

University of Sussex Financial Review
Guidelines for Senior Budget Holders: Heads of Schools and Divisional Directors of Professional Services
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Introduction

In light of the increased financial challenges facing the University from COVID-19, decisive action needs to be taken to restrict and control on-going expenditure in order to conserve cash and protect the long-term financial health of the institution

In broad terms, if it is not contractual, mandatory or essential to the operational continuity of the institution, we would ask that you avoid incurring any costs. This document provides guidelines on the approach that needs to be taken by the University Leadership Team and all budget holders across the institution. For the avoidance of any doubt, these guidelines apply to the whole institution (Schools, Professional Service, Research, BSMS and all subsidiaries therein). These guidelines will apply until further notice.

The guidelines have been broken down into the following key categories of spend in order to provide as much clarity as possible:

1. Staff cost
2. Discretionary expenditure
3. Estates and Facilities Management (EFM)
4. IT and asset replacement cost
5. Contracts and commitments for goods and services from third parties
6. Miscellaneous

These guidelines are not meant to be exhaustive but aim to capture the principal areas of focus. Where you have queries or require further clarification, please refer to the category points of reference below and contact the relevant team detailed.

It is worth noting that the University recognises the need to support some initial incremental set-up costs to transition to online teaching and remote working, particularly with respect to IT and health and safety of staff working from home. In addition to this, there will be costs borne on account of COVID-19 disruption such as travel costs for overseas students or cancellation costs. These costs require prior approval in line with the University's normal guidelines.

All essential spend should continue to be conducted in line with the existing Purchasing Policy. If there are circumstances where it appears that essential spend cannot be conducted within authorised processes, please contact the Finance Service Desk (FSD) who will provide further advice.

There will be support offered to you by your Business Partners from Finance, HR and Procurement in achieving this aim. Either they, or the Finance Service Desk (FSD) can provide further clarification on these guidelines where it is needed. They will assist you with implementing this framework and are not authorised to vary the guidelines. Finance Business Partners and FSD will act as streamlined routes for escalation for queries and borderline cases. We would be grateful if you do not approach

the Provost or Chief Operating Officer (COO) with requests for clarification or exception. Business Partners will escalate as appropriate for decisions.

Staff Cost

The review and control of staff cost will be co-ordinated through the HR team under the management of the HR Director, Deputy HR Director and supported by HR Business Partners (HRBP). You should consult with your relevant HR Business Partner in the first instance, who will be able to support you with this process. There will be a requirement to review the following activities and associated areas of spend as follows:

Ref	Category	Guidelines	Update	Who
SC1	Temporary staff	<p>Non-essential assignments currently held by temporary or agency staff, will need to be reviewed and come to an end as soon as possible. Where there is capacity, tasks should be undertaken by staff members of your team or non-essential tasks may need to be temporarily suspended in order to focus on core business activity.</p> <p>Clarification: Temporary and agency workers refers for example, to temporary secretarial or filing support from Office Angels, whose work is no longer essential or may at times even be impossible to do during lockdown periods when we have no access to the campus for non-essential work. These staff do not have an employment relationship with the University.</p>	<p>As-is</p> <p>Slight update in wording to include 'lockdown periods'.</p>	HoS DoPS
SC2	Associate Tutors, School Tutors, Doctoral Tutors, casual staff	<p>Some people referred to in this category may be staff with open-ended or Fixed Term Contracts (FTC) of employment – for the avoidance of doubt, staff with employment contracts will have their contracts honoured under these guidelines. Work being undertaken by Tutors and work carried out by other hourly paid staff, will need to be reviewed in the light of forthcoming teaching and other activities. Where the work is essential and where work can be safely carried out, this activity can continue. Where this is not possible, these need to be flagged so that decisions can be taken which may include exploring whether other options exist such as furloughing staff.</p>	As-is	HoS DoPS
SC3	Fixed Term Contracts (FTC)	<p>Where posts are currently filled by FTC staff and subject to renewal in the next six months, these need to be identified with your HRBP and reviewed in order to determine whether they are essential or not. Non-essential roles</p>	As-is	HoS DoPS

