

VALUE FOR MONEY POLICY

1. OVERVIEW AND PURPOSE

- 1.1 This policy sets out the University's approach to achieving Value for Money for all stakeholders and explains our Value for Money commitments and framework.
- 1.2 As a university that is registered with the Office for Students ('OfS') we must comply with the public interest governance principles¹ including specific Value for Money requirements:
 - 1.2.1 Public interest governance principle 'VI. Value for money' states *"The governing body ensures that there are adequate and effective arrangements in place to provide transparency about value for money for all students and (where a provider has access to the student support system or to grant funding) for taxpayers"*.
 - 1.2.2 Public interest governance principle 'XII. Regularity, propriety and value for money' states *"The governing body ensures that there are adequate and effective arrangements in place to ensure public funds are managed appropriately, in line with the conditions of grant and the principles of regularity, propriety and value for money, and to protect the interests of taxpayers and other stakeholders. This also applies to any funds passed to another entity for the provision of facilities or learning and teaching, or for research to be undertaken"*.

2. SCOPE

- 2.1 This policy applies to all members of staff and others connected with the University² as applicable.
- 2.2 The policy applies to all activities that the University undertakes as it delivers against its strategic goals and objectives.
- 2.3 The policy applies to all University funds irrespective of their source except where more stringent requirements are required by a third party, such as research funders.

3. RESPONSIBILITIES

- 3.1 Everyone has a responsibility to consider Value for Money in their role, in addition to the following specific responsibilities:
- 3.2 Council and sub-committees of Council shall:

¹ <https://www.officeforstudents.org.uk/publications/regulatory-framework-for-higher-education-in-england/annex-b-public-interest-governance-principles/>

² 'Others connected with the University' is defined in the Financial Regulations as *"members of Council, co-opted members of committees, volunteers and anyone else who is associated with the University but who is not a student or does not have a formal contractual relationship with the institution"*.

- 3.2.1 Ensure that the University uses public funds for proper purposes and seeks to achieve Value for Money from public funds.
- 3.2.2 Audit and Risk Committee shall provide an annual opinion to Council on the adequacy and effectiveness of the arrangements for achieving Value for Money.
- 3.3 Council and sub-committees of Council, the Vice-Chancellor, members of the University Executive Board, Executive Deans of Faculties, Directors of Professional Services, budget holders, and management decision making boards and groups shall:
 - 3.3.1 Create and embed a culture of Value for Money awareness, and ensure the Value for Money policy is integrated into all aspects of University work.
 - 3.3.2 Embed Value for Money in strategic and operational planning and decision making, having regard to Value for Money, and ensure transparency and accountability in such decision making.
 - 3.3.3 Measure and report outcomes to demonstrate Value for Money, ensuring that measures of success are built into proposals and plans.
- 3.4 The Vice-Chancellor, as the Accountable Officer appointed by Council, is the principal academic and administrative officer of the University and in this capacity shall:
 - 3.4.1 Provide Council, via Audit and Risk Committee, with an annual report and opinion regarding the relevant assurance framework, achievements and priorities of the University with regards to Value for Money.
- 3.5 The Chief Financial Officer shall:
 - 3.5.1 Embed Value for Money in day-to-day operating to ensure that policy and process, financial governance, risk management and internal control systems are in place to support the achievement of Value for Money relating to all resources, including those relating to people, technology and space; and to ensure adequate training and resources are in place to support staff in meeting their Value for Money responsibilities.
- 3.6 Executive Deans of Faculties, Heads of Schools, Heads of Academic Departments, Directors of Professional Services, Heads of Professional Services Departments and budget holders shall:
 - 3.6.1 Embed Value for Money in day-to-day operations and ensure there are effective systems, processes and controls to achieve Value for Money, and to ensure compliance with this policy and other policies that support Value for Money objectives.
 - 3.6.2 Procure goods and services effectively in accordance with University policy and procedures and make best use of staff, space and technology to carry out our activities at lower cost, or with greater efficiency and effectiveness.
- 3.7 Internal auditors shall:
 - 3.7.1 Plan and carry out Value for Money reviews and provide an annual opinion to Council, via Audit and Risk Committee, on the adequacy and effectiveness of arrangements to promote economy, efficiency and effectiveness.

- 3.8 Members of staff, including contract, seconded and agency staff; volunteers, apprentices and interns and others associated with the University (i.e. performing services for or on behalf of the University) shall:
- 3.8.1 Comply with this policy and associated Value for Money processes, and to complete any required Value for Money training.
- 3.8.2 Understand and uphold the principles of Value for Money in the University.
- 3.8.3 Be efficient in the use of University resources and ensure Value for Money in the University's operations and transactions.
4. **POLICY**
- 4.1 Our overall policy aim is to manage our resources effectively and efficiently to achieve a world- class standard of education, student experience and research. We aim to:
- to ensure that we are delivering the highest quality education possible and achieving the greatest impact possible through our research, and
 - ensure Value for Money for students, the taxpayer and wider society, by aligning the level of resource provided by the University with the intended quality of the outcome. In doing this we will ensure that we balance our operational priorities with our responsibility to ensure long term organisational sustainability and success.
- 4.2 **Value for Money meaning**
- 4.2.1 For the purposes of the public interest governance principles, the OfS defines 'value for money' as *"meeting the need for efficiency, economy, effectiveness and prudence in the administration of public resources, to secure value for public money in relation to the public grant funding"*.
- 4.2.2 In addition to the need for economy, efficiency and effectiveness in the application of its resources to achieve its aims, the University also considers Value for Money to include income generation:
- **Economy** - careful use of resources to save expense, time or effort ('spending less')
 - **Efficiency** - delivering the same level of service for less cost, time or effort ('spending well')
 - **Effectiveness** - delivering a better service or getting a better return for the same amount of expense, time or effort ('spending wisely')
 - **Income generation** - creating new positive net income streams that bring in additional financial resources to further our charitable purposes.
- 4.3 **Value for Money commitments**
- 4.3.1 In order to achieve Value for Money and meet our obligations under the OfS public interest governance principles relating to Value for Money, the University has made four commitments, as approved by the Vice-Chancellor and endorsed by Audit and Risk Committee.
- 4.4 **Commitment 1 - The University is committed to ensuring Value for Money for students, taxpayers and the wider community and is always transparent and accountable in achieving this.**

