report – these are a really helpful update on what is going on."*



# Our strategic objectives

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BUFDG's core objectives are:

## 1. To inform, guide and support

BUFDG aims to support university finance managers and their teams by providing them with up-to-date information, analysis, guidance, and comment on financial news, strategy and management in HE by:

- being the leading source of information, comment, and support on finance matters in the HE sector, including procurement and tax;
- promoting high standards and best practice in HE finance departments, to help them deliver value to all stakeholders; and
- working with members to provide solutions to common HE finance issues and challenges.

## 2. To facilitate networking and development

Despite the increasing emphasis on competition between universities, the collegial culture of UK Higher Education can be harnessed for the advantage of the whole sector without contravening competition law through:

- providing forums for networking, discussion, consultation and exchange; and
- providing and signposting appropriate opportunities for learning and development.

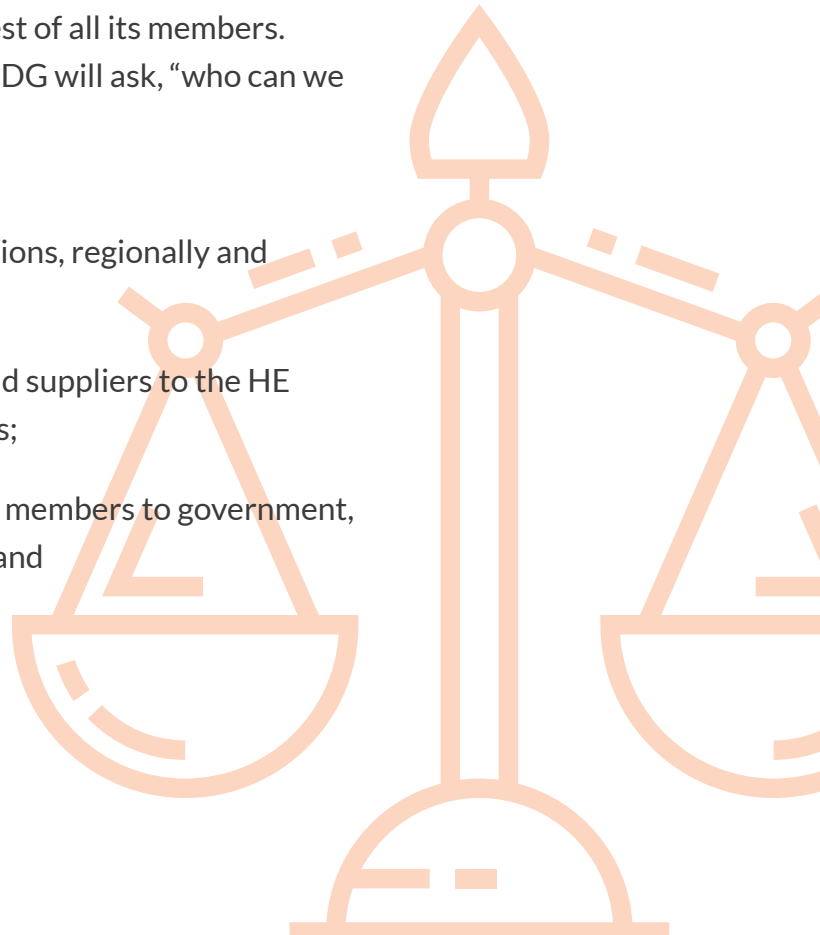


### 3. To partner, coordinate, advocate and influence

BUFDG will lead and catalyse partnership working among the wide range of professional associations, think-tanks, mission groups, and membership organisations, in the best interest of all its members. Before launching any project or service, BUFDG will ask, “who can we work with?”

We will:

- work in partnership with related organisations, regionally and nationally;
- work collaboratively with supporters of and suppliers to the HE sector in the best interests of our members;
- advocate and influence on behalf of all our members to government, policy makers, and external stakeholders; and
- work with integrity.



**2,453**  
**new members**

**1,162**  
**full accounts**

**1,291**  
**e-learning accounts**

**in 2021**

# OUR VALUES



## **Integrity:**

We act with integrity and respect



## **Inclusivity:**

We are approachable, friendly, collaborative and inclusive



## **Curiosity:**

We are enquiring and curious



## **Dedication:**

We are dedicated and dependable



## **Motivation:**

We are motivated and enthusiastic



## **Kindness:**

We are kind, and have empathy and compassion



## **Sustainability:**

We work in a sustainable way and consider sustainability in all we do

# Chair's foreword

Sarah Randall-Paley  
Director of Finance, Lancaster University



The last year has been, yet again, one of transition for UK universities. Higher Education is a diverse sector and, while some institutions have fared better than others during the pandemic, most have been able to raise their heads from the fire-fighting of 2020/21, and start to think more about the long-term. It is safe to say that we are all disabused of the notion that we will soon be going back to 'how things were' yet some things do not seem to have changed at all.

The collaboration that makes UK HE such a special place to work appears, thankfully, to remain unscathed. We are happy to report, as outlined in many places in this document, a continued willingness of CFOs and their staff to stay positive and supportive of each other, and to contribute to collective initiatives. The existence and success of BUFDG and the wider PHES family is of course evidence of this but, as always, it can only do what it does because of the enthusiastic involvement of its members. We hope that this report plays a role in showing just how worthwhile that involvement is, and what valuable service is provided in return.

That said, there are challenges ahead for the network, not least one that is familiar to all of us – how to prioritise and successfully deliver with the limited resources available. We are keenly aware that for every successful project there are three that never leave the ground (or the inbox). However, limits in some ways do not mean we cannot grow in others, and our efforts over the next 12-months include re-evaluating existing activities, collaborating more closely with other groups across the sector, and supporting project activities more effectively. We look forward to reporting back next year about an organisation that is even more efficient and effective in providing value for its members.



