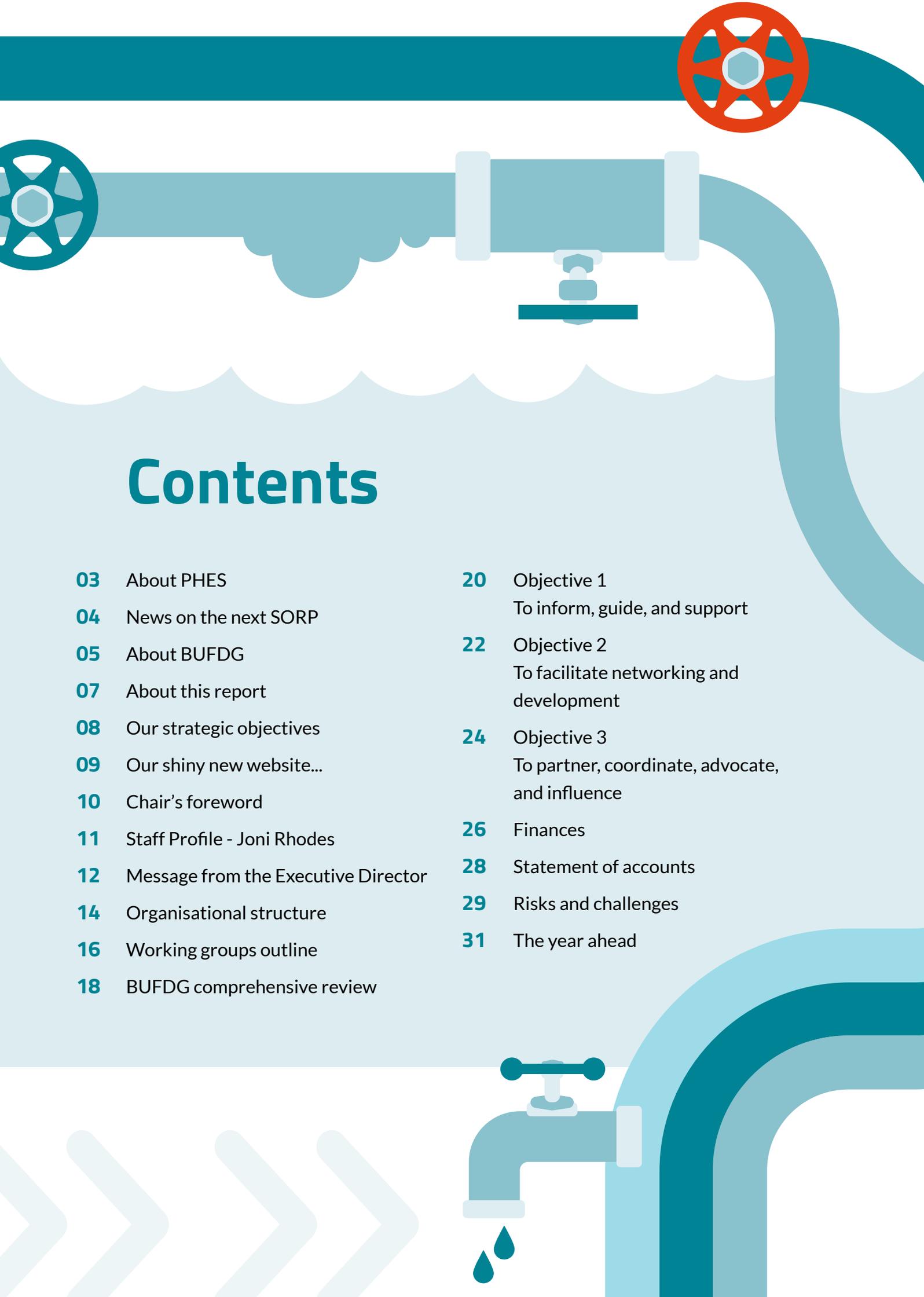




The cover features a stylized illustration of a blue industrial piping system. A yellow lightbulb is integrated into the pipes, and a red valve is visible. In the top right, there is a weather icon with a blue cloud, yellow lightning bolts, and rain. In the bottom left, there is a laboratory scene with a test tube, a round-bottom flask on a stand over a flame, and a conical flask. The background is a mix of light and dark blue tones.

Annual Report 2023



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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 BUFDG, 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 efficiently and share staff and operational resources. There are currently seven sector organisations under the PHES 'umbrella'; BUFDG, AUDE, HESPA, UHR, CHEIA, HEPA, AULP, and CUBO.

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 part of PHES, which in turn benefit their member institutions:

- The shared legal framework and terms of reference ensure each membership organisation 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 organisations are collected on the same invoice
- The database and Content Management System form the 'engine' that runs behind all seven 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 seven. 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 seven websites.



Perhaps the biggest benefit however is the collaboration between staff from different SIOs. As there are many similarities between membership organisations, the joint initiatives and 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.

💧💧 **A huge thanks to you and the whole team for another year of providing great advice and support**

News on the next SORP...

The Financial Reporting Council published the Exposure Draft (FRED82) that proposes changes to FRS102 in December last year and consulted until the end of April 2023. It is expected that the amended FRS102 will be published towards the end of 2023. The effective date of the changes will then be 1 January 2025 and so the earliest financial statements affected by the new SORP for most members will be 2025/26.

The proposed amendments are focused on updating accounting requirements to reflect changes in IFRS Accounting Standards, particularly with respect to revenue and leases, and making other incremental improvements and clarifications. BUFDG has appointed a project manager to oversee the project, and we are currently proposing to appoint a development partner to

help draft the new SORP. There will, inevitably, be many discussions and deliberations over the next 18 months as well as some costs.

The new proposals on leasing introduce a new section 20, based on the IFRS 16 on-balance sheet model, with appropriate simplifications. This is potentially onerous on institutions and the impact of the on-balance sheet model and covenant arrangements has not been fully assessed. BUFDG will keep members up to date with the progress of the new SORP and in the meantime will recommend what institutions can do to prepare themselves for new ways of reporting.

