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Higher Education Funding Council for England





Processing the Impact of the Universities Modernisation Fund

Steve Butcher

21 November 2011

CSR announcement

Department for Business, Innovation and Skills
(£ billion):

	Recurrent	Capital	Total
2010-11	16.7	1.8	18.6
2011-12	16.5	1.2	17.6
2012-13	15.6	1.1	16.7
2013-14	14.7	0.8	15.5
2014-15	13.7	1.0	14.6

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CSR announcement

- Overall resource savings of 25 per cent, including 40 per cent savings from reform of higher education
- Reduction from £7.1 billion to £4.2 billion for teaching and student support costs
- Science funding maintained in cash terms at £4.6 billion

The logo for the Higher Education Funding Council for England (HEFCE), featuring the word "hefce" in a blue, stylized, lowercase serif font.

The funding challenge

BIS December 2010 grant letter to HEFCE
(£million):

	2010-11	2011-12	2012-13
Recurrent	6,680	6,307	5,515
Capital	532	223	245
Total grant	7,212	6,530	5,760
BIS loans	2,500	2,600	3,600
Total funding	9,712	9,130	9,360

The logo for HEFCE (Higher Education Funding Council for England) is displayed in a blue, stylized script font.

Efficiencies

“We expect universities and colleges to continue to deliver efficiencies, in all elements of teaching, research and administrative activity, over the coming years”

*HEFCE 20 December 2010 grant letter,
paragraph 21*



Implications for universities and colleges

- Increased drive for efficiencies:

Within institutions, through

- More effective procurement
- Better use of space



Implications for universities and colleges

- Increased drive for efficiencies:

Across institutions, through

- More collaborative procurement
 - Shared services
- UUK Efficiencies and Modernisation Group



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Shared Services & Collaborative Procurement

- UCCA 1960s
- Purchasing Consortia 1970s
- JANET 1980s
- HESA 1990s

UCAS



ja.net



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Universities Modernisation Fund

£20 million provided “to be invested in delivering economies through the increased use of shared services, particularly in support functions, and collaborative procurement.”

BIS grant letter to HEFCE June 2010



UMF Vision

If I'd have asked customers what they wanted,
they would say faster horses .”

Henry Ford



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UMF Vision

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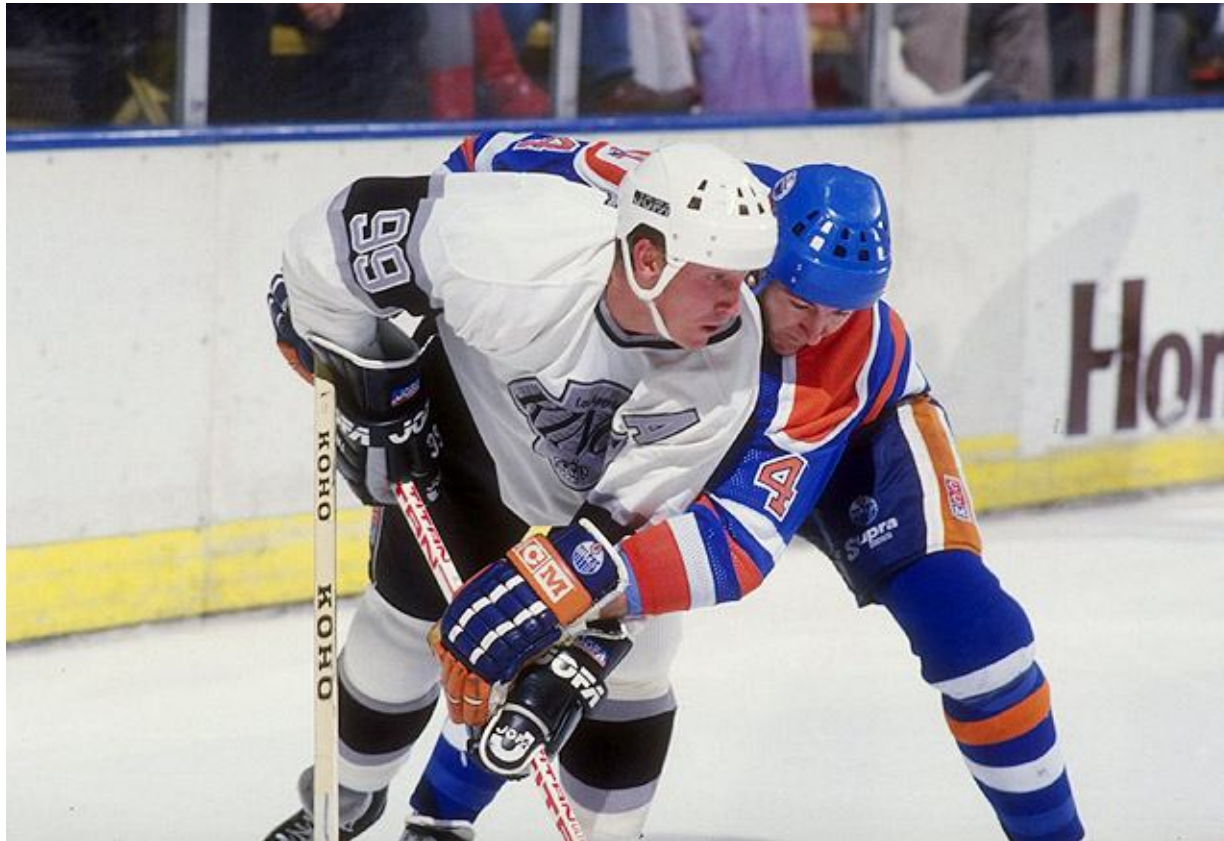
Henry Ford



