



Dear colleagues,

This is our 17th Quarterly. It is also the final one, as the end of this publication becomes one of the first changes (perhaps a well-deserved early retirement?) following the comprehensive BUFDG review that we've undertaken over the course of this year.

The review, as Amanda and Joni explain in the first article below, is all about delivering the most value that we can for members with our small team. It has highlighted that there are some things we want and need to do more of. Hence, there are things that we need to stop doing, or do less of.

We're coming to the end of what has been an incredibly challenging year for all in the sector, and entering a holiday that's about (in part at least) generosity. Perhaps we can use it as a reminder to also be generous to ourselves, and reflect on whether there's anything that we can stop doing individually to free up valuable time, money, or even just energy, to make the next year that little bit more manageable and enjoyable.

Also in this edition, we have updates on the next steps for the Cost of Net-Zero project, the impact of the Procurement Bill, the BUFDG/KPMG guide to financial system implementation, the Investment Management & Practice Working Group, exciting developments in the BUFDG e-learning suite, Energy Markets over the winter, and the booking link for the 2024 Finance Festival for you and all your staff.

Wishing you all a very merry Christmas,

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BUFDG comprehensive review

In March this year we announced the first comprehensive review of activities in BUFDG's history and embarked on a major feedback exercise, along with detailed internal analysis, considering all that we do and how we do it. Outcomes and recommendations were reported to the Executive Committee on 7 December, and widely supported.

Overall, members see BUFDG as achieving its essential purpose to a high degree, delivering excellent value for money, and providing vital networking, support, and knowledge. There were some excellent suggestions of how we can do things better, and an abundance of suggestions for new or additional services, but the review highlighted limited capacity to deliver these without reducing elsewhere. Therefore, based on feedback from members, the Executive Committee, and the team, we'll be reducing some of our existing activities to create extra capacity.

The exercise also uncovered certain areas that we need to consider in more detail, including HEPA, subscription fees, and the financial sustainability of future SORP projects.

We will be communicating more on our plans in early 2024, and changes will be implemented incrementally over time. We'd like to say a huge thank you to everyone who took the time to engage in the review and help us shape the future of BUFDG.

Joni Rhodes, Project Manager

Cost of carbon net-zero

We launched [the Cost of Net Zero report and calculator](#) in July this year. The tool, delivered by sustainability consultancy Energise, aims to help institutions project their spend and

emissions at a strategic level, and provide an estimate of what it will cost to achieve Net Zero goals within a certain timeframe.

We are pleased to announce that Energise will continue to provide technical support and maintenance for the calculator until late 2024, to ensure users across the sector have the support they need to make the best use of this tool, and that it remains up to date. As well the publication of Frequently Asked Questions, and offering one-to-one advice via email, Energise will be holding a series of online surgeries throughout the year. These are aimed at those using the calculator who have queries regarding specific figures or fields, technical queries that have not been covered in the FAQs, or who wish to share particular insights or experiences with the designers and/or other users.

“Energise will continue to provide technical support and maintenance for the calculator until late 2024, to ensure users across the sector have the support they need”

The Cost of Net Zero is a collaboration between BUFDG, AUDE and EAUC, with additional funding from the Department for Education. For more information on the report and calculator, including downloads, webinars, and to book upcoming user surgeries, visit our [Sustainability and ESG pages](#).

Joni is [keen to hear from](#) members who have engaged with the calculator and have insights to share. We will be seeking your views on this tool in 2024 so that we, along with AUDE and EAUC, can ensure we support the sector's Net Zero efforts in the most effective way.

Joni Rhodes, Project Manager

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Transforming public procurement

In the Summer edition of the Quarterly, Sam Russell, Senior Policy Lead in the Cabinet Office, shared an update on the Transforming Public Procurement programme. A lot has happened in the world of procurement in the six months since then. The Procurement Bill received Royal Assent in October, and we expect to see secondary legislation laid in advance of the Procurement Act going live in October 2024. Now is the perfect opportunity to begin preparations for the implementation of the new procurement regime.

“The new regime brings a more commercially flexible approach in parts – would your upcoming procurements benefit from this enhanced flexibility?”

Heads of Procurement have been listening to presentations and putting their questions direct to the team in the Cabinet Office at sessions held recently. The new regime will bring with it updated policy and legislation, as well as new platforms, systems, and process updates. These sessions have been invaluable to learn more about the changes and feedback on how they are landing in our sector.