		<p>should not be renewed at the end of the existing contract.</p> <p>Where there is capacity, tasks should be undertaken by other members of your School or PS division. Non-essential tasks may need to be temporarily suspended in order to focus on core business activity.</p> <p>Clarification: Existing FTC employment contracts will be honoured to their term. This provision encourages and requires budget holders to review if any subsequent contract is essential or not.</p> <p>Where continuous employment of an individual under Fixed Term Contracts exceeds four years, staff will be offered open- ended contracts.</p>		
SC4	Recruitment	<p>New staff appointments (including replacements for staff leaving) where contracts have not yet been issued and formally accepted and a Right to Work (RTW) carried out, will need to be frozen indefinitely where they are not deemed to be essential. The University will of course honour formal offers accepted to date. Posts that have previously been approved in the Post Panel or where recruitment processes have already started but have not progressed as far as a formal acceptance/RTW, will be reviewed with the COO and Provost as applicable. The Post Panel will consequently be temporarily suspended until further notice. Any new employment offers may only be made by exceptional and explicit permission of the Provost or COO referred up after discussion with your HRBP; these cases are expected to be very rare.</p> <p>Where a post is fully funded, usually by a research contract, we may allow recruitment, if it can be shown that there is no risk of unfunded time extension of the project because of the current global context.</p> <p>The following circumstances for the foreseeable future will also need to be considered with a view to being cancelled and serviced through existing resources within your School or PS Division:</p>	<p>As-is</p> <p>Post-panel is now in operation as normal where applications will be assessed on the merits detailed earlier.</p> <p>Further point of clarification, that roles removed as part of the VS process cannot be subsequently reinstated</p>	<p>HoS DoPS</p>

		<ul style="list-style-type: none"> • Backfill for maternity/paternity leave; • Backfill for illness; • Backfill for research leave (except where funded by a third party such as a research sponsor). 		
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Where appropriate, other areas of discretionary staff related cost should be reviewed where cash savings can be made or deferred. These should be discussed with your relevant HRBP.

Discretionary expenditure

The review and control of discretionary cost will be the responsibility of each Head of School (HoS) and Divisional Director of Professional Service (DoPS), supported by the relevant Finance Business Partner (FBP). Discretionary expenditure should be stopped where possible in order to conserve cash. The listing below serves to provide key areas of spend to review. Of course, in the current period of social distancing many of these may not apply currently. We are signalling that should social distancing be relaxed or removed, these areas will be subject to these guidelines. Where appropriate, other areas of discretionary cost should be reviewed where cash savings can be made or deferred. These should be discussed with your relevant FBP.

Ref	Category	Guidelines	Update	Who
DE1	Travel	Travel should be avoided as much as possible with alternative arrangements being made unless it is essential. In the event that travel is externally funded (including research funding) and is made in accordance with PHE and University guidance, then this may proceed as long as the travel is safe and within Government travel guidance.	As-is with the inclusion that suitable alternatives should be explored as far as practical i.e. online remotely based meetings or conferences.	HoS DoPS
DE2	Accommodation	Accommodation should be avoided where possible, (unless externally funded) with alternative arrangements made unless it is essential and as long as the travel is safe and within Government travel guidance.	As-is with the inclusion that suitable alternatives should be explored as far as practical i.e. online remotely based meetings or conferences.	HoS DoPS
DE3	Training & Conferences	Where training or conferences have not been contractually committed to and where there is not a statutory or compliance requirement, this should be stopped. Where there is a contractual commitment please do not make alternative arrangements without first consulting with Procurement via the FSD.	As-is with the inclusion that suitable alternatives should be explored as far as is practical i.e. online remotely based meetings or conferences, for minimal cost	HoS DoPS
DE4	Licences	Where licences have not been contractually committed to and where there is not a statutory or compliance requirement, this should be stopped. Where there is a contractual commitment please do	Subject to usual guidelines detailed within Financial Regulations and to operate within the approved budget	HoS DoPS