**We've run  
90 training events,  
for 4,391 delegates**

**in 2021**

On a personal note, the sands of time wait for no person and this is my last report as Chair after four insightful and fascinating years working alongside the amazing BUFDG team. The pandemic has clearly dominated all our lives in a way that no-one could have foreseen, but it is a credit to BUFDG colleagues that the organisation has emerged stronger and more relevant than ever. For me, topical Time to Talk sessions have been a particularly welcome innovation as well as the ability to drop randomly into regional meetings far from our usual hometurf! I look forward to seeing BUFDG's ongoing success and development from a slightly greater distance and would like to fulsomely thank the team as well as all of you who support our community in so many different ways.

Sarah Randall-Paley  
Director of Finance, Lancaster University

*"Can I say 'thanks' to all of the team for the continued support in dealing with queries like these. Without the buffer of BUFDG, I think I would have felt completely overwhelmed with all that's happened over the last couple of years."*





# Message from the Executive Director

Karel Thomas  
Executive Director, BUFDG

In January 2003 I spent an afternoon at the University of Warwick in the company of some members of the BUFDG Executive Committee. They wanted to recruit someone to help organise meetings, write minutes and bring Finance Directors together in various forums to advance the idea and reality that Finance is at the heart of a successful organisation. At the time I worked at Loughborough University, so we came to an arrangement that I would work part-time for Loughborough and part-time for BUFDG. It soon turned into a full-time job. Further details are best lost in the mists of time as now BUFDG is all grown up. The infant I fostered left its parents, set up on its own and then formed a new partnership, pooling resources and sharing the ups and downs of life.

After 19 years of building BUFDG and PHES, I have reduced my commitment to 0.7FTE. This means some changes in Team BUFDG and these details, as well as their consequences for how BUFDG operates, are outlined in various places in this report. The biggest change is the appointment of Amanda to the role of BUFDG Head of Operations and Engagement.

***“I just wanted to say thank you for everything you have queried, challenged, poked and prodded over the years to ensure that those of us at the helm are supported and can collaborate.”***



In 2003 there was a 20-page website with some Word and Excel downloads and a JISC Mail list, some volunteer Finance Directors and their conscripted PAs, me, and Gill Birch. From a list of around 140 people in a Word document, today we connect with over 8,000 people using a database we share with other sector organisations. The annual conference has evolved and moved with the times, and BUFDG training events have morphed into Time to Talk sessions, e-learning and (at the moment, very occasional) opportunities to get together. Volunteer working groups such as the Tax Group and the Financial Reporting Groups now enjoy professional support. HEPA was born out of AUPO's merger with BUFDG in 2011, recognising the responsibility Finance Directors have for procurement. Other groups have been established, served a purpose, and then moved on while others have found a permanent place (unfortunately, Counter-fraud). Discussion Boards have replaced the JISC Mail list. The Weekly Digest was one of the first regular newsletters in the sector, bringing together snippets of information we thought would interest you – it's still going as a Fortnightly Digest and we hope, still useful. I could go on...

I am incredibly proud of how far BUFDG has come and of every member of the fantastic BUFDG team and our colleagues in PHES, whose professional attitude, enthusiasm, and resilience have shone through brightly over the last two years. The pandemic has made us all [re]evaluate how we work and live, and I am sure that is the case in your organisation too.

BUFDG's work will always be led by the fact that we are owned by, guided by and here to support our members. If there's more that you think we could do, then please don't hesitate to get in touch with me, Amanda, or any member of the team.