If you have any questions about any of the above, or any thoughts on the process, please **get in touch with Karen.**

About BUFDG

The British Universities Finance Directors Group (BUFDG) is the body that supports and represents 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 Chief Financial Officers (also called Finance Directors) of UK Higher Education Providers, 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 BUFDG is a not-for-profit organisation.

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.



With BUFDG membership HE staff can enjoy the following benefits:

Team development >>

Access all the e-learning modules, training events, regional and other group meetings, and BUFDG conferences

Technical support >>

Get 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. They will also benefit from the knowledge, insight, and contacts 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 pensions 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 DfE, HMRC, the Office for Students, UUK, Purchasing Consortia, and other government departments and HE sector bodies

To find out more, [visit our website](#), or download [the statement of benefits](#).

“ Thank you for your invaluable support to the sector. The generosity of the BUFDG network with both their time and advice is a unique jewel in the HE sector crown

About this report

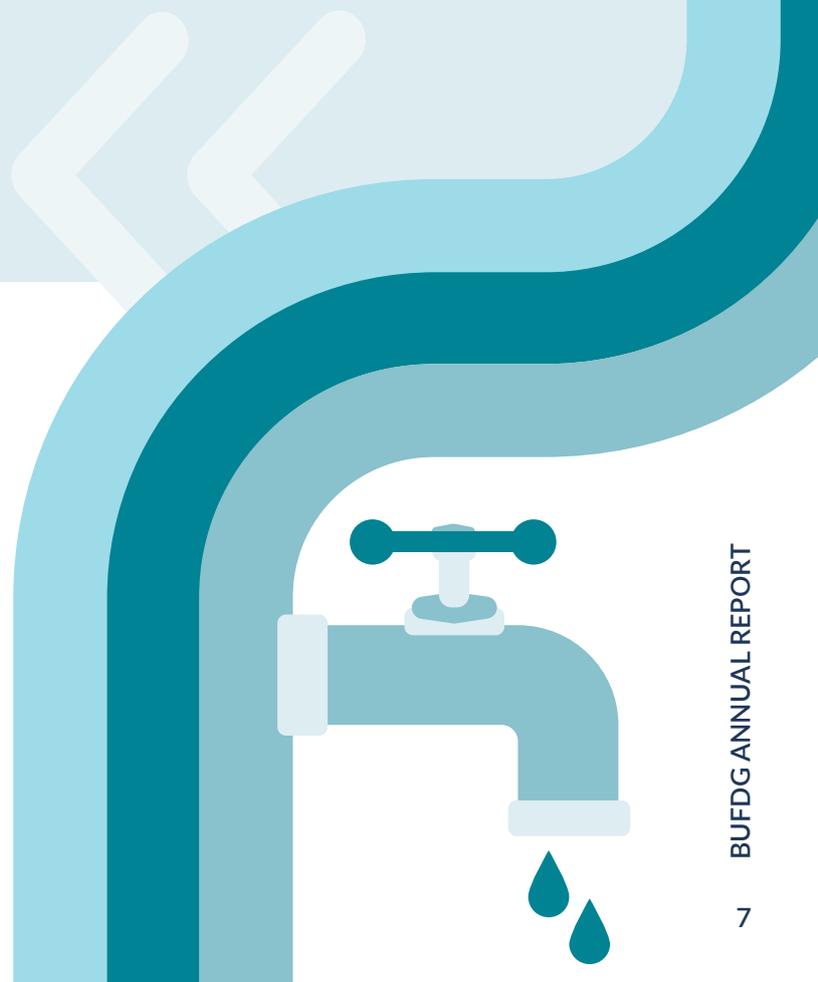
The production of this report is guided by many of the principles of the **Integrated Reporting (IR) framework**. Integrated Reports don't just talk about the numbers, or list achievements. They look at how all the different resources in an organisation impact on each other. It's about how an organisation 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.

As part of our commitment to integrated thinking and transparency, the publication of this report is timed to coincide with the BUFDG AGM in June.

🔥🔥 **I want to thank you for being so supportive of me over the years**



Our strategic objectives

BUFDG's core objectives are:

525
website news
articles posted

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

2 new websites delivered

Our shiny new website...

In 2022 we launched a shiny new website – the first major update in five years. The website was the result of work across all PHES SIOs, and involved significant input from members. The priority was establishing a clean design that met the latest accessibility standards, and that made it easier for members to locate resources. We also wanted a more flexible structure, that would allow us to make subsequent changes more easily, if required.

This involved a major site restructure, improvements to the database and content management system, upgrading the search, and the creation of new areas.

We also used the opportunity to create a whole new section covering **Sustainability and ESG**, including a dedicated **discussion board**.

As part of the launch we created **a guide to help members find their way around the new site**. Feedback suggests that the new site is easier to navigate and more intuitive than the old one. Despite the obvious improvements, we want to keep updating the site to make it as useable and useful as possible, and we welcome members **to get in touch with us** with any comments or ideas, at any time.



Chair's foreword

It is hard to believe that this report marks a year since I took up the position of Chair. How time flies! On a very personal note, I want to thank the BUFDG team for their support of me as the Chair role this year, as I have endeavoured to fill the shoes of my very accomplished predecessor. The year has been punctuated by significant events – the continued war in Ukraine, the energy and cost-of-living crisis, industrial action, and the disastrous autumn budget, among others. While all our institutions, and ourselves individually, have been impacted by many of these events, the extent to which we are affected will not have been exactly the same. We are a diverse sector, and the challenge of how BUFDG represents and supports so many different institutions is one that I explored in an article in the autumn '22 [Chair's Quarterly](#).

There is always room for improvement, and this Annual Report evidences how the BUFDG team has met this challenge over the last 12 months. We have seen record numbers of members engage in our e-learning, training, networking meetings, and conferences, and our Finance Festival included delegates from 9 out of 10 member institutions. As outlined in the section on Objective 3 (see [page 24](#)) below, we have also put an increasing amount of effort this year in collaborative working, whilst partnering and advocating on behalf of members across a wide range of areas.

