

Generic examples of institutional progress and good practice

JCPSPG

Desired aim

Examples of milestones

Increased level of commitment by governing bodies, institutional heads and senior managers to view costing and pricing as mainstream within institutions' overall strategies

- the development of a costing and pricing strategy that includes an implementation plan covering both the external reporting requirements and improved internal management information systems, which has been debated and received by senior committees
- a drive to increase the sophistication of an institution's approach, derived directly from the governing body
- the outcomes from the implementation of a costing and pricing strategy have been incorporated into the formal audit plan to assure transmission of good practice throughout the institution
- a steering group set up to oversee the implementation of the project, chaired by a senior member of staff, whose membership includes senior academic and non-academic managers from a cross-section of the institution
- guidance produced on costing and pricing has been circulated to senior managers so that they are aware of best practice in this area. These guidance documents will be incorporated into the university's financial manual in due course
- senior managers on the university's strategy group understand and often discuss the need for justifiably higher prices and increased margins on activities as a primary objective to facilitate organic growth and development
- establishment of a costing and pricing steering group, consisting of administrative managers and academic managers to develop and review processes and procedures
- the establishment, on a permanent basis, of the role of Costing and Pricing Accountant along with two support posts

Wider adoption of a more standardised approach to the identification and allocation of costs

- the collection and analysis of full costs at course level
- implementation of a new coding structure to support costing and pricing
- identification of new cost centres and suitable cost drivers for the allocation of costs
- the purchase and implementation of new software systems to improve the information base

Generic examples of institutional progress and good practice (continued)

JCPSSG

Desired aim

Examples of milestones

Wider adoption of a more standardised approach to the identification and allocation of costs

- the installation of an integrated campus-wide relational database for use across all resource centres using standard profit centre and cost centre frameworks
- the implementation of a standardised approach to identifying cost centres and costs in order to satisfy external reporting requirements and internal budgetary control and accountability

Integration of academic and financial decision-making

- information from the Transparency Review exercise has started to be used when costing and pricing courses
- academic managers now consider the general shape of academic provision and carry out an initial financial appraisal of specific initiatives, using available data such as workload balancing returns, investment appraisal techniques and costing and pricing guidelines
- a review of the university's approach and current administrative structure in relation to commercial exploitation is in hand and will be supported by improved costing information
- a pricing policy for the university is being formulated which will be a part of the corporate strategy
- business plans accompany any request for new posts or developments at the university

Better-informed pricing decisions leading to improved net contributions with no loss of markets or quality

- all new projects go through an investment appraisal process, including non-capital based academic activities
- assignment of additional resource to support pre-contract advice and negotiation with external sponsors
- the general prices for conference and short course delivery and accommodation are being reviewed
- training and assistance will be given to those individuals who have a role to play in price negotiation
- the new Research Management and Costing System should ensure that the full costs of a research project are known in order to inform pricing
- the pricing of courses, the level of international students and the margin on research contracts, for example, have been reviewed to ensure maximum income is generated