**Karel Thomas**  
Executive Director, BUFDG



**1,036 document  
resources have  
been downloaded  
by members  
a total of  
35,558 times**

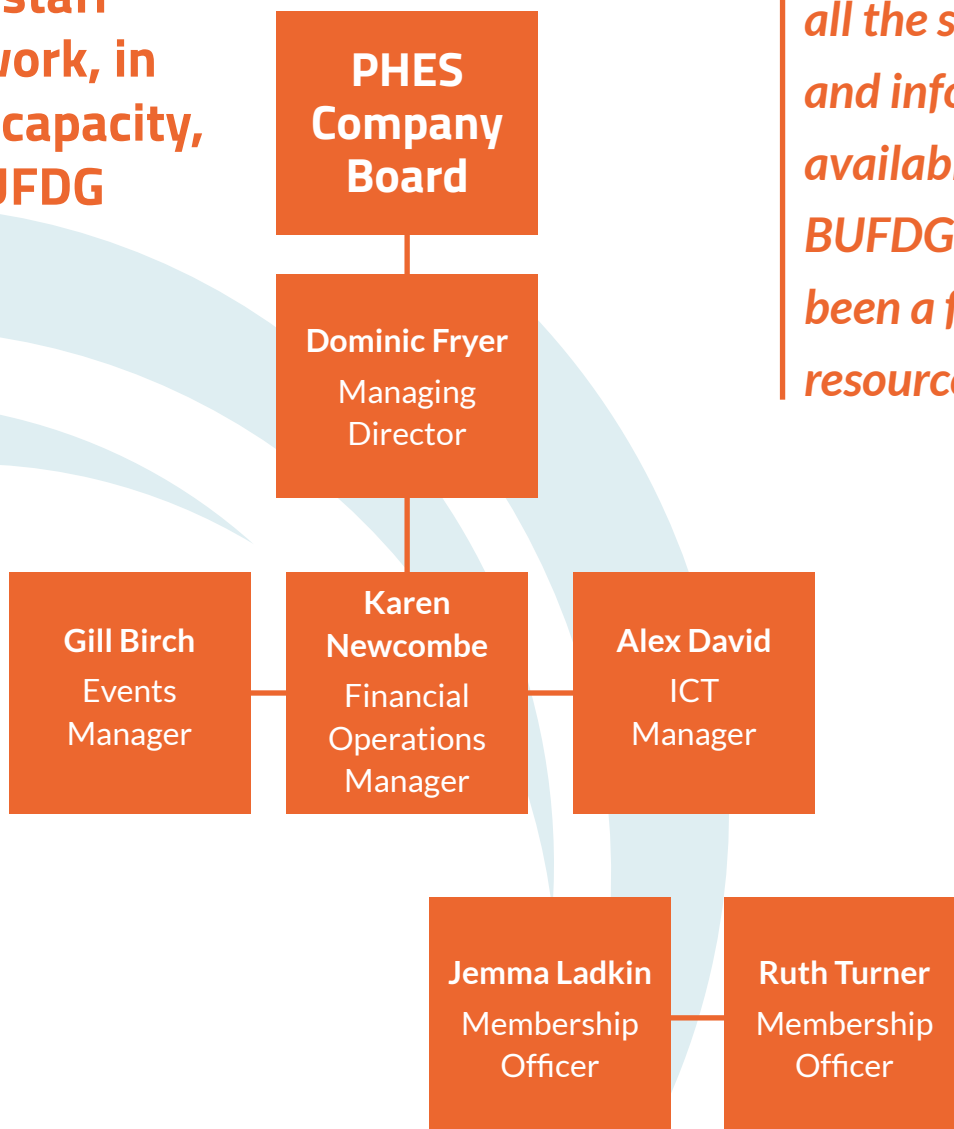
**in 2021**

# Organisational structure

While BUFDG has never had what could be described as ‘high staff turnover’, until the start of the pandemic we grew steadily. Since Andrea joined in 2020 however there have been no further additions – just a few tweaks to internal roles and responsibilities.

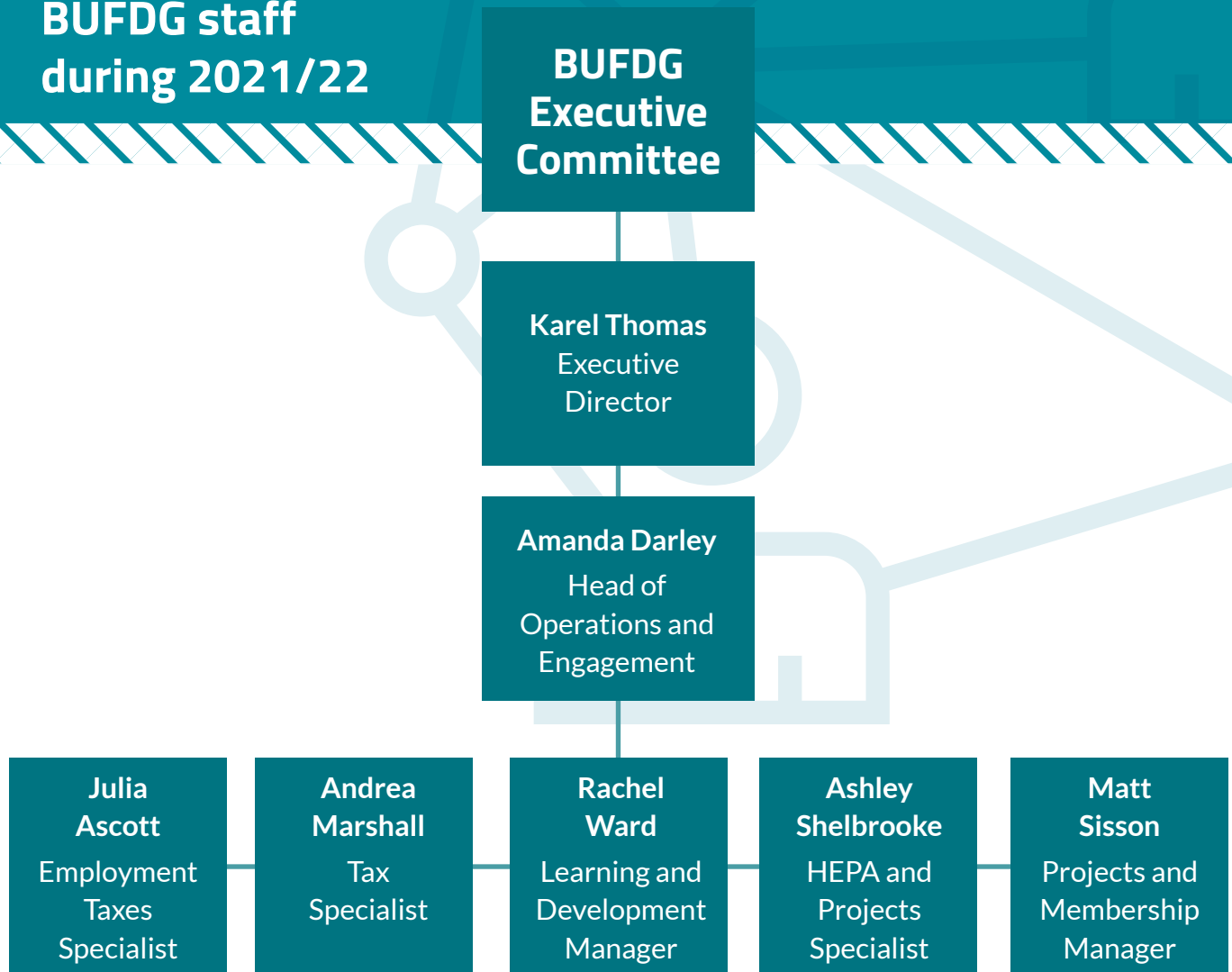
After consolidation last year, we have been able to experiment a little more in what services we deliver to members, and how. No-one has returned to the office however in a regular capacity, and we are now all officially ‘home-workers’. The consistency this provides across the organisation – in terms of a lack of an office/home divide – is a positive step for all.