37,367

Downloads of website resources by members

These include sustainability and carbon-net-zero, public procurement regulations, funding policy and financial sustainability, energy costs, journal subscriptions, customs procedures, and business rates, to name just a few.

While some of these issues, such as sustainability and carbon net-zero, will be a focus of BUFDG activities for many years to come, we are continually evaluating what we do, and don't do, as an organisation - not least because while we have a highly-effective staff team, it is still small with limited capacity. For 2023 we have chosen to be more thorough in that evaluation, and for the first time are undertaking a comprehensive review of BUFDG activities. You can read more about this on [page 18](#). Many readers will have been contacted about this already, or been able to offer feedback to Amanda and Joni at meetings. However, I encourage as many readers and members as possible to engage in the process and have your say on the future of the organisation. The details of how to do this are in the section below. Evidence collection will continue until the Summer.



The review process, as well as the work of your representatives on the executive committee, will inform the work of BUFDG over the next 12-months and beyond. I hope, for all our sakes, that the next year will be 'easier', but with so many issues unresolved, and no obvious relief from funding pressures in all countries of the UK, perhaps it is wiser to keep expectations low! As always, BUFDG will be here to support you and your institution, and we hope the review will enable us to perform that work even more efficiently and effectively, and as a result to help your teams be more efficient and effective too.

At the same time, BUFDG is as reliant as ever on the hard-work and commitment of so many of you, our members and supporters. The staff team and I are grateful to work with a membership population that is so open to sharing issues, solutions, and knowledge, and for the support provided by a range of external advisors. So thank you to all of you who have contributed in so many ways to make the last year a success.

💧💧 **The new website is excellent – well done to all concerned**

Staff Profile - Joni Rhodes

I joined the BUFDG team in September 2022 as Project Manager, having previously worked at the University of Portsmouth in business support and research management. I was attracted by the opportunity to work with members, other HE bodies and external partners to deliver projects that address challenges at a sector level, and it's been an interesting six months getting to grips with the range of current and planned work. I've been struck by the breadth and variety

of BUFDG's activities, as well as the enthusiasm among members to get involved and support each other.

In the coming months I am looking forward to progressing our comprehensive review of BUFDG activities (see page 18), launching the new Sustainability Climate-related Financial Reporting group, and utilising my background to build our research finance community.



Message from Executive Director

21 years signify a “coming of age”, an archaic term now seldom used. As I head towards the twenty first anniversary of my appointment as BUFDG’s Executive Director, of all dictionary definitions of the term, I prefer this one: “the attainment of prominence, respectability, recognition, or maturity”. Not for myself, but for BUFDG, which has gone from strength to strength thanks to the commitment of Finance Directors, finance industry supporters, higher education sector partners, and the great people who have worked with us.

After a couple of years of staffing stability, we were pleased to recruit Joni Rhodes as a full-time Project Manager to join Team BUFDG. Joni has hit the ground running delivering projects and offering support and expertise across many different areas of the organisation. While we all still work from home, the whole staff team now meets up monthly, alternating between London and Loughborough. The arrangement has obviously had an impact on the travel and expenses budget (though it is still only a fraction of pre-Covid budget), but feedback suggests the increase in costs from these meetings is more than worth it for better team efficiency and effectiveness, and wellbeing.

As Erica points out in the Chair’s Foreword, we have put more focus this year into partnership working across the sector. There have been challenges but the benefits are obvious. In working more closely with PHES colleagues we now have a number of internal groups that support all of our organisations’ activities at different levels, from governance to sustainability, and membership to data.

We know that sustainability is a huge area of work for our members, many having set ambitious carbon net-zero (CNZ) targets. Once the exclusive domain of EAUC and sustainability managers, Finance is now a key partner in CNZ planning with the responsibility for working out where the money might come from. It has been a focus for BUFDG too this year and, while our impact is much less than a university’s, we’ve worked with PHES colleagues to make progress on benchmarking, reducing the environmental impact of our events, and understanding the carbon cost of our data. All PHES staff either have undertaken, or will be undertaking, EAUC training on carbon literacy, as a starting point in environmental awareness for the company. We hope that these initiatives will make us more effective in supporting you and your organisations on your own journeys.

The year has also included a lot of work on our digital offerings, and we were pleased to launch the new website in the autumn. Member feedback of the new site has been positive, and we have plans to further improve ease-of-use and accessibility of content over the summer. The project to convert all our e-learning courses to a new, more accessible standard is nearly complete and, after recent additions and updates, the full 'pro' suite of courses now numbers forty-four (with even more in the pipeline). This is a substantial resource available not just to finance, but all staff of subscribing institutions, via a specific e-learning website account. We're pleased that more and more of our member universities are taking advantage of this.

We've been challenged this year to be more specific about what might constitute measures of success for BUFDG. We know that our members have considerable working experience of KPIs, both internally and through the joys of university league tables. We're glad that no-one is ranking BUFDG against similar sector organisations, but it feels overdue that we try and quantify which of our activities are essential, important, and at least vaguely measurable. We're not yet ready to 'go public' on these targets, but our FDs/CFOs won't be surprised to learn that one of these is based on our institutional engagement scoring system.

The numbers are looking good for this year, but they don't quite instil the same warm, positive feeling that comes from hearing positive feedback directly from members and, even better (and rarer these days), face-to-face.

We are pleased that over the last twenty one years, our activities have evolved and developed "organically". We have had strategic plans and great ideas which have resulted in what we have now, but we have never conducted a large-scale member review to ask whether we are doing what you want us to and how we might change. I hope by now some of you will have taken part in an evidence-gathering session led by Amanda or Joni. If you haven't yet, there will be a chance soon. We are looking forward to the outcome of the review and working with you to make our organisation even more effective and valuable to members and "prominent, respectable, recognised, and mature".

If you would like to be more involved with BUFDG **there are always opportunities**, and we would love to hear from you.

Organisational structure

This year we have had our first new addition to the team since Julia joined in 2020. We welcomed Joni Rhodes to the role of Project Manager, and you can read more about her in the Staff Profile section on [page 11](#).

