

Dear colleague

In view of the general exhaustion we are all feeling after such a challenging few months we've held off on Finance communication and reduced what we're sending you to the basics this month.

### **Value for Money**

I am attaching a short Value for Money briefing note with 1 page of essential reading (and further information in appendices should you want it). I'd be grateful if you could read this page and nominate a member of staff to help identify current VfM practice to demonstrate the extent to which VfM is already embedded across the University. It is expected that this will require a maximum of 2-3 hours input.

### **Anti-Facilitation of Tax Evasion**

The risk register and a PDF version of our e-learning has been uploaded into the box file for the cancelled single-subject PSLT scheduled for April 29<sup>th</sup>. The planned risk focussed session will be re-organised for a future date to bring the subject to life a bit more, noting that we have already engaged with the senior teams in the most high-risk areas.

You and your staff have also been enrolled on our Anti Facilitation of Tax Evasion E-Learning Course (which can be accessed via [LearnUpon](#)).

### **Reminder of financial responsibilities and other information for all staff**

I'd be grateful you could circulate the attached text to your staff in some form – it contains an important reminder of their responsibilities under the Financial Regulations, which in turn enables Directors of Professional Services to meet one of their responsibilities, as well as useful links and information. It also draws the attention of staff to the University [Value for Money Policy](#).

### **Updated Engagement Roadmap**

We have made some small updates to our engagement roadmap, which I have attached for your information.

Best regards,

Allan Spencer, Director of Finance

## Value for Money (VfM) briefing note for Heads of School and Directors of Professional Services

*'Our overall strategic aim is to achieve a world-class standard of teaching and research by managing our resources effectively and efficiently'*

[\(University of Sussex Value for Money Policy\)](#)

### Request to Heads of School and Directors of Professional Services

This document summarises the position of the University regarding Value for Money (VfM).

Heads of School and Directors of Professional Services are asked to read page 1 of the document and nominate a member of staff with a broad knowledge of activities in their areas to identify current VfM practice. This will enable us to demonstrate the extent to which VfM is already embedded across the University. It is expected that this will require a maximum of 2-3 hours input.

We will follow up with you individually to discuss any queries or concerns you may have. Alternatively, please email the name of an appropriate contact to Sian Thomas or your Finance Business Partner.

NB Further detail to support the key points is contained in appendices 1,2,3 attached.

Sian Thomas, April 2021

## 1. OfS Value for Money requirements

The OfS requires universities to ensure VfM for students and the tax payer in return for their investment, with their understanding of VfM expressed in terms of outcomes and inputs:

- **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.

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 lockdown – CMA analysis has been prepared to address this. However, it is clear that, however VfM is framed, we have a responsibility to students and tax payers to treat their resources with respect and ‘make the most of them’, and we need to be able to demonstrate this.

## 2. The University’s commitments

Our VfM policy states that ‘Our overall strategic aim is to achieve a world-class standard of teaching and research by managing our resources effectively and efficiently’.

Our commitments within the policy are:

- The University is committed to meeting the [VfM] requirements of the Office for Students
- The University is committed to clear outcomes for students in exchange for the effort, time, and money they invest
- The University is committed to clear outcomes for taxpayers
- The University invests as much of its income as possible to deliver the highest quality teaching and achieve the greatest impact possible through its research by aligning the level of resources applied with the intended quality of the outcome
- The University manages its resources to deliver VfM and monitors our success in delivering it
- The University is transparent and accountable.

## 3. Putting VfM into practice and next steps

Value for Money starts with putting outcomes for our stakeholders at the centre of our planning, decision making and day to day practice in teaching, research and professional services.

VfM decision-making is underpinned by three considerations:

- i. determining what objectives and **outcomes** we want to achieve, understanding their importance and articulating them in a measurable way
- ii. making sure that the **resources** we are applying are proportionate to the outcomes and are well managed
- iii. reviewing **performance**, sharing this and learning from our experience.