**PHES staff  
that work, in  
some capacity,  
for BUFDG**



*“Thank you for all the support and information available from BUFDG. It has been a fantastic resource.”*

## BUFDG staff during 2021/22



There have been  
**4,616 posts** on  
the discussion boards,  
viewed **304,170 times**

**in 2021**

# Working groups outline

We think of the Working Groups as the ‘motors’ of BUFDG, undertaking essential programmes of work in areas important to university finance teams. They are led by the participating members and supported by a member of the BUFDG staff team. Each of the working groups contributes in many different ways to BUFDG’s overall objectives (see [www.bufdg.ac.uk/about/about-bufdg/](http://www.bufdg.ac.uk/about/about-bufdg/)).

The permanent BUFDG working groups are:

Group	Chair	BUFDG Support
Tax	Alison Davies Director of Finance, Aston University	Andrea Marshall <a href="mailto:andrea@bufdg.ac.uk">andrea@bufdg.ac.uk</a>
Payroll and Expenses	Currently Vacant – would you like to volunteer?	Julia Ascott <a href="mailto:julia@bufdg.ac.uk">julia@bufdg.ac.uk</a>
Financial Reporting	Erica Conway Director of Finance, University of Birmingham	Karen Newcombe <a href="mailto:karen@phes.ac.uk">karen@phes.ac.uk</a>
Procurement HEPA	Andrew Hewett Director of Finance, Manchester Metropolitan University	Ashley Shelbrooke <a href="mailto:ashley@hepa.ac.uk">ashley@hepa.ac.uk</a>
Learning and Development	Simon Newitt Director of Finance, Northumbria University	Rachel Ward <a href="mailto:rachel@bufdg.ac.uk">rachel@bufdg.ac.uk</a>
Counter-Fraud	Andy McGoff, Finance and Operations Director, Edinburgh Napier University	Ashley Shelbrooke <a href="mailto:ashley@hepa.ac.uk">ashley@hepa.ac.uk</a>
International Taxes	Lizzy Conder, Director of Finance and Planning, University of London	Julia Ascott <a href="mailto:julia@bufdg.ac.uk">julia@bufdg.ac.uk</a>

The activities of the working groups are integrated throughout the rest of the report. However, if you would like to find out more about a group, or perhaps join one, then do contact the respective BUFDG staff support.

# Activity round-up

## BUFDG Operations

2021/22 has been a year of change and development internally for BUFDG. In 2020/21 we changed how we worked and how we provided services to members through the necessity of the pandemic. But in 2021/22 we were able to take a considered view of what had changed, what should change, our core principles, and what we offer to members.

While we concluded that the core of what we offer to members has not and should not change, how we provide that, how and where we work, and how we work with other parties is changing.

We **refreshed our strategy to reflect these changes**, and, for the first time, came up with a Mission Statement, which if you haven't already seen it we are proud to tell you is:



**"SUPPORTING FINANCE,  
SUPPORTING UNIVERSITIES"**

We also collectively decided on a set of values that we all bring to our work on a daily basis:

 **Integrity**

 **Motivation**

 **Inclusivity**

 **Kindness**

 **Curiosity**

 **Sustainability**

 **Dedication**

This mission and these values have led our work throughout this year and continue to lead us into 2022/23. We wanted to share a few insights into how we act on some of these values in our work with members and within our team.





## Members

We are constantly looking for areas of finance that may need our help, whether that be training, advocacy on issues, or information on services and suppliers. We are always delighted to welcome new members, and invite anyone who has trouble accessing our services, or feels excluded in any way, to contact us to discuss this.

One specific project we are currently undertaking is an accessibility update of all our e-learning courses. We had an external specialist review a number of our courses and we are now implementing the changes recommended. We're delighted that a number of the newly accessible courses are already available on our e-learning platform, and we are working through the others as quickly as we can. Despite the external review and our changes, we don't consider this a done deal – we always want to hear from our members in relation to any problems they have in accessing our e-learning or other digital resources so we can continue to improve.

In 2022/23 we will be starting some work on Equality, Diversity and Inclusion among our membership – although we like to think we are a welcoming and open organisation for our members, are we really?

## Team

It has become apparent that, despite our very best intentions, we used to be something of a two-tier team, with those based remotely perhaps not having all the information, insights and connection available to those based in the office. We are now an egalitarian, closer-knit team having decided collectively and individually to all continue working remotely for the majority of the time. While we treasure the rare opportunities we have to meet up with a colleague, or several, face-to-face, through the magic of Teams we have found our truly level-playing field, where information is shared easily and widely, connection with team members is much more frequent, familiarity with each other's bookshelves is growing, and cats are a welcome disruption.

***"I looked up your website and I am impressed by the wealth of information and publications available - I will surely subscribe to some of your newsletters."***

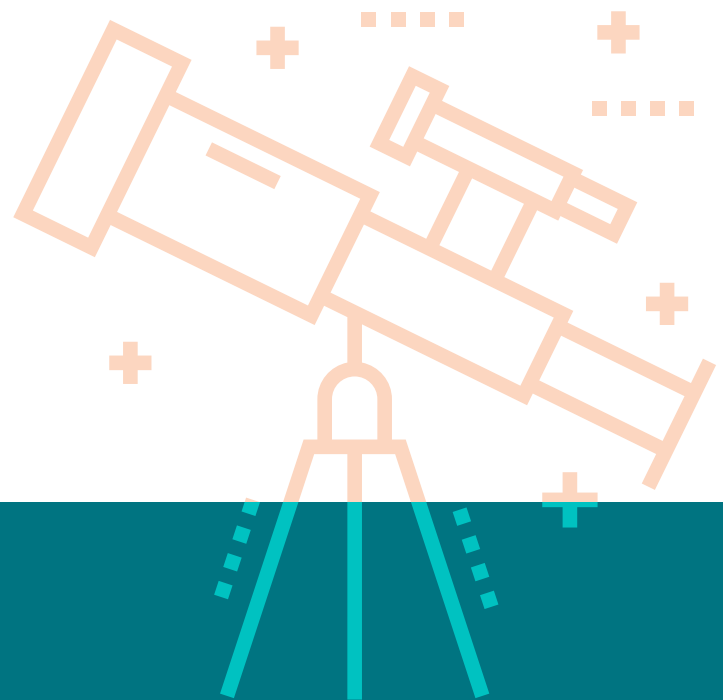
## Curiosity

### Members

We are a curious bunch (some might say nosey!) by nature, which means we are always looking for the latest idea that might help our members, sniffing out the latest issues (whether directly finance related or more peripheral) and looking for the not-always-obvious connections between finance and other issues in HE.