After adopting an official policy last year, the team all work from home most of the time. We continue to appreciate the fact there is no office/home divide. However, we have recognised the need for more regular face-to-face time, and so instigated a regular pattern of monthly team meetings in-person, alternating between London and the PHES offices in Loughborough.

While we do not expect any changes to organisational structure over the next 12 months, we will be reviewing all roles and responsibilities and how these are distributed across the team, as part of the BUFDG review ([see page 18](#)). We will keep in mind the context of subscription fees, which should cover most, if not all, fixed expenditure relating to core activities, including the fixed element of training and development.



**PHES
Company
Board**

**Dominic Fryer
Managing
Director**

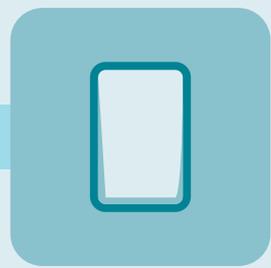
**Karen
Newcombe
Financial
Operations
Manager**

**Alex David
ICT
Manager**

**Jemma Ladkin
Membership
Officer**

**Ruth Turner
Membership
Officer**

**3,824
posts on
1,510
discussion topics**



“ **BUFDG simply goes from strength to strength** ”

3,073
new members

1,153
new full
accounts

1,920
new e-learning
accounts

**BUFDG
Executive
Committee**

Karel Thomas
Executive
Director

Amanda Darley
Head of
Operations and
Engagement

**Julia
Ascott**
Employment
Taxes
Specialist

**Andrea
Marshall**
Tax
Specialist

**Rachel
Ward**
Learning and
Development
Manager

**Matt
Sisson**
Projects and
Membership
Manager

**Ashley
Shelbrooke**
HEPA and
Projects
Specialist

Joni Rhodes
Project
Manager

Gill Birch
Events
Manager



💧💧 **What a great and
friendly bunch
you all are**

Working groups outline

We see 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/).

The permanent BUFDG working groups are:

Group	Chair	BUFDG Support
Tax	Currently vacant – could you volunteer?	Andrea Marshall andrea@bufdg.ac.uk
Payroll and Expenses	Rachael Fleetwood Director of Finance, University of the West of England	Julia Ascott julia@bufdg.ac.uk
Financial Reporting	Mary White Chief Financial Officer, Royal Holloway, University of London	Karen Newcombe karen@phes.ac.uk
Procurement (HEPA)	Currently vacant – could you volunteer?	Ashley Shelbrooke ashley@hepa.ac.uk
Learning and Development	Craig Jones Chief Financial Officer, University of Derby	Rachel Ward rachel@bufdg.ac.uk
Counter-Fraud	Andy McGoff, Finance and Operations Director, Edinburgh Napier University	Ashley Shelbrooke ashley@hepa.ac.uk
Smaller HEPs	Stephen Belderbos Director of Finance and Planning, Norwich University of the Arts Lynn Forrester-Walker Chief Operating Officer, Hartpury University Phil Harding Director of Finance, Trinity Laban Conservatoire of Music and Dance	Amanda Darley amanda@bufdg.ac.uk

We have established two new groups in recognition of Finance Leaders' crucial role in these areas of increased scrutiny by other stakeholders - Investment Management and Practice and Sustainability and Climate-related Financial Reporting.

<p>Investment management and Practice</p>	<p>Andy Goor Chief Financial Officer, University of St Andrews</p> <p>Carol Prokopyszyn Chief Financial Officer, University of Manchester</p>	<p>Karel Thomas karel@bufdg.ac.uk</p>
<p>Sustainability Climate-related Financial Reporting</p>	<p>Sally McGill Chief Financial Officer, Staffordshire University</p>	<p>Joni Rhodes joni@bufdg.ac.uk</p>

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, please contact the respective BUFDG support person.

8,658
delegates
hosted at

195
meetings,
training events
and conferences



BUFDG Comprehensive Review

Whilst the purpose of an Annual Report is largely to look back on the year just gone, this year – perhaps more than other years - it's important that we tell you about what we are doing to look forward. In particular – our first ever comprehensive BUFDG review.

The time has come, the Walrus said,
To talk of many things:
Of blogs – and news – and members' views –
Of digital meetings,
And why a lease is on balance sheet?
And how's our e-learning?

(Adapted from Lewis Carroll's [The Walrus and the Carpenter.](#))

39
e-learning
modules were
completed
4,237
times

Possibly this makes Amanda the Walrus, which she's not entirely happy about, but after almost two decades of organic development and growth for the organisation, it seems the right time for us to take a step back and review everything we do. We've adapted well post-pandemic, after so much change within our member HEPs and after Covid produced both forced and adapted changes to our services, but we want to make sure that what we provide here on in is deliberate and offers the best value for members.

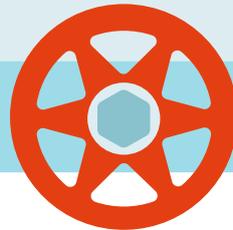
Our new Project Manager, Joni (see [page 11](#)), and our Head of Operations and Engagement, Amanda, have been conducting a comprehensive consultation exercise that will continue until the end of the summer, gathering feedback and information from stakeholders. This will consist of several strands of work using polls/surveys, comments, questions, discussions with other organisations, in-depth interviews with all staff members, and discussions with members and the Executive Committee. Of course, any feedback you want to provide on any aspect of our services, membership model, events and training etc. is always welcome via [email to Amanda](#) or [Joni](#).

We'll be analysing the information during the autumn and producing a report of our findings, and will present any recommendations to the Executive Committee by the end of 2023. Some of the things we're trying to establish from feedback will be:

- What do we do well?
- Which types of members use our services the most, sometimes, or only occasionally?
- What should we do more of?
- What should we start doing?
- What should we stop doing? and
- What should we outsource because we don't do it very well, but there is a need for it?

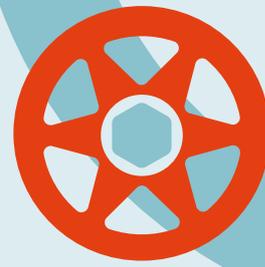
Given the small size of our organisation, any changes are likely to be implemented incrementally over time, starting in early 2024.