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UMF Vision

I skate to where the puck is going to be, not where it has been .



Wayne Gretsky

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Universities Modernisation Fund

HEFCE approach:

- Could have left to the market
- Focusing public funds to:
 - share risk
 - accelerate timescales and
 - tailor to HEIs needs
 - helping address the cultural issues



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University Modernisation Fund

- ***£1½m benchmarking***
- ***£1m shared services***
- ***£6m procurement***
- ***£2½m Admin applications***
- ***£10m data centres and research applications***



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Universities Modernisation Fund: Shared Services

- White Rose Grid: Developing Service Based Software Provision for Regional Grid Systems
- Higher Education Careers Service Unit (HECSU): Higher Education Degree Datacheck
- AMHEC with GuildHE: Shared Legal Services
- University of Hertfordshire: Professional Managers of the Future - recruiting and developing graduate talent within HEIs
- British Universities Film and Video Council: Development of a catalogue and access to licensed copies of locally held previously broadcast content



HEDD

Higher Education
Degree Datacheck

Graduate Prospects



- Look-up database of valid UK degree-awarding bodies – past and present
- Online, real-time student verification service for enquirers
- Suite of enquiry management tools including tracking, auditing and reporting
- Developed and owned by the sector for its member HEIs.
- Will save on current £2million burden of work for registries.

Benefits to Students and Graduates

- Improves the Student Experience - enhanced service from HEIs
- Exposes bogus candidates - fairer employment and study opportunities
- Exposes bogus institutions – exploiting candidates
- Protects the investment of genuine individuals both time and money

Benefits to UK

- Reduction in fraud
- Exposes bogus institutions and degree mills
- Reassures domestic and international students and applicants to HE
- Competitive edge in a global HE marketplace
- Shared Service for HEIs – saves public money

Progress

- 150+ HEIs engaged with HEDD so far
- 50 visits and demonstrations
- 35 positive - but will take time.
- Sheffield Hallam now live in Beta.
 - After two weeks:
 - 62 enquirers made 94 verification checks
 - 3 cases of grade inflation
- Manchester and Essex live next

Universities Modernisation Fund: e-Procurement

Implementation & Development of Institutional e-Marketplaces	£5.0 million
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Sector Generic e-Marketplace (GeM)	£1.0 million
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Total	£6.0 million
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Universities Modernisation Fund: Administrative Applications

Systems and Services Procurement Service	£600k
Research Management and Administration Service	£1.1 million
Service to secure distribution of electronic documents	£200k
Electronic Resource Management shared service	£600k
Total	£2.5 million