### Team

Well – let’s just say that video calls probing into people’s homes on a regular basis invite a number of interesting questions and answers!



## Kindness

### Members

We hope that members find our small team, and the communications we provide, have that personal touch that means when you need some information, a contact name, or just a sympathetic ear, instead of finding a corporate machine where ‘computer says no’ you find a responsive human being who you feel you already know.

### Team

As with any team, we have all individually faced challenges over the past two years, all different and all unexpected. The company, managers and colleagues have been a constant source of both practical and emotional support for all the team throughout this time. It has brought us closer as a unit, despite being physically further apart. Our team dynamic has always been one of our greatest strengths, but this is so now more than ever.



## Members

Anyone who has attended one of our regional FD meetings this year will know that sustainability is a huge priority for the sector. We are keen to play our part in the sector's response to the climate crisis, and are in regular contact with colleagues at AUDE, EAUC, and UUK about the issue, as well as with other sector bodies. We want to ensure any actions we take are focused and effective, and to avoid duplication and complication.

***"I have been working through some of the e-learning modules for my CPD and have found them very interesting and informative."***

## Team

As part of PHES we have recently formed a Sustainability Group to look at our own impact on the climate as a company. We have a key group of employees from each SIO that meets regularly to discuss issues and options to improve our sustainability, and all their recommendations are shared with the wider company for agreement. Some of our initial actions include actively considering sustainability in relation to any physical events we hold, such as travel options for delegates, food waste, and the general sustainable credentials of the venue, as well as also considering our travel impact in relation to any physical meetings we are invited to. We hope to be able to share some information and maybe even metrics with our members as this work develops and we understand more about our impact.



## Objective 1

### To inform, guide, and support

On reflection, we got by in first 12 months of the pandemic but the last 18 months have allowed us to establish new permanent ways of delivering great member services. As usual, we have published a wide variety of news, information, guidance, and survey reports to assist members across the sector. One of the greatest items of value for members however is the discussion board with value that is, in the most-part, self-generated by our members. This year the Discussion Board has gone from strength to strength, with over 4,500 posts, viewed over 300,000 times! This is over twice the posts and views of the year before. We can only thank our members across the sector for their collegiality and generosity with their time. Everyone can give themselves a big pat on the back!

At HEPA, Ash has been busy with the annual Heads of Procurement and Procurement Value surveys. New for this year, the Responsible Procurement Group, in collaboration with UKUPC and the Social Value Portal, released the [Higher Education Themes, Outcomes and Measures](#) (TOMs), which provides members with tools to measure, monitor and report social value in contracts.

Over at team Tax, Andrea and Julia have, as usual, been extremely busy. In the last annual report we spoke about the issues that universities were facing as a result of on/off payroll working, Brexit, global mobility and online learning. It is fair to say that for most tax teams these issues continue to be high on their agenda. On/off payroll, IR35, employment status or however you want to refer to it, persists in causing confusion and tax risk. [The BUFDG Common Roles guide](#) is currently being revised with members engaging closely in how it should be used and the range of roles that need to be included.

The international issues are certainly not going away. Global mobility continues to create overseas tax, social security, pension and employment benefit liabilities. A number of the Time to Talks that we have run this year have sought to help address concerns. Julia has added the [Global Mobility Country database](#) to the [European signpost document](#) that she prepared last year. The database is a country-by-country guide summarising rules on permanent establishment, income tax and social security. The aim is to reduce the amount of time universities spend in 'trying to find the right information' and help with triaging high-risk countries.

Post covid, tax authorities have one objective: to raise revenues. Although China and India still appear to create the most headaches for our members, we are seeing an increase in the number of countries levying taxes on online activities and Andrea continues to regularly update the [Making Education Digital spreadsheet](#). To support Andrea, Ainel Forni from the University of the Arts, London, has joined the National Tax Group with a role focusing on online learning. Considering the volume of work that they're required to get through, we're grateful for Andrea and Julia that they support a membership population that is so open to sharing issues, solutions and knowledge, and for the willing support provided by a range of external advisors.

Finally, this year has also seen the publication of the annual Audit Survey, the less frequent BUFDG Counter-Fraud survey, and an entirely new version of our [Guide to UK Universities and Tax](#).

While it's relatively easy to write about what we do, it's harder to write about what we haven't. The proactive and collegial approach of members, combined with the BUFDG team's curiosity, means that there is always a long list of projects that could happen in a given year, but that are beyond the time and resources of the organisation. For 2022/23 we're looking to deliver more for members by expanding our projects capacity so we can progress collaborative initiatives with other organisations (more on this below).

*"Another great conference which ran smoothly and kept everyone engaged – largely down to the organisational skills of the whole BUFDG team."*



## Objective 2

# To facilitate networking and development

After the adjustment of 2020, 2021 saw a continuation of exclusively online learning. All BUFDG regional and working group meetings remained online, and we continued with an extensive range of Time to Talk sessions that occurred, on average, approximately once a week.