For the review to have real impact for our member HEPs, it would be wonderful to get the views of as many as possible. Members will have the opportunity to provide this at one of the **member group meetings in the Spring or Summer** (FD meetings, DFD meetings, tax group, PEG, Heads of Procurement etc.), but for those who don't attend one of these, we look forward to reading survey responses as well as any other feedback. We also want to hear from those who rarely use BUFDG's services, so **if you have five minutes please tell us why.**



🔥🔥 **The Festival is a wonderful showcase of the work you all do given you devised the event, arranged the sessions, organised presenters and hosts, and have converted the sessions into watch back items**





Objective 1

To inform, guide, and support

This year BUFDG has continued to publish a wide variety of news, information, guidance, and survey reports to assist members across the sector. This has been aided by the addition of Joni as project manager, but part of the BUFDG review ([see page 18](#)) will be to assess the extent to which this level of output is sustainable given the still-small size of the BUFDG team.

Joni in particular was responsible for the new [Structure of Finance Teams survey and report](#), published in the spring. With responses from a broad range of institutions, we were able to produce a useful benchmarking document that provides insight into the finance leadership, functions, and departmental structures within BUFDG member universities, and enables institutions to make better decisions about the shape, size, and scope of their finance teams.

Over in the “Tax department”, Andrea and Julia published twenty [TaxHE magazines](#) – our bi-weekly summary of all tax news and developments relevant to the sector. Importation of goods has continued to create issues for members and we commissioned guidance on Customs Procedure Codes and their application within CHIEF and the new Customs Declaration Service. We have also updated guidance for members on completing the dreaded W-8BEN-E form and have commissioned guidance for members on the VAT implications of the sharing of costs.

Among other areas of work include a summary of how universities are helping their students and staff with the energy and cost-of-living crisis alongside UUK, DfE, and other sector organisations, a guide on available funding and investment for decarbonisation projects, round-ups of the implications of the government Budget and Autumn Statement for the sector, and a guidance document and webinar on the impact of the various financial sanctions regimes on universities. The Financial Reporting Group also produced their annual Model Financial Statements, promoted the USS deficit provision modeller and USS FRS102 Year End disclosure note, and procured discount rate guidance. The group’s members also reviewed a sample of Annual Reports and Accounts from across the sector to inform the financial statements workshops in May.

HEPA has also been busy, and in December the Responsible Procurement Group published the updated Higher Education Supply Chain Emissions Tool (HESCET) on behalf of the sector. The annual Procurement Value Survey (this year for 2020 to 2021 data) recorded a total impactable sector spend of £6.1bn and reported total gross efficiencies of £306m.

With the help of the international committee, we published a document intended to help conversations with all university staff about [the complexities of staff working overseas](#). Those in tax, payroll, finance, and HR should all be aware that when someone goes to work overseas, there will be numerous implications for both the employee and employer. The note sets out many of the areas that cause significant headaches/issues/costs, and is designed to promote conversations between the relevant teams to mitigate problems, as well as to inform academics themselves of the potential issues when working overseas.

As well as all the timely news and resources, we have produced twenty-four Digests (our fortnightly summary of the most important HE finance news), and four Chair's Quarterly magazines. We have also published the annual Audit report (2021/22 data), which continues to be supported with a high submission rate and is referred to extensively across the sector.

The Discussion Boards have been well-used again this year, with a slight decrease over the previous 12-months. The value of these boards relies entirely on the input, collegiality and, in some cases, bravery of members, so thank you again to all of those who have offered their time and knowledge for the benefit of colleagues across the sector.

The proactive and collegial approach of members, combined with the BUFDG team's curiosity, means that there remains a long list of projects that we would like to undertake (or see undertaken) over the next year, but are probably beyond the time and resources of the organisation. We'll be assessing everything in the pipeline as part of this year's comprehensive review. It may be that we have to make difficult decisions about the quantity of output in order to maintain or improve the quality and value that our members expect.

💧💧 **Can I take this opportunity to express my gratitude for your support and collaboration. I have enjoyed working with you and have learned much from the fruitful exchanges**

Objective 2

To facilitate networking and development

All BUFDG groups and staff are involved in the delivery of networking and development opportunities for members. The overarching view however is taken by the L&D Group, and this year they have worked on a number of themes to support members across the sector. In 2022 most activities remained online, but for this year we reintroduced in-person activities. In particular, we saw the return of an in-person FD/CFO Annual Meeting in Bristol, and Andrea and Julia ran their first in-person two-day tax conference, nearly 40 tax-focused sessions, 50+ presenters and a damn fine quiz!

However, some of our in-person events were partly experimental, with the aim of assessing the appetite of membership following the pandemic – and it is fair to say we have had mixed uptake. This has shown us that for 2023/24 we will need to be more targeted about which of our activities are in-person, and listen closely to members, to make this format a success. In response to feedback, we are launching some new courses and events in 2023 including Communication Styles and Business Writing and we will bring back events such as our Treasury-related courses.

Our BUFDG e-learning resource developed further with the addition of more modules, and the switch to a new easy-to-use format with a more modern look. We have also reviewed the accessibility of a significant number of our courses and updated them. This work will continue in 2023/24 until all the existing courses are brought up to the same accessibility standards.

We ran our big online Finance Festival again this year, with over 1,200 members attending the event over the course of the 3 days. 36 different sessions were delivered by 77 speakers – all of which were recorded and made available to all BUFDG members post-event. These recordings (and those from prior events) will remain on the website and are a valuable long-term resource for colleagues. While the Festival was very well-received, the feedback from this year's event was particularly clear and constructive – we have a long list of improvements ready to go for the 2024 edition.



We also held two additional online ‘conferences’ in autumn 2022 - **Tech Week**, and **Tax Tech Week**. As the names suggest, these events were a series of webinars arranged over two different weeks, designed to showcase products, software, and services that use technology to make members’ lives easier, free up time, and improve efficiency and effectiveness of finance teams. The first event was for general solutions, while the second had a tax focus. 35 sessions were presented across the two events, and all were recorded and made available on [the BUFDG website](#).