		not make alternative arrangements without first consulting with Procurement via the FSD.		
DE5	Subscriptions	Where subscriptions (to organisations - this is not intended to cover, for example, subscriptions to library resources) have not been contractually committed to and where there is not a statutory or compliance requirement, this should be stopped. Where there is a contractual commitment, please do not make alternative arrangements without first consulting with Procurement via the FSD.	Subject to usual guidelines detailed within Financial Regulations and to operate within the approved budget	HoS DoPS
DE6	Printing, stationery and books	Printing, stationery and the purchase of books should be kept to an absolute minimum.	As-is with the inclusion that new ways of working should mean that electronic and more environmentally sustainable alternatives should be pursued as far as possible	HoS DoPS
DE7	Photocopy costs - MFD	All photocopy costs and the use of photocopiers needs to be reviewed with a view to reducing usage, the number of leased units and associated spend. Any leases for equipment that are not covered by the central agreement should not be renewed. Please ensure you contact procurement via FSD for any support required.	As-is with the inclusion that new ways of working should mean that electronic and more environmentally sustainable alternatives should be pursued as far as possible	HoS DoPS
DE8	Catering for meetings	Teas, coffees and other catering for scheduled meetings are to end with immediate effect.	As-is	HoS DoPS
DE9	Entertainment and events	The funding of leaving parties and staff events will no longer be authorised. In addition, entertainment costs with external third parties will end with immediate effect except in such cases where it is critical to income generation or other approved activity. These should be approved by HoS or DoPS prior to commitment.	As-is	HoS DoPS
DE10	Miscellaneous	All other discretionary costs need to be reviewed to see where they can either be cancelled or deferred. Consult with your FBP to identify other areas of discretionary spend.	As-is	HoS DoPS

Estates and Facilities Management cost

The review and control of Estates and Facilities Management (EFM) cost will be managed and coordinated by the COO and Director of Estates, Facilities and Commercial Services (DoE) with the support of the EFM management team. A full assessment and review of discretionary spend on EFM will be undertaken in conjunction with SEF. The focus will be on undertaking essential works only. Should you have any queries in relation to discretionary works for Schools or Professional Service, please contact a member of the EFM management team.

Ref	Category	Guidelines	Update	Who
EF1	General Repairs and Maintenance	EFM will only undertake essential maintenance and defer or cancel expenditure where possible.	As-is	DoE
EF2	School & PS Discretionary Works	All discretionary estates work is suspended unless absolutely essential.	As-is	DoE
EF3	SEF Service Levels	Conduct a review of existing and proposed service levels of SEF contract with a view to identifying areas of service that can be significantly scaled back or reduced.	As-is	DoE
EF4	Project works	Only essential projects to be undertaken and deferred or cancelled where possible. Conduct a review of summer works for pre and post 31 st July.	As-is with the update that only centrally approved project works will be allowed to proceed	DoE
EF5	GTS and AV	Review summer programme for summer teaching and General Teaching Space (GTS) and Audio Visual (AV).	Essential Works completed in summer 2020. Further works will be in accordance with centrally agreed programmes of work.	DoE
EF6	Long Term Maintenance (LTM)	Review the LTM plan with a view to reducing to only essential spend.	Works to proceed in line with budgeted and approved LTM and roadmap expenditure approved in principle by Council	DoE COO
EF7	Roadmap	Review and decide upon the revised revenue budget for the Roadmap for the next financial year, focusing on essential spend only. Note: UEG considered and decided on a programme to deliver savings over previous budget 30 March 2020	Works to proceed in line with budgeted and approved LTM and roadmap expenditure approved in principle by Council	DoE COO

IT and asset replacement cost

With the exception of the specific circumstances detailed in IT1 below, all requests for IT equipment, IT Projects and related expenditure will be reviewed and controlled by the Director of IT and COO, with the support of the ITS management team. As outlined in the introduction, there is a recognition for the requirement to support initial transition costs to accommodate the move to online teaching and remote working.

No	Category	Guidelines	Update	Who
	IT, Asset replacement:			

IT1	IT assets and equipment	Expenditure on new equipment and replacements or upgrades are to be stopped unless the requirement is essential. This position should be agreed with ITS and the Director of IT (DoIT) except in the situation already agreed with DoIT where staff are urgently required to work remotely but do not currently have access to a computer at that location. In this case the HoS/DoPS or nominated substitute can authorise. Exceptions can be made in the case of expenditure fully funded by external research grants and contracts.	As-is with further clarification on expenditure that has been budgeted and approved in principle by Council	DoIT/COO
IT2	IT Roadmap	Review and decide upon the revised revenue budget for the Roadmap for the next financial year, focusing on essential spend only.	As-is with further clarification on expenditure that has been budgeted and approved in principle by Council	DoIT/COO
AR1	Furniture, Fixtures and Fittings	All new equipment, replacements or upgrades are to be frozen unless the requirement is essential. This position should be agreed with the DoE.	As-is with the inclusion of the ability to have pre-authorized purchase of equipment to facilitate remote working. In this case the HoS/DoPS or nominated substitute can authorise. Also to include costs to support Covid compliance	DoE
AR2	Other assets	As above.	As-is	

Contracts and commitments for goods and services from third parties

We need to review all current and future contracts. These should be reviewed in the context of determining whether the goods or services continue to be essential to secure the operational continuity in your area and whether the commercial terms can be improved, or the scope of goods or services required can be reduced. Procurement should be contacted to support in the first instance. Please ensure that all non-essential Tender activity is ceased with immediate effect.