For members in England, Wales and Northern Ireland who are Contracting Authorities, top of the to-do list is probably getting up to speed on the new rules and regulations. The Cabinet Office have just launched the first in a series of learning & development products in the form of [Knowledge Drop videos](#) which can be viewed and shared amongst colleagues and stakeholders. There are also specific Knowledge Drop resources aimed at suppliers to the sector, as well as SMEs and Voluntary, Community, and Social Enterprises (VCSEs). Keep an eye out for the launch of the e-learning in March 2024, and the Deep Dive courses from May 2024 onwards.

Now is also a good time to think about what procurement activity you have coming up at your HEP. The new regime brings a more commercially flexible approach in parts – would your upcoming procurements benefit from this enhanced flexibility? Another key area to think about is governance – go-live presents a good opportunity to refresh and revisit procurement policies and procedures in light of the new Procurement Act.

To help with this preparation, HEPA is running a [Time to Talk](#) webinar in January next year with Uddalak Datta, Legal Director at Shakespeare Martineau, which will cover these topics and examine the Procurement Act from a legal perspective. We are also delighted that Sam Russell will once again join us at the [Finance Festival](#), where his workshop will focus on implementation.

HEPA represents the sector as the Single Point of Contact for the Transforming Public Procurement programme. If you have any questions then please get in touch with [Ashley](#).

Ashley Shelbrooke, Procurement Specialist, HEPA

Ahead in the cloud

In 2002, BUF DG published *Inside Track*, a helpful guide to implementing finance systems in UK universities. For over 20 years, it has been drawn upon by institutions across the country and has helped steer their thinking and planning through what can be a daunting and difficult process.

Back in 2002, ‘cloud’ was very much an emerging concept. Now, the cloud is the default option for hosting IT systems. In addition, over that time the efficiency, functionality, and power of core finance and other ERP systems has hugely increased. The cost proposition has changed too – moving

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from a largely one-off capital spend profile to a subscription-based model.

The benefits and rewards of moving to a modern, cloud-enabled, software as a service (SaaS) set-up can be enormous. This year BUFDG, with the help of KPMG, undertook a refresh of the original guidance to take account of today's technology, market and sector trends. In the Autumn we launched [Ahead in the Cloud](#), which is designed to help providers achieve those rewards with a minimum of stress, complexity, and unexpected setbacks.

The new guide draws on the experience, thoughts, and advice of several senior Finance, IT, and transformation leads in a sample of universities around the country. We hope that this proves a useful resource for transformation in the sector. If you have any questions, [please contact Matt](#).

Matt Sisson, Projects and Membership Manager

Investment management and practice

The Investment Management and Practice working group was established in July, with the aim of supporting finance leaders in their role as executive managers of universities' investment funds. Co-chaired by Carol Prokopyszyn (CFO, University of Manchester) and Andy Goor (FD, University of St. Andrews), the group consists of FDs, CFOs, and Sustainability Directors from across the sector, and has representation from EAUC (the Alliance for Sustainability Leadership) and SOS-UK (Students Organising for Sustainability UK). Issues on the agenda include universities' obligations as charitable organisations, how a university can make positive investment decisions "to promote good" and factor ESG claims into an investment strategy, and the

interaction between internal expenditure decisions on university resources and external investment.

Current initiatives include desktop research on best practice in the sector, and the publication of best practice guides. If there are specific issues you would like the group to address, or have an interest in joining, [please contact Joni](#).

Joni Rhodes, Project Manager

E-learning update : CPD accreditation, new courses, and accessibility

BUFDG's suite of e-learning for its members has now expanded to 45 courses, covering a range of topics from the high-level *Intro to H E Finance*, through numerous compliance courses useful to staff far beyond the finance team, to the brand-new, detailed, two-part course on *Import Duty and VAT Reliefs* launched this month.

"...we continue to move all our courses into our new, more accessible software, making more of our courses accessible for more of our members."

Different member institutions use our e-learning courses in different ways – some use our compliance courses as mandatory courses for all staff (not just finance); others use some of the finance courses as part of their induction for new starters; some use the courses as part of their personal development process and recommend particular courses to staff where they can help meet a training need; others simply allow staff to access whatever they think will be useful to them. How does your

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HEP use our e-learning? How *could* it use our e-learning more effectively?

We've also started the process of having our courses [CPD accredited with the CPD Certification Service](#). We are delighted to announce that four of the courses have recently been accredited, and we have submitted a further ten for assessment, and will follow up by working through all of our courses. When you complete an accredited course, the completion certificate will now reflect that. We know that some accountancy bodies have recently changed their CPD requirements, and we hope this is one small thing that can help meet the new requirements.

The courses recently accredited are: Intro to Counter Fraud, Criminal Finances Act/Corporate Criminal Offence, A Guide to Modern Slavery, and Anti-Money Laundering.