We have held 70 regional and working group meetings over the course of the year, with over 2,600 members in attendance, where all aspects of HE finance, tax, reporting, and procurement were discussed and dissected, and member experiences and knowledge shared with peers.

We hosted another 126 training events both online (our ‘Time to talk’ sessions) and face-to-face, for 4,966 delegates. In addition, our seven conferences catered for another 2,645 members in total. The engagement of members with this year’s events has been encouraging, but we know we need to keep working to find the best way to run our events and networking – whether online or face-to-face – that meets the needs of members and supporters.

We’d like to thank all those members and supporters who have hosted, facilitated, or chaired our regional and working group meetings, and other events and conferences this year. The L&D group would specifically like to thank Simon Newitt (CFO, Northumbria), for his work and support, as he moves on as Chair, and Craig Jones (CFO, Derby) for taking on the role.

🔥🔥 **It was a wonderful event, well set up and managed for attendees and presenters**

Objective 3

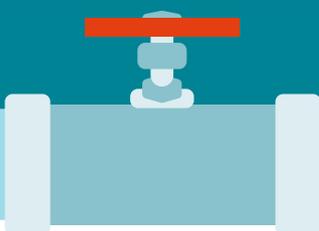
To partner, coordinate, advocate, and influence

Our partnership activities have increased over the last 12 months as part of our efforts, mentioned in last year's report, to maximise our impact by working more closely with other organisations in the sector. It also seems that it has been easier than in the past to find, and work with, willing partners. This could be due to a new post-pandemic outlook or a necessary response to the increasing pressure the sector is under, or both. It could also be that the sector recognises that the scale of some of the challenges – e.g. the environmental crisis – must be tackled collaboratively.

BUFDG was one of the partner group of organisations involved in the production of '[Accelerating towards Net Zero](#)' a project funded by the Royal Anniversary Trust and supported by the Department for Education. EAUC led the formulation of the [Standardised Carbon Emissions Framework](#), and worked with fifteen member universities to test the concept and produce case studies and recommendations for others to learn from.

AUDE, BUFDG, and EAUC are now working together with consultants, Energise, to produce a toolkit to help universities identify, cost, and plan their decarbonisation efforts and journey to Carbon Net Zero (CNZ).

In addition to the CNZ project, we have worked with UUK on the [national conversation on university funding](#), with TEC on the energy crisis, with Jisc and others on limiting the cost of journal subscriptions, and with UCEA, UKUPC, PraxisAuril, UCISA, ACCA, and ICAEW on other initiatives. We have also sought a closer relationship with the various sector mission groups, and are pleased that many of them accepted our invitation to be involved in the Annual Meeting in May 2023.



In the tax world, Andrea and Julia have attended four quarterly meetings with HMRC and attended additional subject-focused meetings with HMRC/HMT to discuss stipends, university research, and the OECD minimum tax rate. They also met with the Department for Levelling Up, Housing and Communities to discuss the proposed Building Safety Levy and its application to student accommodation. There have also been countless emails to the HE team at HMRC requesting specific confirmations or clarifications on behalf of members. BUFDG also responded to a number of Government Calls for Evidence or Consultations on issues ranging from Customs Procedures, and the introduction of an Online Sales tax to the Digitalising of Business Rates.

HEPA represents the HE sector on the Cabinet Office's transforming public procurement working group. A key area of focus over the past 12 months has been working with the Cabinet Office to shape the learning and development provision to accompany the upcoming new procurement regulations. A series of events has also taken place to support the sector as it prepares for the implementation of the new procurement regime in England and Wales. APUC manages this for the Scottish sector and we maintain good working links with them.

We have enjoyed working closely with colleagues at fellow PHES organisations this year, and have made good progress on a number of working groups. PHES groups now meet regularly to discuss issues as broad as member value, data security, AI, and sustainability challenges, and there are countless conversations that benefit members through the sharing of knowledge and best-practice.

While our external work has grown, it is something that we want to develop further over the next year. There are some plans already in place – in particular looking at how public-facing information is presented on the website – but we will also consider this area in detail as part of our comprehensive review.



Thank you for arranging the webinar and for the additional material. It's been very interesting and useful

Finances

Due to the change in business model two years ago, and to the continuing support of subscribing members, BUFDG finances have now recovered fully from the pandemic. We have now surpassed the PHES reserve requirements by a significant margin and, in response, are proposing a deficit budget for the next year. We are increasing expenditure on special projects that will add value to members (many of which are highlighted in the rest of this report) in order to use reserves.

However, due to the commitment to cover core costs with subscription income, we will be increasing subscription fees for 2023/24 – albeit at a below-inflation rate of 3%. Subject to confirmation therefore, rates for 2023/24 will be:

Turnover band	Subscription rates for UK HEPs	Standard £ excl. VAT	BUFDG Pro £ excl. VAT
6	Turnover > £400 millions	4,543	5,831
5	Turnover > £200 millions	4,245	5,197
4	Turnover > £100 millions	3,953	4,854
3	Turnover > £20 millions	3,483	4,282
2	Turnover > £5 millions	2,284	2,793
1	Turnover < £5 millions	1,536	1,999

The speed at which reserves return to the level required by PHES will be determined by BUFDG's success in identifying and delivering worthwhile projects.

There has been a slight increase in overall staff costs, but these have been largely offset by a reduction in overheads, due to more SIOs joining the company.

All BUFDG staff are home-workers, but we retain a share of the PHES offices in Loughborough to use for occasional meetings. The office does not have capacity for all PHES staff to work there permanently but it is used more regularly by other PHES organisations.

We expect a pre-tax deficit of approximately £34k for the 2022/23 financial year, and this, along with further details of the financial strategy for 2023/24, will be discussed at the 2023 AGM in June.