We supported our existing networking groups in an online format (and we're gradually starting to add back some in-person meetings where desired) – Finance Directors; Deputy Finance Directors; Tax; Payroll and Expenses; International; Counter-Fraud; Smaller HEIs; Credit Control; and the HEPA Heads of Procurement Turnover Groups – and you'll see further on in the report that we will shortly be setting up a new networking group for Research Finance.

Twenty-four of the TtT sessions covered tax or employment taxes, and we had an additional six days of specific tax training, along with fifteen Regional Tax Group meetings, fourteen Payroll and Expenses Group meetings, and five International Forums. At HEPA, there were a range of TtTs ranging from effective contract management to asset reuse and social value, as well as counter-fraud sessions subjects such as the dangers of bid rigging and the organisational impact of cyber-attacks.

The Financial Reporting Group (FRG) decided to continue the online workshops introduced during lock down. The numbers dialling in for the online workshops far exceeded the numbers of attendees at previous face-to-face events. Whilst networking was extremely limited the online chat was greatly used. Further sessions for the network looked at USS reform, OfS returns, climate reporting and environmental sustainability, and endowment investing, to name just a very few (phew?!).

We held an online Tax Conference again in June (although 2022 will see a return to face-to-face), as well as new-format Credit Control and Management Accountant's conferences, which were developed at the request of members. The biggest online event was the Finance Festival, which was a more streamlined version of the 2021 Annual Conference. Taking place on Hopin, the Finance Festival welcomed over 1,300 delegates, supporters, and speakers across three days. The Festival was completely free for BUFDG members, and all forty sessions were recorded and remain available on the BUFDG website in perpetuity as resources for all HE staff.

The BUFDG e-learning resource continues to develop, and we have added further modules this year, to take the total to almost forty. In addition, we have updated the content of several existing modules this year, and at the same time improved their accessibility. We have even bigger plans for e-learning in the next 12 months. These are yet to be agreed in their entirety, but we can confirm we're currently in the process of developing guidance on Customs Procedure Codes (which are crucial for import VAT/duty tax relief) and FAQs around subsidiary companies, plus e-learning courses on imports and exports, and IP and commercialisation. We are also further updating existing e-learning modules for relevance and accessibility.

All this is in addition to what traditionally used to be called 'training courses'! While still online for this year, they have included Introductions to HE Finance, Intro to TRAC, tax risks, Brexit, and more.

The L&D Group members regularly invest their time outside of the group meetings to give their ideas and expertise on projects. We would like to thank all our members and, in particular, to recognise the contribution of Andy Stephens who has recently moved on from Loughborough University.

## Staff profile - Matt

This is my 15th year at BUFDG and over the time the organisation, much like the sector it represents, has changed drastically in size, shape, and scope. I started off working part-time with Karel and Gill (the only other BUFDG staff!), mostly in an administrative capacity. These days, my job title is officially 'Projects and Membership Manager', and my role encompasses a wide range of BUFDG activities, including regular communications like the Digest and Quarterly, surveys and reporting, conference and event planning and management, supporter liaison, and more.

The biggest recent change has been the adjustment to working from home, but we've been well-supported by BUFDG and the broader PHES organisation. Now everyone at BUFDG is in the same 'home-working' boat, there does seem to be smoother internal communication on the whole. It's hard to remember a time before Teams!

The one challenge is just keeping track of what everyone across the team is working on at any point in time, and how busy we all are. We've not yet found a 'perfect' solution, but we're getting there!

## Objective 3

### To partner, coordinate, advocate, and influence

Partnership activity is increasingly important to the work of BUFDG, as we seek to do more with existing resource and represent HE Finance within and beyond the sector. With pension funding a continual 'hot-topic', BUFDG has helped set up liaison and feedback sessions with UUK on USS reform, and used the discussion board to ensure a two-way flow of information on other pensions issues.

HEPA is representing the sector on the Cabinet Office Transforming Public Procurement Learning & Development Working Group to help shape and scope the training offer for the upcoming Procurement Bill. It has also conducted the annual [Procurement Value Survey](#), which tracks, among other things, total impactable spend and efficiencies, for wider use by the sector. In collaboration with UKUPC, HEPA also produced a Systems Survey that helped build a picture of the broad range of procurement-related systems used by universities.

With support from members of the National Tax Group, we continue to liaise with HMRC on a wide range of tax issues, and have responded to no less than nine government consultations.

For the Financial Reporting Group, work on the SORP and sector compliance has been a collective effort. The review of the 20/21 financial statements covered 54 sets of Financial statements for compliance and this fed into the 2022 reporting workshop. We are already starting to think about the next SORP with the request for views to inform the review having closed in October 2021.

We're extremely grateful to our 'supporter' companies throughout the year, whose contribution in the form of participation in webinars and conference sessions, writing blog posts and Quarterly articles – or just a bit of information or advice at the end of the 'phone' – has been invaluable. We hope to continue to develop these relationships over the coming year.

On the L&D side, we continue to broaden our cooperation with our fellow PHES organisations, plus other groups across the sector. Risk group workshops involve cooperation between five different sector organisations, with similar coordination underway on introductory finance sessions for professional services and on strategy and planning. We've held other sessions in conjunction with UHR, ARMA, AUDE, HESPA and UCISA.

# Finances

Thanks to the contribution of our member universities, and despite the challenges at the start of the pandemic, BUFDG has emerged at the end of the 20/21 financial year in a relatively strong financial position. As we covered in last year's annual report, the pandemic prompted a change to BUFDG's business model, and we moved to a more sustainable mode of operation based on the principle that member subscription fees should cover staff salaries plus basic operating costs.