Our immediate priorities are:

- for staff to understand their roles in achieving VfM, which means addressing the widely held belief that VfM is about finding the cheapest option or looking for ‘cuts’
- to identify and record where VfM practice is happening so that we can demonstrate that VfM is genuinely embedded across the University.

Future action may be required to address any ‘gaps’ identified whilst addressing these priorities.

## Appendix 1 – VfM Policy, context, and commitments

1. The University has a VfM action plan overseen by Audit and Risk Committee (ARC) who also report to Council annually on our arrangements to ensure VfM.

The objectives agreed with ARC, and around which the plan is built, are to:

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

- 1.1 The first step has been the introduction of a Value for Money Policy which came into effect in January 2021. The policy sets out the University VfM strategy and objectives in terms of outcomes and inputs, as above:

- *‘Our overall strategic aim is to achieve a world-class standard of teaching and research by managing our resources effectively and efficiently’.*

- 1.2 In the VfM policy we make 6 basic commitments to what we will do, and how we will do it:

VfM Policy Commitment	Comment
<b>The University is committed to meeting the requirements of the Office for Students</b>	
<p>The University will always endeavour to meet OfS requirements with regards to VfM.</p> <p>The University will align its approach to VfM with the Office for Students’ Value for Money strategy.</p>	<p>The OfS VfM strategy requires that those receiving OfS and UKRI funding must demonstrate ‘that they have adequate and effective arrangements in place to manage public money appropriately and in accordance with the principle of Value for Money – it must be used economically, efficiently and effectively’.</p> <p>There are also a number of relevant public interest governance principles which apply.</p> <p>Council are required to ensure requirements are met and report annually to the OfS.</p> <p>Council and ARC are satisfied with our current policy and approach and recognise that the University is evolving its practice with regards to VfM according to the plan they oversee.</p>
<b>The University is committed to clear outcomes for students in exchange for the effort, time, and money they invest</b>	
<p>The University will provide students with:</p> <ul style="list-style-type: none"> <li>• a transformative, high quality education and learning experience that will allow them to realise the futures that they want and to the benefit of society as a whole</li> <li>• high quality teaching and an excellent teaching and learning experience</li> <li>• positive employment outcomes</li> <li>• the skills needed to become the high-quality labour force and leaders required for the future development of the UK’s economy and society</li> </ul>	<p>The VfM policy aligns with the expectations of the QAA revised Quality Code relating to quality and standards that providers should ensure high-quality academic experiences for their students. The two relevant expectations are:</p> <ul style="list-style-type: none"> <li>• courses are well-designed, provide a high-quality academic experience for all students and enable a student’s achievement to be reliably assessed</li> <li>• from admission through to completion, all students are provided with the support that they need to succeed in and benefit from higher education.</li> </ul>

<p>The University will maintain the value of a Sussex degree over the long term.</p> <p>The University will ensure consumer protection to students.</p>	<p>Our challenge is to ensure that all these commitments are demonstrably embedded in the relevant decision making and practice across the University, and to demonstrate the outcomes.</p>
<p><b>The University is committed to clear outcomes for tax payers</b></p>	
<p>The University understands that the interests of students and taxpayers are often most closely aligned when graduates progress into employment. The University is committed to ensuring positive outcomes for individual students to ensure that taxpayers receive Value for Money.</p> <p>The University is committed to ensuring that our research will create new agendas, contribute new knowledge, and provide new ideas and solutions that will help to shape the world (Research with Impact).</p> <p>The University is committed to bringing benefits to society at large (Engage for Change).</p>	<p>Our challenge is to ensure that all these commitments are demonstrably embedded in the relevant decision making and practice across the University, and to demonstrate the outcomes.</p>
<p><b>The University invests as much of its income as possible to deliver the highest quality teaching and achieve the greatest impact possible through its research by aligning the level of resources applied with the intended quality of the outcome</b></p>	
<p>The University will align the level of resource provided to support an activity with the quality of the outcome to ensure Value for Money.</p>	<p>We need to eliminate unnecessary risk and spend that diverts our resources away from high quality teaching and impactful research.</p> <p>The less well understood challenge is that we need to demonstrate that we allocate our income <i>proportionately</i> according to the relative importance of what we are aiming to achieve - historically most organisations have spent a lot of time on quantifying inputs and working out how to use them but much less on defining and prioritising the outcomes for stakeholders first.</p> <p>To demonstrate VfM the University, its schools and services will need to be really clear on priorities and ensure the right level of resources is agreed through the planning and budgeting process, or in developing a business case. Once this is done staff in their day to day roles can rely on financial budgets and plans providing a measurable framework to align resource usage with desired outcomes.</p>
<p><b>The University manages its resources to deliver VfM and monitors our success in delivering it</b></p>	