Ref	Category	Guidelines		Who
C1	Contracts and commitments	All existing contracts need to be reviewed with a view to identifying renewal milestones and break clauses with Procurement section support from Finance via the FSD. Subject to that review, discretionary contracts that are not core business requirements, need to be reviewed with the aim of not renewing.	As-is	HoS DoPS
C2	Consultancy	Existing and future consultancy arrangements need to be reviewed in	As-is reinforcing the need to engage with	HoS DoPS

		<p>order to determine if it is essential and to identify whether the arrangement can be frozen or deferred until a later date to save cash. Any new forms of consultancy being considered, need to be frozen indefinitely where this is not deemed to be essential.</p> <p>Please do not make any alternative arrangements with suppliers, including cancellation fees, without first consulting Procurement via the FSD.</p>	Procurement when seeking to secure consultancy services	
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Miscellaneous

Detailed below are a number of miscellaneous areas of expenditure that will be subject to review.

Ref	Category	Guidelines		Who
M1	Purchasing Cards	Finance systems and processes are operating as normal. Purchasing cards should continue to be used in accordance with the Purchasing Policy. Exceptions to this can only be agreed by the Director of Finance in advance.	As-is	HoS DoPS
M2	Consumables and equipment	Review consumable spend on materials, testing and laboratory equipment and actively look to reduce spend and restrict to absolutely essential items.	As-is	HoS DoPS
M3	Residue Accounts (ref Financial Regulations 3.4 and 9.6)	Suspend spend for the 2019-20 financial year. These funds are not being cancelled; it is just that expenditure will be suspended until further notice except where permitted below. Where staff are employed and funded from these codes, Fixed Term employment contracts may run to their term with a review at the end of the term as per category SC3. Expenses incurred but not yet processed will of course be honoured. Where such funds support time-critical research which can be carried out safely in the current operating conditions, this will be permitted subject to operating rules on permitting research activity managed by Heads of School and PS Directors in accordance with University current guidance	<p>Suspension has been lifted with a move to allow spend to resume within approved budgetary levels, in accordance with Financial Regulations.</p> <p>Note that as well as managing individual accounts so as to be within budget, HoS can also elect to manage these accounts in aggregate for the school as a whole, ensuring that the overall totals fall within the total school budget.</p>	HoS
M4	Devolved Codes (ref Financial Regulations 3.4 and 9.6)	Suspend spend for the 2019-20 financial year. These funds are not being cancelled; it is just that expenditure will be suspended	Suspension has been lifted with a move to allow spend to resume within	HoS

		<p>until further notice except where permitted below. Where staff are employed and funded from these codes, Fixed Term employment contracts may run to their term with review at the end of the term as per category SC3. Expenses incurred but not yet processed will of course be honoured. Where such funds support time critical research which can be carried out safely in the current operating conditions, this will be permitted subject to operating rules on permitting research activity managed by Heads of School and PS Directors in accordance with University current guidance. Where funds from charities or other external organisations have been secured for specific purposes, and then paid into these Codes, then those purposes can be honoured by agreement from the HoS providing the expenditure is essential in the current context.</p>	<p>approved budgetary levels, in accordance with Financial Regulations.</p> <p>Note that as well as managing individual accounts so as to be within budget, HoS can also elect to manage these accounts in aggregate for the school as a whole, ensuring that the overall totals fall within the total school budget.</p>	
M5	Strategic Development Fund (SDF)	SDF spend is to be reviewed given the constraints on cash. A residual investment pot is to be established for absolutely essential purposes.	As-is and subject to review by the PVC Research	Provost PVC Research
M6	Post Graduate Research (PGR) recruitment	<p>We are pausing new PGR student recruitment with financial costs to the university with immediate effect. Offers of PGR places and stipends already made and accepted will of course be honoured. Existing RTSG spend is allowed. A review process is currently being formulated and will be communicated in due course.</p> <p>Update: Guidance issued to Heads of School 31 March 2020 giving permission for limited recruitment with specific conditions. Further guidance may be issued.</p>	<p>Application of new wording agreed by PVC Research and Director of Research</p> <p>(See Appendix 1)</p>	PVC Planning and Resources Provost
M7	Scholarships, Bursaries	All other scholarships, fee waivers, University funded Researcher Training Support Grant (RTSG) and bursaries should be reviewed, and committed spend identified with associated levers that can be applied to reduce spend for the next financial year. A review process is currently being formulated and will be	As-is	COO Provost PVC Planning and Resources