This, combined with a successful online 2021 Annual Conference, has enabled us to rebuild our reserves position, such that we are on track to meet the PHES reserves requirements by the end of 21/22. In recognition of this, BUFDG is proposing to freeze subscription fees for 2022/23, although this will be confirmed at the 2022 AGM following further assessments of the organizational strategy and the impact of rising inflation. Subject to confirmation therefore, rates for 2022/23 will be:

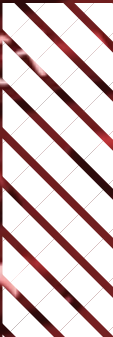
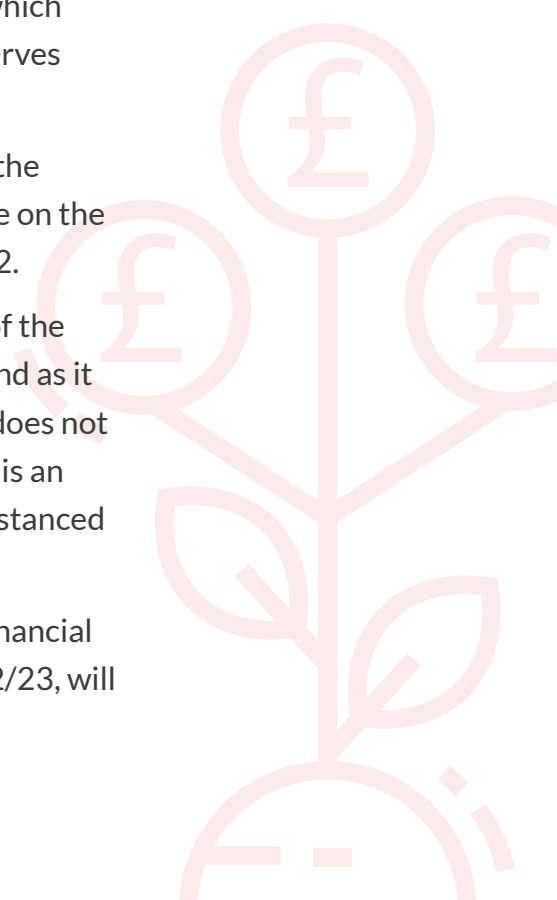
Turnover band	Subscription rates for UK HEIs	Standard	BUFDG Pro
6	Turnover > £400 millions	4,411	5,661
5	Turnover > £200 millions	4,121	5,046
4	Turnover > £100 millions	3,838	4,713
3	Turnover > £20 millions	3,382	4,157
2	Turnover > £5 millions	2,217	2,712
1	Turnover < £5 millions	1,491	1,941

There are no significant changes to overall staff costs, with a reduction in hours in the Executive Director’s contract being ‘re-assigned’ in increased responsibilities across the team. We are however looking at the possibility of expanding our project management capacity which could be funded with the remaining projects budget and/or reserves should these be required.

L&D income recovered in 2021, following the reduction during the initial year of the pandemic. We have also increased expenditure on the new website, which is due to be launched in the Summer of 2022.

All BUFDG staff are now home-workers, but we retain a share of the PHES offices in Loughborough to use for occasional meetings, and as it is used more regularly by other PHES organisations. The office does not have capacity for all PHES staff to work there permanently, and is an appropriate size for small groups / teams to work in a socially distanced way.

We expect a surplus of approximately £100k for the 2021/22 financial year, and this, along with further details of the strategy for 2022/23, will be discussed at the 2022 AGM in June.





# Accounts

## BUFDG Statement of Accounts for the year ending 31 July 2021

	Year to 31 July 2021	Year to 31 July 2020
<b>Income</b>		
BUFDG membership subscriptions	825,657	618,034
BUFDG conferences and L & D Events	440,612	121,981
<b>Total</b>	<b>1,266,269</b>	<b>740,015</b>
<b>Expenditure</b>		
BUFDG Salaries (incl. a share of PHES staff salaries)	585,574	540,385
Staff T & D	192	216
Travel and subsistence	0	29,001
Website	21,321	5,835
Conferences and L & D Events	122,005	139,192
General Office Costs	7,040	12,797
Marketing and Communications	2,591	4,199
Overheads	19,422	23,505
Room hire for working groups	486	7,551
Subscriptions to other organisations	2,768	964
Projects	38,287	71,957
<b>Total</b>	<b>799,686</b>	<b>835,602</b>
<b>Surplus/(Loss) before interest</b>	<b>466,583</b>	<b>(95,587)</b>
<b>Interest</b>	<b>29</b>	<b>2,162</b>
<b>Surplus/(Loss) for the year before corporation tax</b>	<b>466,612</b>	<b>(93,425)</b>
<b>Corporation tax (payable)/refundable</b>	<b>84,423</b>	<b>13,518</b>
<b>Surplus/(Loss) for the year</b>	<b>382,189</b>	<b>(79,907)</b>
<b>Fund balance brought forward</b>	<b>113,919</b>	<b>193,826</b>
<b>Accumulated funds carried forward</b>	<b>496,108</b>	<b>113,919</b>

**BUFDG Statement of Accounts for the year ending 31 July 2021**

	Year to 31 July 2021	Year to 31 July 2020
<b>Represented by</b>		
<b>PHES Balance Sheet</b>		
Debtors	49,587	156,477
Cash at bank	2,082,173	1,864,839
Trade Creditors	-1,406	-6,870
Other Creditors	-409,489	-979,742
	<b>1,720,865</b>	<b>1,034,704</b>
<b>BUFDG reserves</b>	496,108	113,919
<b>PHES Other reserves</b>	1,224,757	1,165,274
	<b>1,720,865</b>	<b>1,034,704</b>

*"I just wanted to email you to say how much I have enjoyed being part of BUFDG over my many years of working in the sector. Much of the enjoyment is because of the great enthusiasm, knowledge and experience of the team."*

**76 Economic & financial indicators**
**Economic data**

	Gross domestic product			Consumer prices	Unemployment
	% change on year ago			% change on year ago	rate
	latest	quarter*	2021†	latest	2021†
United States	0.4	0.4	0.5	2.8	3.3
China	2.1	2.1	2.1	2.1	2.1

# Risks and challenges

BUFDG has emerged 'post-pandemic' in a relatively strong position. We had been concerned that the combined challenges of COVID and Brexit could challenge the financial sustainability of some members, to the extent that they may choose not to renew their subscription. Thankfully, just a single institution has unsubscribed, and BUFDG remains in a strong financial position. We're continually encouraged by feedback from our members that suggests they find BUFDG support and activities as valuable as ever.

