

# Value for Money update for Heads of School, Directors of Professional Services and senior staff, June 2022

## Context

I wrote to Heads of School and Directors of Professional Service with a short guide to Value for Money (VfM) in April last year – you can find the guide [here](#). It sets out the OfS understanding of VfM, the University VfM commitments and some sector examples to illustrate the different elements of our VfM definition.

## Current position

The OfS requires Council to ensure that the University uses public funds for proper purposes and seeks to achieve VfM from public funds. For this purpose the University Audit and Risk Committee (ARC) report to Council on the adequacy and effectiveness of the University's arrangements for VfM and carry out oversight and monitoring to support this. The VfM objectives set for us by ARC remain to:

- Embed Value for Money in decision making and ensure it is evidenced
- Embed Value for Money in University culture and demonstrate the outcomes.

We have established some strong foundations and good practice in the University (some examples of progress this year are set out in Appendix 1).

## Risk of challenge

It is the view of the General Counsel that were there to be a challenge on the basis of VfM at the moment it would most likely come from the student body (or their parents) around teaching arrangements during industrial action. This would be subject to our usual assessment of course delivery and student engagement to assess impact and whether any compensation should be paid.

## Action for Heads of School, Directors of Professional Services and Senior Staff

We are all engaged in a learning process and the support, challenge and leadership of senior leaders and staff will continue to be essential to move us forwards. This group is asked to continue to promote understanding of VfM and to support good practice in decision making within the University governance structures:

### Staff understanding:

The [text that I provided](#) for you to send to your staff in May explains what VfM means practically in our day today roles. The key messages are that

- VfM means treating all of our resources (including time, space and technology) with respect and applying them the best interests of our stakeholders
- University policy, process and guidance is designed to support VfM.

### VfM in decision making:

Heads of School and Directors of Professional Services are asked to support the use of the GCGC cover sheet (which can be found on the [GCGC webpages](#)) at the University committees they chair or attend. Use of the template is a University requirement for all University Committees and its use with regards to VfM will help develop our thinking and provide evidence that we are embedding VfM in decision making. Our current VfM checklist is being improved and will be circulated soon, however in the meantime some VfM 'prompts' are attached to this document (Appendix 2).

## Appendix 1 - Examples of progress since April 2021

### Establishing where we are culturally and addressing issues

- Structured interviews carried out with all Heads of School, Directors of Professional Services or their nominees indicated a level of good VfM care and practice in their areas of responsibility, although none labelled it as Value for Money, using terms including '*spending wisely*', '*following the rules*', '*making the most of what we have*', '*evidence-led working*', '*common sense*', '*spending like it's your money*'.
- A number of themes emerged including the need to build VfM considerations into our day to day working and not create an 'industry' around it. A number of perceived challenges to VfM were also flagged. These have been shared with the relevant UEG 'sponsors' and most are already being prioritised in current work plans.
- The Value for Money Policy has been reviewed to reflect some feedback received. Further comments are welcomed before Audit and Risk Committee are asked to approve it in the autumn.

### Students

- Student focus groups were organised in May – although on a very small scale we hope these will help us to better understand student perceptions of VfM, particularly 'post lockdown', and help us to make our student facing VfM web content more relevant.

### Articulating VfM and embedding it in the way we work

- 'Sponsors' for our six headline VfM commitments have been agreed within UEG and are responsible for identifying appropriate indicators and performance measures across our VfM commitments.
- Value for Money considerations around OfS definitions of VfM e.g. employability, use of our resources and long term sustainability have been reinforced in Portfolio Approval Committee (PAC) templates and supporting tools and within the Annual Portfolio Review which was reintroduced this year.
- The Size and Shape programme has enabled strategic decision making, incorporating VfM principles which continue to be embedded in the evolving good practice in Sussex Projects.
- Our planning and budgeting processes have continued to evolve. In addition to the strategic organisational benefits, by translating our thinking into financial plans we provide staff with a framework within which they can operate day to day, being confident that they are applying financial resources in accordance with priorities.
- A one page guide to VfM for the c 2800 staff involved in day to day purchasing was made available to staff in May (within the annual responsibility information Heads of School and Directors of Professional services were asked to circulate).

## Appendix 2 - VfM considerations for committee papers

The [cover sheet](#) includes a section ‘to flag if [VfM] is relevant for the recommendation in this paper’ and ‘if necessary include a specific section in the covering narrative’.

If a paper is with a University Committee its likely there will be VfM implications:

What	Vfm relevance	Things to think about
Starting new activity/project	Achieving outcomes that are important to us/ our stakeholders using University resource	<p><b>Outcomes</b></p> <ul style="list-style-type: none"> <li>• Fit with our priorities/how important is it/what’s the right timeframe</li> <li>• Measurable baseline and outcomes - where we are now and the outcomes we want – we’ll need to be able to measure success</li> <li>• How will it impact our stakeholders</li> </ul> <p><b>Resources and delivery</b></p> <ul style="list-style-type: none"> <li>• How much resource do we need – consider all resource, not just £</li> <li>• Is resource proportionate to the outcomes, not too much or too little – are there internal and external benchmarks or experience to support this</li> <li>• Why is this the best way to achieve the outcomes/solve the problem</li> <li>• How will we get the best from our resources (e.g. procurement processes, project management, consult experts, free up staff with the right expertise, learn from what we’re already doing well or past experience, share, take a staged approach....)</li> </ul> <p><b>Risk</b></p> <ul style="list-style-type: none"> <li>• Have we identified all of the risks re quality and timing of outcomes and resource needed. Are we managing risk proportionately?</li> </ul> <p><b>Performance</b></p> <ul style="list-style-type: none"> <li>• Who will make sure we stay on track and measure success</li> </ul>
Stopping an activity	<p>May reduce income, increase risk, release some resource</p> <p>May still need to achieve outcomes.</p>	<p><b>Outcomes</b></p> <ul style="list-style-type: none"> <li>• What happens when we stop, what do we need to do about that</li> </ul> <p><b>Resources and delivery</b></p> <ul style="list-style-type: none"> <li>• What resources are released. Do we need different resource to deliver outcomes another way?</li> </ul> <p><b>Risk</b></p> <ul style="list-style-type: none"> <li>• Have we identified all of the risks. Are we managing risk proportionately?</li> </ul> <p><b>Performance</b></p> <ul style="list-style-type: none"> <li>• Who is monitoring what happens</li> <li>• How can we learn from this experience</li> </ul>
Performance and compliance target setting and monitoring	<p>Presumably has strategic or other value or why do we monitor?</p> <p>May indicate poor performance, risk, changed resource requirements</p> <p>Learnings may support decision making in other areas</p>	<p><b>Outcomes</b></p> <ul style="list-style-type: none"> <li>• Why are these the right measures and targets/what do they tell us</li> <li>• What happens if we don’t make or exceed our targets (e.g. financial and reputational consequences of non-compliance, allocate resource elsewhere if more successful than expected)</li> </ul> <p><b>Resources and delivery</b></p> <ul style="list-style-type: none"> <li>• If we are doing better or worse than we expected/need do we need to invest more/less resource or do things differently?</li> <li>• Is there a ‘cost’ to the monitoring activity itself, is it justified?</li> </ul> <p><b>Risk</b></p> <ul style="list-style-type: none"> <li>• What risk can we see, have we got a proportionate response</li> </ul> <p><b>Performance</b></p> <ul style="list-style-type: none"> <li>• Are we on track/did we succeed</li> <li>• Who is responsible for any future action, lessons learned</li> </ul>