		communicated in due course. Update: Guidance issued to Heads of School 31 March 2020 giving permission for limited recruitment with specific conditions.		
M8	Marketing costs	All major marketing and publicity costs of £10,000 and above to be sanctioned by the COO prior to committing expenditure.	As-is	Director of SRAID/COO

On behalf of UEG

Allan Spencer
Director of Finance
Updated December 2020

Appendix 1

Revised Financial Regulation Guidelines - Recruitment of 21/22 intake of PGR Students

- 1.1 Maintaining a significant, vibrant PGR community remains a key focus of University strategy and continues to be strongly supported by UEG. As with all areas of activity, the COVID pandemic necessitated a pause to assess the impact on PGR programmes in terms of our ability to properly support and supervise a new cadre of students, and our practical ability to restart work in the fields of research where they might be embedded. And of course it was also important to review this area of expenditure as part of developing a balanced but reduced portfolio of funding commitments.
- 1.2 As a temporary measure financial guidance issued on 7 April¹ therefore directed an immediate recruitment pause for PGR students, exceptionally allowing automatic approval for those falling in three high priority categories.
- 1.3 With greater understanding of the research landscape and potential funding scenarios, this note now provides revised direction on UEG approved controls for PGR recruitment into lower priority areas.

Table 1. Previously Agreed by UEG

Category	Description
Category A	University funded PGR where an offer has already been made (combination of bursary, fee waiver and RTSG) as of November 26 th 2020.
Category B	PGR places where fees and bursary are either 100% self-funded, or fully funded by an external grant or sponsor.
Category C	Places required as part of match funding for consortia awards by research councils e.g. AHRC, BBSRC, EPSRC, STFC, AHRC, MRC, NERC, Major Charities etc.

- 1.4 Remaining University funded PGR can be grouped into 7 prioritisation categories (Table 2):

Table 2. Non-high priority PGR recruitment controls

Priority	Description	UEG Decision
1 (highest)	Match funded PGR approved as part of external grant awards.	CONTINUE
2	Match funded PGR forming part of external grant bid.	CONTINUE
3	Schemes where MOU are in existence e.g. China Scholarship Council programme, Conacyt – Chile Research Council, the Commonwealth Scholarships, Marshall Scholarships, and Conacyt – Mexico Research Council	CONTINUE

¹ Item M6, Financial Review Guidelines for Senior Budget Holders: Heads of Schools and Divisional Directors of Professional Services. First issued 25 March, updated 7 Apr 2020.

4	PGR offered to a new member of Faculty as part of their 'package' from School budget (<i>please note that you will need to include this in any School RTF for the Faculty member, as part of their agreed package</i>)	RESUME
5	PGR maintaining capability to support <u>existing</u> SDF research (Quantum, SHL, SSRP and Neuroscience) PGR programmes, where already in plan and funded from SDF and within existing Schools budgets.	RESUME
6	School PGR maintaining capability to support expansion or establishment of new research areas as part of the Sussex 2025 vision.	REMAINS SUSPENDED
7	School PGR places supporting individual faculty research (where not part of an external grant award).	REMAINS SUSPENDED

- 1.5 If there is any doubt as to interpretation of this updated guidance, please contact Sue Angulatta, Director of and Enterprise before any commitment is made to either a candidate or new faculty member.
- 1.6 Given the very challenging financial outlook, Schools should anticipate that the PGR budget will be assessed in detail through the IPBP processing commencing in December. This will take a balanced view of how many School-funded PGRs have been recruited in Category A (i.e. where offers had already been made) that might otherwise have been rejected as being comparatively low priority.