Universities Modernisation Fund: shared data centres

Shared data centres: brokerage	£1.5 million
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Core infrastructure (hardware)	£2.0 million
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Shared data centres: management applications and infrastructure	£4.9 million
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Shared data centres: developing sustainable financial model	£100k
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Shared data centres: research data management and data backup services	£1.5 million
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Total	£10 million
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UMF Efficiencies

Principles

- Based on costed business case
- Rigorous governance processes
- Demonstration of a need
- Demonstration of a potentially sustainable service
- Demonstration of efficiencies

Data Centre Efficiency Case (5 years)

- ***3 data centre builds avoided***
- ***1100 servers virtualised***
- ***40 HEIs engaged***
- ***1 data set reuse per HEI***

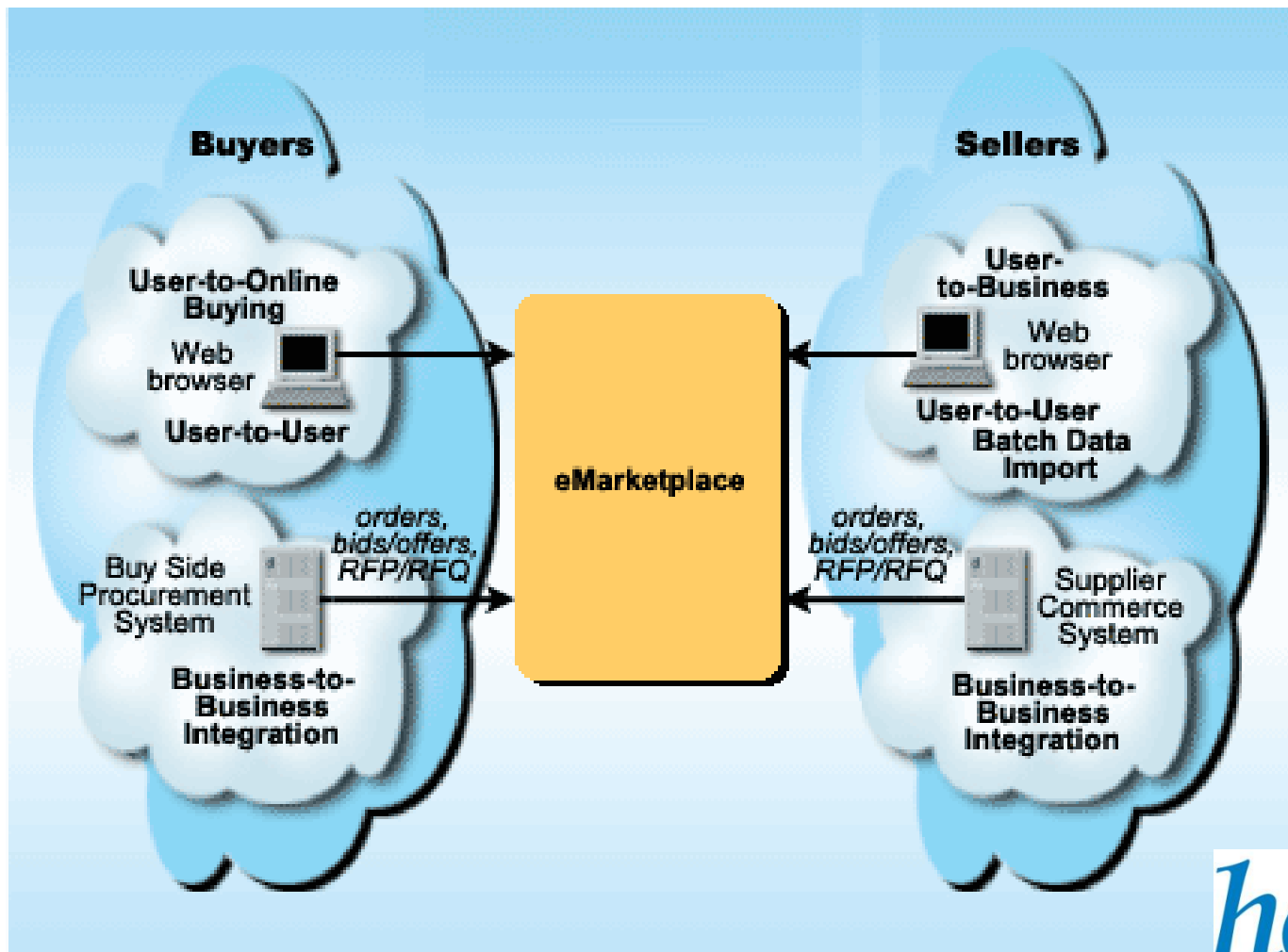


NPV £54,547,000



E-Marketplaces

Science Warehouse, Parabilis, SciQuest, @UK



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E-Marketplace Efficiency Case (5 years)