Statement of Accounts

BUFDG Statement of Accounts for the year ending 31 July 2022

	Year to 31 July 2022	Year to 31 July 2021
Income		
BUFDG membership subscriptions	827,187	825,657
BUFDG conferences and L & D Events	209,991	440,612
Miscellaneous	11,642	-
Bank Interest	666	-
Total	1,049,486	1,266,269
Expenditure		
BUFDG Salaries (incl. a share of PHES staff salaries)	*580,920	585,574
Overheads	†21,276	19,422
Website	870	21,321
Marketing and Communications	3,602	2,591
Travel and subsistence	5,007	0
General Office Costs	10,484	7,040
Subscriptions to other organisations	2,867	2,768
Room hire	‡1,654	486
Staff T & D	924	192
L & D Events	98,747	122,005
Consultancy linked to working groups	63,875	-
Conference expenditure	31,302	-
E-Learning	58,515	-
Projects	-	38,287
Total	880,044	799,686
Surplus/(Loss) before interest	168,776	466,583
Interest	666	29
Surplus/(Loss) for the year before corporation tax	169,442	466,612
Corporation tax (payable)/refundable	(32,236)	(84,423)
Surplus/(Loss) for the year	137,206	382,189
Fund balance brought forward	358,901	113,919
Accumulated funds carried forward	633,313	496,108
BUFDG reserves	633,313	496,108

* Holiday pay accrual change and reduction on overheads for PHES staff

† Overhead reduction mainly due to Covid restrictions and WFH

‡ Face to face meetings lower than expected following lift of Covid restrictions



This resource is really helpful – I think you may have saved us about £15k

Risks and challenges

In general, BUFDG remains in a relatively strong position, and continues to benefit from stable staffing, finances, and support from members. On staffing, we have had no members of the team leave, and have recruited Joni Rhodes as Project Manager to offer support across the organisation, and to lead projects that will add particular value to members. The finances section above highlights how BUFDG is in as strong a financial position as we have ever been.

On member support, the feedback from CFOs remains positive, and while we have had two of our smallest institutions cease their membership in the last year, those decisions were due to funding pressures. We cannot rule out that further financial challenges in the sector might cause other institutions to choose to unsubscribe, but we are not yet worried that these would be to the extent that it would cause a material change to BUFDG's overall funding position or business model.

We monitor a range of other risks to the success and sustainability of the organisation. As a small organisation, the loss of key staff is a worry that is never far from our minds. We are pleased that Amanda Darley has made a great success of the Head of Operations and Engagement role, and this takes further pressure from Karel as Executive Director. While Karel's role initially reduced to 0.7fte, it has since increased again to 0.8fte, to better match and reflect her responsibilities.

Our reliance on conference and L&D income to cover a large proportion of our running costs is now of the distant past, and we have operated successfully this year with the principle of member subscriptions covering core expenditure. Our major events - including both the Finance Festival and the Annual Meeting - are planned to break-even but have both returned a small (but not insignificant) surplus. We continue to comfortably meet the minimum level of reserves specified in the conditions of PHES affiliation.

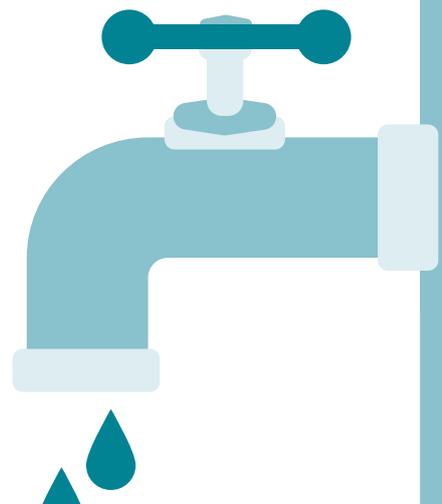


This has been another year in which we have been increasingly aware of the limits of the organisation. Despite the addition of Joni to the team, BUFDG staff, like many of our members, are reporting a consistently - and perhaps unsustainably - high workload. As part of this year's comprehensive review we will assess the roles and responsibilities of all staff, and the current priorities we have as a team. There is a risk that the organisation gets the wrong balance between quantity and quality, to the detriment of members and staff.

A challenge that remains from last year is how to work effectively with commercial partners. There are few obvious opportunities for 'sponsorship' within the BUFDG operating model and, despite making better use of our supporting companies' intellectual capital over the last year than we have in the past, there are always more companies wanting to work with us than we have the capacity, or need, to work with.

We aim to be inclusive, where companies of all shapes and sizes can contribute according to their expertise, but there is still a risk that 'excluded' companies may seek to bypass, obstruct or, most concerning, duplicate the work of BUFDG, which could create confusion or inefficiency. We hope that the comprehensive review will show what our members value most about the work of BUFDG and provide a clearer indication of the contribution that supporting companies can make.

Another ongoing challenge is how we can find the right mix of online and in-person events, with seemingly conflicting messages about what members want. This is covered in more detail on [page 22](#) where networking and development is discussed, but we know that many other membership organisations are also struggling to find the right balance for their members.



The year ahead

Last year we wrote that we “hope that the next 12 months will be a little more stable”, and we’re pleased that turned out to be the case. Stable has not meant ‘less active’, however, and we hope that this report clearly outlines the huge amount of value that BUFDG has produced for members. We’re also pleased that members have finally been able to access this output through a new website, which feedback suggests has made it easier to find resources and engage with the network.

Over the next year we will continue the build-up to a new SORP. The last few months of 2023 will see the amended FRS102 published, and the project to deliver the SORP in time for 25/26 Annual Statements will begin in earnest. We hope to deliver a guide to the implementation of finance systems, started in 2022, in partnership with UCISA and KPMG and publish a toolkit and calculator to help members plan their decarbonisation programmes. We also have projects lined up to deliver advice on EU Place of Supply changes, a guide to the Fuel Duty reliefs the sector can apply for, and an update to our resources on the requirements for future finance leaders, among many

others that will be whittled-down at strategy meetings in June and July.

While we have made huge improvements to the e-learning suite over the last year, there remains work to be done on transitioning the remaining modules to the new system, which is more accessible and easier to use. 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 the new ones we’re planning.

