

# Value for Money Policy

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<b>Department:</b>	Business Support Policy
<b>Implementation date:</b>	1 August 2011
<b>Date of next review:</b>	1 August 2013.
<b>Related policies:</b>	Please refer to various procurement policies

## Version History

Version	Author	Revisions Made	Date
1	Ed Nelson	First Draft	1 October 2011

## Sign Off History

Version	Committee Name	Date of Final Sign Off
1	Audit Committee	
	Executive Board	Approved 21 October 2011

<b>1</b>	<b>Introduction</b>
	The University is committed to the adoption of good practice and the incorporation of a value for money approach to all its activities. The pursuit of economy, efficiency and effectiveness is part of its corporate and academic strategy. The University of Surrey recognises that because every penny must be earned, it has a responsibility to achieve value for money from all its activities, however they may be funded. This Value for Money policy sets out how the University's will achieve this.
<b>1.1</b>	<b>Purpose</b>
	The Policy has the following objectives:
	To integrate VFM principles within all management, planning and review process.
	To adopt appropriate, recognised good practice.
	To undertake specific VFM studies on areas of activity identified as worthy of review.
	To benchmark the University's activities against best examples of other similar activities and organisations where this is considered useful.
	To respond to opportunities to enhance the economy, efficiency and effectiveness of activities.
	To promote a culture of continuous improvement.
	To demonstrate actively 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 for the institution as part of their routine activities.
	To ensure that an appropriate risk assessment is undertaken in relation to any proposed VFM activity.
<b>1.2</b>	<b>Scope</b>
	The responsibility for achieving VFM lies with all members and staff of the University and is not restricted to those with resource or financial responsibilities.
<b>1.3</b>	<b>Definitions</b>
	VFM - Value for Money
	HEFCE defines VFM in terms of the 'three Es' – economy, efficiency and effectiveness.
<b>1.4</b>	<b>Legislative context</b>
	The Audit Committee is required, under HEFCE Audit Code of Practice, to satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.
<b>2</b>	<b>Policy</b>
<b>2.1</b>	<b>Principles &amp; Strategic Framework</b>
	The University Council is required to satisfy itself that VFM is being sought and achieved from the use of public funds. The Council has determined that the University should extend this principle to all its funds.
	The Executive Board has the executive responsibility to put in place arrangements for obtaining VFM. In practice this is delegated to the new Value for Money Committee who operate the following principles in delivering VFM:
	<ul style="list-style-type: none"> <li>• To take account of environmental, social, ethical and financial sustainability in all our procurement activities;</li> </ul>
	<ul style="list-style-type: none"> <li>• To create a culture where we naturally seek to save money, even where funding is available, where savings are not obvious, or where additional spend is needed to reap greater overall savings;</li> </ul>
	<ul style="list-style-type: none"> <li>• To embed achieving value for money through procurement in normal management discipline and behaviour.</li> </ul>
	<ul style="list-style-type: none"> <li>• To recognise the impact of savings on quality, while seeking to ensure that best value for</li> </ul>

	money is obtained;
	<ul style="list-style-type: none"> <li>• To recognise and record savings activity across the University consistently, improving the quality of information and taking account of savings made directly as well as indirectly.</li> </ul>
	<ul style="list-style-type: none"> <li>• To recognise savings made through interventions designed to reduce the impact of increased costs and genuine savings made against original estimates on building projects.</li> </ul>
	<ul style="list-style-type: none"> <li>• To recognise that efficiency targets can be double-counted and work to prevent this;</li> </ul>
	<ul style="list-style-type: none"> <li>• To identify an appropriate mechanism for demonstrating value for money within research grants;</li> </ul>
	<ul style="list-style-type: none"> <li>• To use the expertise of commodity specialists to achieve economies of scale (where possible and appropriate);</li> </ul>
	<ul style="list-style-type: none"> <li>• To engage high-spend areas of the University in a strong working partnership with Procurement.</li> </ul>
<b>2.2</b>	<b>Procedures</b>
	Managers have the executive responsibility to maintain an awareness of good practices in their own area of operation and to ensure that those are followed appropriately. All staff should endeavour to seek and achieve VFM in all activities and to bring to management's attention any opportunities for improvement.
<b>3</b>	<b>Governance &amp; Directory Requirements</b>
<b>3.1</b>	<b>Responsibility</b>
	The Director of Corporate Services has overall responsibility for the Policy and for ensuring the VFM programme is effectively implemented, progress monitored and that the Policy is regularly reviewed.
<b>3.2</b>	<b>Supporting documentation</b>
	N/A