

Value for Money Policy

Operational Owner:	Chief Financial Officer
Executive Owner:	Vice-Chancellor
Effective date:	1 March 2020
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Related documents:	Procurement Policy

Approval History

Version	Reviewed by	Brief reason for review	Approved by	Date
1	Ed Nelson	Document had reached review date	Executive Board	1 October 2011
2	Phil Grainge	Document had reached review date	Executive Board	February 2020

1 Introduction

1.1 Purpose

1.1.1 The University of Surrey is committed to the adoption of good practice and the incorporation of a value for money approach to all its teaching, research and operating activities. The University recognises it has a responsibility to achieve value for money from all its activities, however they may be funded. This Value for Money (VfM) policy has the following purpose:

- To demonstrate to both internal and external observers that the achievement of VfM is sought in all activities undertaken.
- To ensure that all staff recognise their continuing responsibility to seek VfM as they carry out their roles and responsibilities.
- To integrate VfM principles within all management, planning and review processes.
- To align the University's approach to VfM with the Office for Students' value for money strategy.
- To help promote a culture of continuous improvement.

1.2 Scope

1.2.1 The VfM policy applies to all activities that the University undertakes as it delivers against its strategic goals and objectives. Everyone at the University has a responsibility to consider VfM in whatever role they play. This policy is not restricted only to those with resource of financial responsibilities.

1.3 Definitions

1.3.1 Office for Students (OfS)
Value for Money (VfM)

The Office for Students value for money strategy 2019 to 2021 (link below) states:

<https://www.officeforstudents.org.uk/publications/value-for-money-strategy/>

“Students receive value for money when they experience the full benefits of higher education, both during their studies and afterwards - in exchange for the effort, time and money they invest.”

“Taxpayers receive value for money when higher education providers use public money and student fees efficiently and effectively to deliver graduates, from all backgrounds, who contribute to society and the economy”

The strategy further states that the *“primary measure of value for money will be based on the perceptions of students and graduates”* and that the OfS will *“monitor progress without imposing our own definition of value for money”*.

Given the diversity of perspectives on what VfM means, a single algorithm (definition) to account for it would be inappropriate. VfM is a far richer concept that will always mean different things to different people.

The University of Surrey considers VfM in the context of economy (efforts to spend less and utilise fewer resources), efficiency (efforts to spend well) and effectiveness (efforts to optimize the impact of spending) as it seeks to deliver against its strategic goals and objectives, which themselves guide everything the University does.

VfM should therefore be defined and reviewed with reference to a variety of metrics and narratives covering inputs to the University’s activities (spending and other resource utilisation), the processes by which those inputs are processed to generate outcomes, as well as with reference to the outcomes themselves.

2 Policy Principles

2.1 The University Council is required to satisfy itself that VfM is being sought and achieved and will do so via the annual reports of the Audit & Assurance Committee and the Internal Auditor.

The University Executive Board has the executive responsibility to put in place arrangements for obtaining VfM through the University’s programmes, projects and operations. The Executive Board must respond to opportunities that will enhance the economy, efficiency and effectiveness of all University activities. In conducting their business, the following principles apply:

In relation to achievement of economy (spending less and utilising fewer resources):

- Always be cost conscious
- Promote processes to drive healthy competition for resources
- Ensure appropriate prioritisation processes support resource allocation decisions
- Monitor and evaluate procurement buying performance

In relation to achievement of efficiency (spending well to translate resource inputs into outputs):

- Make evidence-based decisions
- Ensure resource utilisation is proportional to the objective in mind
- Simplify wherever possible and avoid duplication of effort
- Take a strategic approach to procurement
- Actively review and manage contracts

In relation to achievement of effectiveness (spending to optimise impact and outcomes):

- Conduct timely, accurate and relevant performance reporting against objectives
- Review and manage resource allocation in the context of risks and opportunities
- Be prepared to innovate, adapt and experiment
- Be accountable and transparent

3 Governance Requirements

3.1 Implementation / Communication Plan

3.1.1 This policy will be accessible via the University's external facing web-page and internal network and will be referenced in all external and internal value for money reporting.

3.2 Exceptions to this Policy

3.2.1 There are no exceptions to this policy. See 1.1.1 policy purpose above.

3.4 Review and Update

3.4.1 This policy should be reviewed every 2 years or as required by any changes in the regulatory environment.

3.5 Legislative context

3.5.1 The Office for Students (OfS) has a statutory duty to promote value for money in the provision of higher education. All providers of higher education registered with the OfS are required to satisfy general ongoing condition of registration F3: Provision of information to the OfS.

Pursuant to this condition, an annual accountability return must be submitted. The accountability return is composed of several elements, including two annual reports, one from the University's Audit Committee and one from the University's Internal auditor. Each report must include opinion on the adequacy and effectiveness of the University's arrangements for economy, efficiency and effectiveness (value for money) management.

The Audit Committee's annual report must be approved by the University's Governing body prior to submission to the OfS.

The Internal auditor's report must be reported to the Audit Committee prior to submission to the OfS.

3.6 Stakeholder Statements

3.6.1 **Equality:** This policy has been reviewed by the People, Culture and Inclusion team who are satisfied that there are no adverse EDI implications.

3.6.2 **Health & Safety:** There are unlikely to be any direct Health & Safety implications from the implementation of this policy.