

Southampton Solent University

Finance Strategy 2008 - 2013

Introduction

1. The Finance Strategy is one of the supporting strategies to the University's Strategic Plan 2008 - 2013.
2. It sits alongside other service strategies and is inextricably woven through all strategies of the University.
3. It has an enabling role to ensure that the right resources are provided to support the University's strategic objectives and academic development.
4. The Finance Strategy includes key service objectives needed to improve the financial capability and agility of the Finance Service.

Finance Strategy Purpose

To support the University through a period of ambitious change and to ensure:

- Financial stability and flexibility
- Efficient financial processes
- Alignment of planning
- Business support and quality decision making

Finance Strategy Objectives

1. Financial Stability and Flexibility

The University will need to maintain financial and operational control through a period of significant change that safeguards the capital base and allows sufficient investment to deliver the core teaching and learning opportunities. The University will aim to:

- Achieve and maintain an historic surplus (after tax and FRS 17 pension costs) of at least 3% of income averaged over the period of the Strategic Plan.
- Generate a net cash-flow from operating activities of at least 6% of income and to maintain a minimum cash balance of £6m.
- Minimise the use of working capital (i.e. debtors).
- Optimise investment returns of liquid assets.
- Optimise the cost of financing student residences (with Estates and Facilities Service).
- Make available borrowing capability to develop the enabling infrastructure of the University.

- Develop existing and new funding relationships.

2. Efficient Financial Processes

The Finance Service will drive efficiency of financial and related administrative operations. This includes:

- Further extension of the Dimensions Financial and other systems to reduce total cost to the University.
- Continuing to improve debtor collections processes within and beyond finance to minimise working capital and bad debt costs.
- Publishing management accounts within 2 working days.
- Achieving continuous improvement of data quality in returns to external agencies, for example HESES and HESA.
- Working closely with External and Internal Auditors to limit overlap, minimise the costs and ensure value for money to the institution.
- Developing a Procurement Function which seeks to improve value for money and efficiency.

3. Alignment of Planning

The Finance Service will improve planning of the University's processes so that they are aligned to the strategic priorities of the institution. This includes:

- Moving to longer term financial forecasts which annually review strategic priorities and incorporate the requirements of annual budgeting.
- Continuing the development of a longer term capital planning capability aligned with the University Strategy which will increase capital released for strategic projects and reduce low impact projects.
- Development of planning tools (linked with HESES) that ensures the forecast of student numbers, funding and fees are auditable.
- Continuing to support the academic planning processes, including the development of new course development and academic partnerships .

4. Business Support and Quality Decision Making

To support the University through a period of ambitious change the Finance Service will improve business support through:

- Provision of support to the University's strategy for diversification
- Application of rigour and capability to business cases.
- Development of costing tools (linked with TRAC-T) that ensures that the full costs of all activities are properly understood

- Monitoring major investment projects, including post evaluation review.
- Embedding risk management across the University so that risk is considered in all significant management decisions.
- Improving financial management in all areas of the University.
- Monitoring of information management across the University so that the risk of non-compliance is minimised.

Finance Strategy Delivery

The Director of Finance is responsible for delivery of the Strategy with the Finance senior management team. A set of Key Performance Indicators has been developed as part of the Strategic Plan Process.

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