- ***45 New Implementations***
- ***21 e-Marketplace developments***
- ***OGC efficiency £41 per transaction***
- ***Estimated Annualised benefit
£19,000,000***

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Demonstration of Delivery Case Study

Process Saving	Cost saving
Catalogue browsing and searching	£7.00
Electronic approval workflow	£14.00
Electronic order delivery	£3.50
Goods receipting	£3.50
Integration with finance application	£7.00
Electronic invoice delivery	£2.50
Electronic invoice matching	£2.50
Electronic payment	£1.00
Total	£41.00

Case Study

THE UNIVERSITY *of York*

Efficiency Saving Jan – Jun 2011	Total OGC saving
Electronic workflow efficiencies	£99,806.00
Catalogue browsing and searching	£49,903.00
Goods receipting	£24,951.50
Invoice matching	£36,645.00
Total	£211,305.50

Processed Spend Jan 2011 – June 2011

£1,955,474.75

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Case Study

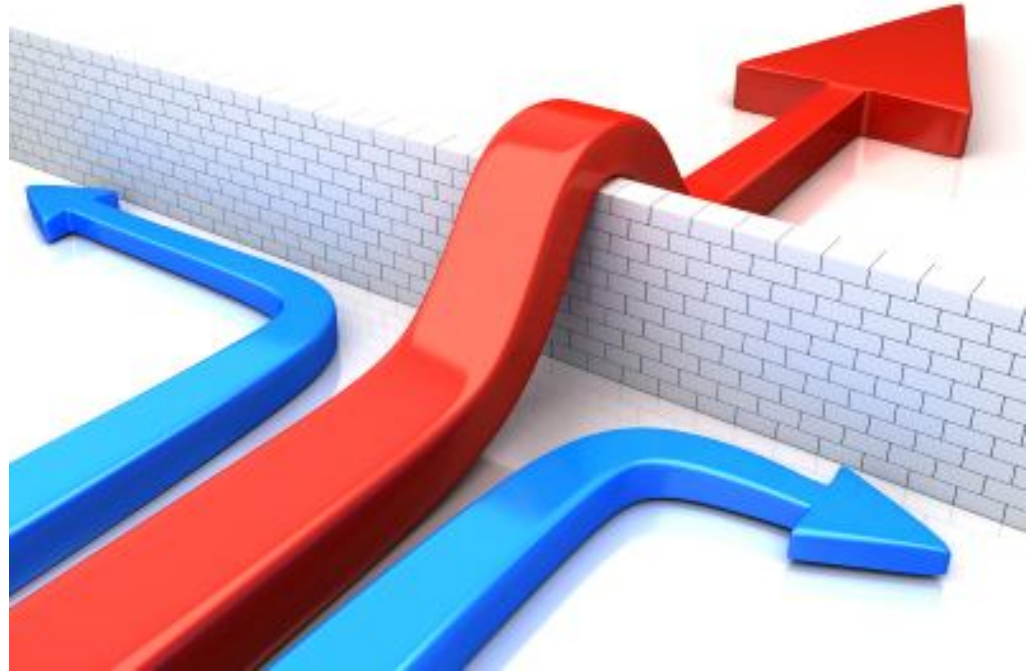
THE UNIVERSITY *of York*

Vital Statistics to Date	£
Audited Efficiencies	£211,305
Extrapolated first year efficiencies	£420,000
Business Case Efficiency Case	£233,000

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Barriers to shared services

- VAT
- Culture



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