Despite this, we continue to monitor a range of risks to the success and sustainability of the organisation. The first of these concerns the threat from a loss of key staff, which is a particular concern for smaller organisations. Last year we shared out more of the responsibilities of the Executive Director, and this year Karel decided to reduce her hours, which has prompted a small reorganisation in the team. Karel's role has been reduced accordingly, and Amanda has taken on much of the day-to-day operational and staff management, in her new role of Head of Operations and Engagement. We are looking at how we can create more opportunities for participating in larger projects, as well as additional flexibility in how we work.

We have now successfully moved on from our reliance on conference and L&D income to meet main costs, through a principle of increased member subscriptions covering core expenditure. The success of the 2021 online conference has boosted reserves, and while the 2022 event was not run on a for-profit basis, we continue to meet the minimum level of reserves specified in the conditions of PHES affiliation.

It is continually apparent that there are limits to the extent of BUFDG activities, due to our small size. To remedy this, we're looking to make an increased effort to become a better 'partner' to the sector, and to seek out where solutions might be provided or redirected from elsewhere. This should let BUFDG focus itself on 'high-value' support – providing services to members that it is in a unique position to deliver. The existing governance structures within BUFDG help to keep these services in focus and allocate resources accordingly.

A further, but related challenge for the coming year is how to work effectively with commercial partners. Unlike previous years, there are few obvious opportunities for 'sponsorship' within the new BUFDG operating model, and we are aiming to move to a position where we make better use of our supporting companies' intellectual capital, rather than their finances. The additional challenge is to make this an inclusive change, where companies of all shapes and sizes can contribute according to their expertise, rather than an exclusive one where those without the market share or marketing budget are not utilised.

The risk is that 'excluded' companies may seek to bypass, obstruct or, most concerning, duplicate the work of BUFDG, which could create confusion or inefficiency. More consideration of a wider range of opportunities, improved communications around events and conferences, and the expansion of the Supporter Directory will be required.



**We've listed 857 job vacancies, viewed an average of 9 times each**

**in 2021**





# The year ahead

The last two years have required a great deal of flexibility and change and, in general, we feel BUFDG has adapted well and met the challenge. No year is a 'stand-still' however, and while we hope that the next 12 months will be a little more stable, we can guarantee a wide variety of interesting opportunities, projects, and challenges!

A new SORP is always a huge amount of work for everyone involved in Financial Reporting in the sector, and we are already starting to think about the next one. FRC is to publish the Exposure Draft that proposes changes to FRS 102 in the latter half of 2022. The effective date of the changes will be no earlier than 1 January 2025 and so the earliest financial statements affected by the new SORP will be 2025/26.

*"I continue to be grateful for all the hard work that you and your colleagues do on my behalf. My job would be so much harder without you."*

This review will include considering whether and how to amend FRS 102 to incorporate the requirements of IFRS 16. This could significantly change the current accounting model for leases in FRS 102 and so the FRC need to ensure entities have sufficient time to prepare for transition. FRG will be following this closely and prepare institutions with appropriate and timely guidance for compliance. The picture will be much clearer by the end of 2022/23.

We continue to recognise the need for networking, and we are hoping to launch a new Research Finance network in 2022, a need identified at the Management Accountants' conference. Mutual support will also be enhanced through the increasing use by members of the discussion boards, as well as through the new, just-launched [Mentoring scheme](#). Existing networks will also need developing and supporting. We are looking to move more of our training events back face-to-face again where appropriate, but we are also keenly aware that for many the pandemic is still far from over, and that the world has changed permanently to some degree. We will take next steps carefully, and ensure we are consulting with members about their preferences and requirements at all times.

We hope that all these activities will be supported through the launch of the new website. As the core architecture of the site must also work for all PHES SIOs – not just BUFDG – development has been slower than we'd hoped, but we do expect this to appear on your screens by the end of the Summer. We will also be transitioning all of the thirty-plus e-learning modules to a new system, which will be worth the effort for the improvements it will provide in accessibility and ease-of-use for members. The new system also creates a more streamlined roadmap for module creation where we still work with external content experts but the actual course creation can be completed entirely in-house. This requires less time and effort to update existing modules and add new ones.

Conferencing in 2021/2022 has been something of an experiment, with us continuing to try out different methods for delivery based on our Hopin software license, as well as on the tentative return of face-to-face events in the form of the Annual Meeting in May, and the Tax Conference in June.

We have some excellent and clear feedback from March's Finance Festival from both members and supporters, and we hope that the experience of the F2F events will provide us with the information we need to make a well-evidenced decision about related activities for 2022/23 and future years. We need to remain adaptable while the 'new normal' takes time to appear, but in an ideal world we don't want to be changing (and explaining) our decisions for event provision to all stakeholders every year.

Finally, after two years of staffing stability, we need to prepare for changes. We will be looking at adjustments that might need to be made to the make-up of, and responsibilities within the team and, while this need not be disruptive, any changes will take time to bed-in. In addition, there is always the possibility in any given year that existing staff will leave or significantly reduce their hours.

In summary though, the financial position of the organisation, the continuing support, enthusiasm, and collegiality of members, mean we can look forward to what the next year might bring.



**We've posted 428  
website news articles  
in 2021**





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