The new course on *Import Duty and VAT Reliefs* takes an in-depth look at the reliefs and schemes that are available to universities so that import VAT and/or duty is not payable on the importation of goods from outside the UK. It's aimed at anyone dealing with imports in universities. The content was provided by import experts, The Customs People and, as usual, was tested by university staff so that we (and you) know that it is genuinely useful for universities. We are grateful to everyone who helped with testing.

And finally, we continue to move all our courses into our new, more accessible software, making more of our courses accessible for more of our members. Over 50% of our courses are now in the new format, and we are on track to have all but a handful (which we've identified as needing a more thorough review and update) in the new format by the end of 2023/24. We're pleased to have received good feedback on the new format from users who found the older versions of the courses difficult to use.

Amanda Darley, Head of Operations and Engagement

Energy market update

After Russia cut supplies of pipeline gas to Europe ahead of last winter, prices rocketed, and energy markets responded in two main ways. Liquefied Natural Gas (LNG) was attracted to Europe from the key Asian markets, and demand everywhere was cut dramatically.

Demand fell by up to 20% in Europe, helped along by warmer weather in the first quarter in particular. China's expected economic recovery, which might have caused problems, didn't really materialise and certainly not in the form of demand for imported LNG. It's useful to remember what responses took place last winter, because much of it will need to happen again. That's not to say that prices need to react as they did last winter, because the market has had much more time to prepare.

"...traders expect supplies to be able to meet demand. However, there are what might be described as a few low-probability/high-impact events that mean it would be wrong to be complacent."

Supplies actually look to be in a healthier position this winter than last. LNG supplies to Europe are likely to be better, driven by improved US export capacity, continued weak Chinese import demand, and the increase in expected French and Japanese nuclear-powered electricity generation. Gas-in-store in Europe (and Asia) is also in a healthier situation than it was going into last winter.

But this winter is likely to be colder than last, although temperatures are expected to be warmer overall than the long-term average, both in Europe and Asia. We still expect to have lower levels of Russian piped gas coming into Europe, so despite an improved supply side, it will be crucial that demand does not

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return much beyond what might be expected with the colder weather. The market is expecting price-driven demand destruction to continue this winter, and will be watching energy consumption data very closely.

With all that in mind, energy markets are trading in an orderly fashion, and unforeseen events notwithstanding, traders expect supplies to be able to meet demand. However, there are what might be described as a few low-probability/high-impact events that mean it would be wrong to be complacent. Very cold weather here or in Asia, especially for an extended period still poses a threat, as does a further cut in what Russian gas is still flowing. LNG diversions towards Asia could still occur in response to unexpected demand growth, and European demand could also be higher than expected. The market is also vulnerable to supply interruptions, as evidenced by the sharp rally in prices seen in response to the threat of strikes at Australian LNG export facilities, and geopolitical risks coming out of the Middle East.

Forward energy prices have broadly been “volatile but sideways” over the latter part of the summer, and much of what was true in June remains the case today:

- TEC members' commodity prices are largely set until October '24, and although some budget lines are subject to change, we hope that you can be fairly sure of the energy budget until then. Again, as mentioned last time, energy savings this winter will continue to pay huge dividends. Unit prices may go up, but bills will certainly go down.
- Beyond this winter, achieved prices have been falling, and although risks remain, you should start to see some relief in your energy bills starting in April '24.

- Unfortunately, the global energy supply/demand balance doesn't appear to loosen until 2025, and so prices could be kept higher than historic levels (although not as high as seen recently), until at least then.

Duncan Wyatt, Head of Trading, TEC

Finance Festival 2024 – now open for bookings!

We're pleased to let you know that booking is now open for [BUFDG's 2024 Finance Festival](#). The 2024 event takes place from Monday 11 to Wednesday 13 March 2024 and is completely **free** to all those who work in a UK university. The Festival is BUFDG's extravaganza of all things HE finance and procurement, and features a fantastic line-up of 28 challenging, informative, and entertaining sessions covering everything from Subsidiaries to Sustainability, from Pensions to Procurement, and from Investment to Inclusion.

We don't expect anyone to be there for every session or pick your sessions in advance – your single booking will let you 'build-your-own' conference where you can take part in the sessions of most value to you. We're confident that every finance person at every institution will be able to find something of benefit. For more information about the event and the programme, and to book, [visit the Festival website](#). And, if you have any questions or comments about the event please do get in touch with [Matt](#). We look forward to seeing you there!

Matt Sisson – Projects and Membership Manager, BUFDG

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