- 4.4.1 We embed effective management and governance arrangements to support our objective of managing our resources effectively and efficiently and investing as much of our income as we can to deliver the highest quality education and student experience possible and achieve the greatest impact possible through our research. Our decision-making framework supports us in aligning resources with the intended quality of outcomes and to balance our operational priorities with our responsibility to ensure long-term organisational sustainability and success.
 - 4.4.2 We recognise the importance of transparency to our students and stakeholders, who need to see how their funds are spent to understand how they are receiving Value for Money and to hold us to account.
- 4.5 **Commitment 2 – The University is committed to delivering excellent outcomes for students**
 - 4.5.1 We invest as much income as we can to ensure the highest quality education for our students, to provide excellent experience, opportunities for participation and employment outcomes in return for their investment and hard work.
 - 4.5.2 We protect their interests as consumers and ensure that their degrees maintain their value over time.
 - 4.5.3 We work hard to make sure our campus and learning environment are inclusive and supportive for all students.
- 4.6 **Commitment 3 – The University is committed to delivering excellent outcomes for taxpayers and wider society**
 - 4.6.1 We invest as much income as we can to achieve the greatest impact possible through our research.
 - 4.6.2 The outcomes of our research and related activity will create new agendas, contribute new knowledge and provide new ideas and solutions that will help to shape the world.
 - 4.6.3 We recognise the importance of delivering graduates from all backgrounds who contribute to society and the economy, and in addition interact purposefully at a local, regional, national and international level and enable greater public understanding of science, technology, medicine, health, society, the arts and humanities.
- 4.7 **Commitment 4 - The University manages its resources according to the principles of economy, efficiency and effectiveness to ensure we eliminate unnecessary cost and effort and ensure the long-term sustainability of our operations.**
 - 4.7.1 We set and deliver against budget plans which ensure resources are prioritised and applied in an annual timeframe to support our longer-term objectives, including creating an operating margin for reinvestment to ensure longer term sustainability and impact. We diversify our income streams to bring in additional financial resources to further our charitable purposes.
 - 4.7.2 We invest in our staff to support excellence in our education, research and support services and recognise the importance of resilient physical and digital infrastructure and learning resources to our students and staff.

- 4.7.3 In our day-to-day and longer-term investment, we make our resources work harder, generating sustainable procurement efficiencies wherever possible and freeing up resource for investment elsewhere. We consider all decisions to ensure that the proposed way forward represents the most proportionate and effective approach to delivering the desired outcome.

4.8 Measuring and reporting Value for Money outcomes

- 4.8.1 Measures of success are built into proposals and plans, and Committees and decision-making bodies ensure that they are using internal and external information to measure and monitor both the way we apply our resources and the outcomes. We use this approach to determine if we delivered our intended outcomes and secured Value for Money and learn from this.
- 4.8.2 We use appropriate benchmarks, such as Transparent Approach to Costing (TRAC) to understand the cost of activities in comparison with other similar providers to help determine where we can improve the Value for Money to students and taxpayers.
- 4.8.3 We are transparent about how we deliver Value for Money for students and for taxpayers, publishing information on our income and expenditure to allow students and the public to hold us to account and challenge the way in which fees and funding are being spent.
- 4.8.4 The promotion of Value for Money is embedded in our executive, and academic and corporate governance structures and in our decision-making arrangements. All relevant decision-making bodies address their roles in delivery of Value for Money in their terms of reference and report annually on their performance.
- 4.8.5 Audit and Risk Committee and the Vice-Chancellor receive reports from our internal auditors on the outcome of Value for Money reviews and ensure that recommendations are acted on. Informed by an annual report from the Vice-Chancellor, Audit and Risk Committee provides an annual opinion to Council on the adequacy and effectiveness of the arrangements to deliver our stakeholder Value for Money commitments, and for promoting economy, efficiency and effectiveness.

5. LEGISLATION AND GOOD PRACTICE

- 5.1 The OfS public interest governance principles VI and XII³ detail Value for Money requirements for all higher education providers. The OfS publication 'Value for money - what should providers do?'⁴ gives guidance to providers on Value for Money in the context of education quality and outcomes; consumer protection; and fees, funding and efficiency.

Review / Contacts / References	
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³ <https://www.officeforstudents.org.uk/publications/regulatory-framework-for-higher-education-in-england/annex-b-public-interest-governance-principles/>

⁴ <https://www.officeforstudents.org.uk/for-providers/student-protection-and-support/value-for-money-what-should-providers-do/>

	Version 2: November 2022 Version 1: November 2020
Next review date:	July 2027
Related internal policies, procedures, guidance:	Value for Money in day to day purchasing – a guide for University staff – Under review Value for Money checklist for Committees, boards and decision making groups – Under review Value for Money checklist for major projects – Under review
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