We will build on our recent partnerships and seek out opportunities to work with colleagues at other organisations across the sector, where the benefits in efficiency and effectiveness are obvious for institutions. One area this is likely to continue is in supporting sector efforts towards carbon net-zero, and in tackling the environmental crisis more generally.

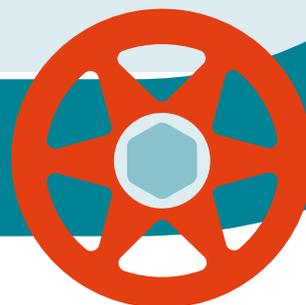
This is also reflected internally, where PHES now has a dedicated Sustainability Group that over the past year has facilitated all PHES staff to undertake climate literacy training with the EAUC and seen the larger PHES organisations begin benchmarking against a sustainable events framework. We have benefited from PHES-wide meetings and a dedicated strategy day over the last year, and we look forward to developing more joint activities for the benefit of members.

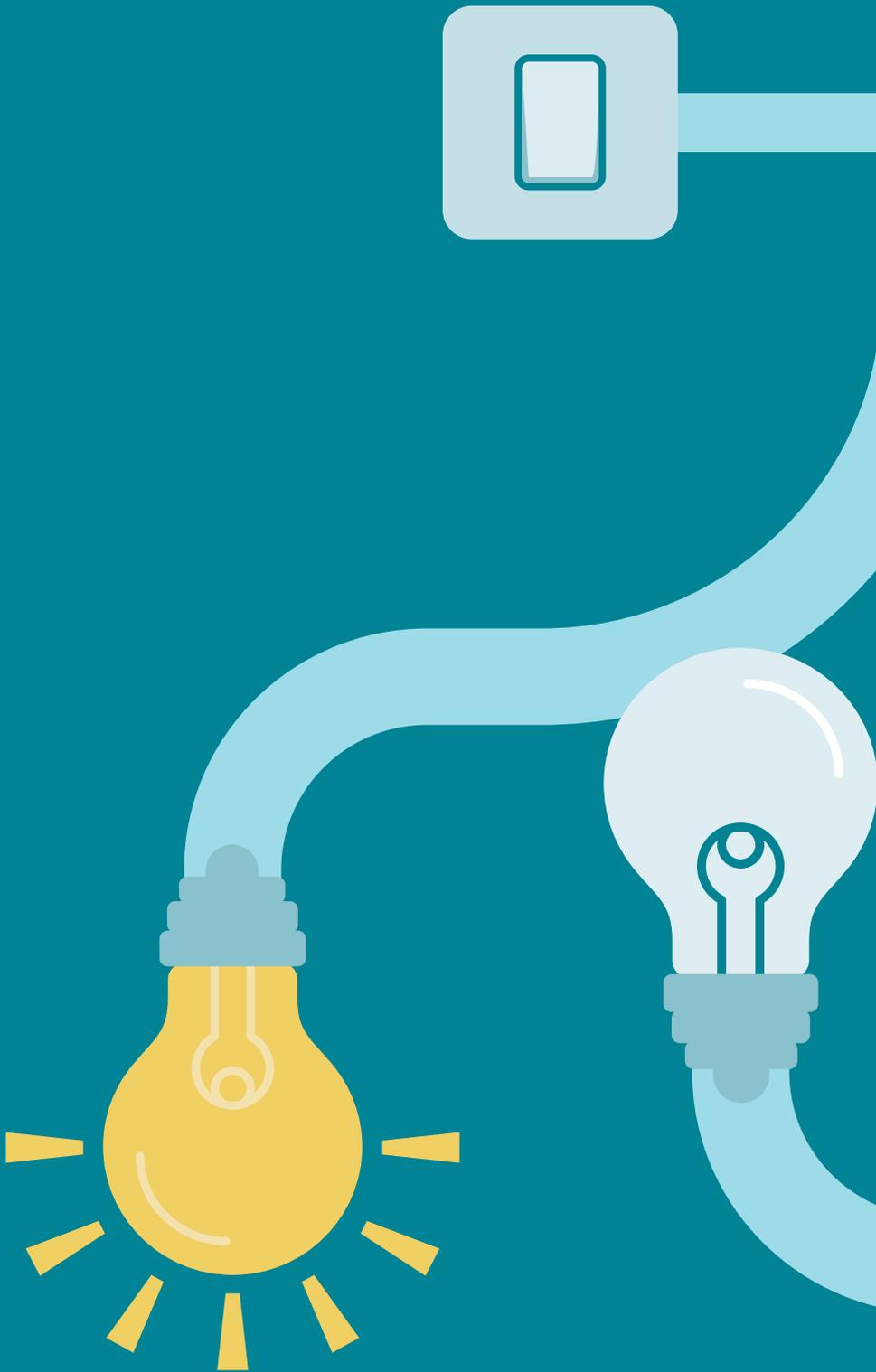
As outlined in the section on BUFDG Objective 2, to facilitate networking and development, (on [page 22](#)), there is still work to be done this year on finding a more established rhythm to conferences, training events, and meetings following the pandemic. We are grateful to so many of our members for the excellent feedback offered to events that may, or may not have been, entirely successful. There are lessons to be learned and decisions to be made around the quantity vs. quality of events, which ones are online vs. in-person, and the extent and nature of involvement of supporters, among others. This time next year we hope to be able to report on a more deliberate and targeted events programme.

Another area that we are looking to improve over the coming year is the quantity and quality of information on university finances that we make publicly available. Members can benefit from BUFDG adopting a more external-facing mindset, and clearly communicating the sector's financial position and current challenges. This is something we have considered in the past and, for good reasons at the time, rejected. As such, we will approach this cautiously, taking a steer from the outcome of the review, and will start with a reorganisation of the website so that useful, educational resources for public consumption are made available in one location.

How this develops, along with much of BUFDG's work, will be dependent on the comprehensive review, which is due to conclude at the end of the year. The review will include 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 conclusion, we hope that members can be assured about the continued value of BUFDG and feel able to engage with enthusiasm during the year ahead.





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