<p>VfM principles will be integrated within all management, planning and review processes and in all cases University resources will be employed in accordance with the principles of:</p> <ul style="list-style-type: none"> <li>• Economy - careful use of resources to save expense, time, or effort ('spending less')</li> <li>• Efficiency - delivering the same level of service for less cost, time, or effort ('spending well')</li> <li>• Effectiveness - delivering a better service or getting a better return for the same amount of expense, time, or effort ('spending wisely').</li> </ul> <p>Our definition of Value for Money also includes the application of resources for 'Income generation' to bring in additional financial resources to further our charitable purposes.</p> <p>In its VfM approach the University is also mindful of the importance of 'Equity' – the extent to which services are available to and reach all people for which they are intended ('spending fairly') and expects that specific bodies and roles within the University will also consider it in their decision making and resource allocation.</p> <p>Appropriate benchmarks, such as Transparent Approach to Costing (TRAC) will be used 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.</p>	<p>The policy is clear that both 'effectiveness' and 'equity' do not generally result in a direct financial saving but again may enhance strategic, financial, operational and reputational performance over time.</p> <p>There is a challenge for the wider University community to recognise that Value for Money is not just about looking for the cheapest option, and that it's not about 'money' in many cases. We need to develop examples, measures and indicators that are relevant to all areas of operations which can only be done effectively by those who have a good understanding of their area of responsibility.</p> <p>(see appendix for examples of categorisation of the VfM application of resources)</p>
<b>The University is transparent and accountable</b>	
<p>The University expects that everyone takes responsibility for considering VfM in whatever role they play. This includes staff, students themselves and other stakeholders.</p> <p>The University will provide clarity of responsibility for the achievement of Value for Money and ensure that:</p> <ul style="list-style-type: none"> <li>• all staff recognise their continuing responsibility to seek VfM as they carry out their roles</li> <li>• all relevant decision-making bodies address their responsibilities in delivering Value for Money.</li> </ul> <p>The University promotes transparency, accountability and consequently, Value for Money.</p> <p>The University will act on the outcome of internal reviews and recommendations in relation to VfM.</p>	<p>As a University which is registered with the Office for Students (OfS) we must be transparent about how we deliver Value for Money and publish clear information about how we ensure it.</p> <p>We already publish financial information to allow students and the public to hold us to account and challenge the way in which fees and funding are being spent.</p> <p>We also need to be able to demonstrate transparency and accountability in our decision making:</p> <ul style="list-style-type: none"> <li>• visibly considering outcomes for students and the taxpayer from the start, addressing the importance of intended outcomes, providing measures of their impact</li> <li>• being clear why the level of resource is 'right' – supported by e.g. current and historic experience, external benchmarks, professional advice</li> <li>• being clear how we'll get the best from the resources once we commit them</li> </ul>

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|  | <ul style="list-style-type: none"><li>• addressing risk - should we invest more or differently to increase the likelihood of success?</li><li>• explaining the options</li><li>• being clear who is accountable</li><li>• ensuring performance is measured to determine if intended outcomes were delivered as planned for, making changes to reflect the review, and learning from this.</li></ul> |
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## Appendix 2

### 1. Putting VfM into practice and demonstrating this

There is already a lot of good VfM practice in the University, for example:

- We have articulated our priorities and goals in the Sussex 2025 framework and recognised when it was published that ‘by working towards a shared vision and having an understanding of our common goals, we [would] prioritise our efforts to deliver our objectives’. Aligned with this commitment we are undertaking the ‘Size and Shape’ programme which aims to ensure Sussex can be a University with the best possible environment for research and scholarship and that our education is both outstanding and responds to what students want to study. It will also ensure that we are able to generate sufficient surpluses to invest in our physical and digital infrastructures and help us get closer to our strategic goals.
- We have robust governance and management around projects and the Project Review Group will ensure that appropriate resource is available for projects and that we are delivering Value for Money.
- We already have comprehensive policies and procedures that have been designed to deliver VfM by e.g. being simple to follow, minimising risk and securing the right outcomes for the University. In many cases training and other resource is available to support staff understanding and decision making and there is often monitoring of compliance to identify areas of risk. This means that on a day to day basis VfM can largely be achieved by following policy and process, completing training, and asking for advice from expert services where relevant (e.g. HR, OGGC, Finance etc.).
- We have an evolving and effective integrated planning and budgeting process which ultimately translates strategic and operational priorities into financial plans where appropriate levels of resource are allocated in a measurable framework. This should ensure that on a day to day basis resources are committed according to agreed priorities, and that material variances to those plans are appropriately understood and authorized again supporting the delivery of good VfM.

1.1 However, whilst VfM is often implicitly embedded into ways of working we still have some way to go to ensure all staff explicitly understand VfM to the point where it is ‘embedded in our culture’ and to demonstrate that VfM is actively considered in making decisions and in reviewing the success or otherwise of those decisions, as well as demonstrating the impacts of our VfM practice.

1.2 As yet the University community does not consistently recognise that Value for Money is not just about looking for the cheapest option, and that it’s not about ‘money’ in many cases. In particular the importance of putting outcomes for our stakeholders at the centre of our planning, decision making and day to day practice in teaching, research and professional services is often not as explicit as it needs to be. Whilst there is good practice around reviewing performance and learning from our experience there doesn’t appear to be a single place where this is known and recorded, meaning that it is currently not possible to demonstrate consistent VfM practice.

1.3 With the exception of financial performance and procurement savings our current VfM reporting is largely case study based and ‘anecdotal’ and often lacks measures of impact.

1.4 University committees have recently adopted standard VfM responsibility wording in their terms of reference, and UEG and council committee papers are explicitly required to address VfM considerations but the practical application of these changes, including within schools and services, is still being worked through.

1.5 Ultimately, we will need to demonstrate that all areas of the University and the relevant decision-making bodies have adopted the principles and requirements of good VfM and embedded them in their activities to best effect.

### 2. VfM Action plan:

2.1 Our key priority for 2020/21 is to embed a good understanding of VfM in our culture so that we are all mindful of VfM in our day to day roles, can identify and address weaknesses and promote challenge and improvement:



- University communications are gradually adopting the language of VfM and linking to relevant documents e.g. VfM Policy where appropriate. This may be followed by a more direct communication in the coming months emphasising the principles:
  - Value for Money starts with putting outcomes for our stakeholders at the centre of our planning, decision making and day to day practice in teaching, research and professional services
  - VfM decision-making is underpinned by three key stages
    - determining what objectives and **outcomes** we want to achieve, understanding their importance and articulating them in a measurable way
    - making sure that the **resources** we are applying are proportionate to the outcomes and are well managed
    - reviewing **performance**, sharing this and learning from our experience.
- Staff with purchasing and authorising responsibilities will receive a reminder on how to achieve VfM in purchasing, from the Director of Finance in the next few weeks.

2.2 Our second priority is to understand and ‘make the most of’ what we have already – establishing what good practice already exists in schools, services and University committees so that we can document and reflect this in our reporting and begin to identify where we can improve if necessary.

2.3 During 2021/22 we will consider whether further work is needed to build on the VfM policy and/or develop our practice. We will need to work together to ensure there are practical and relevant indicators of VfM in place.

**Appendix 3 - Examples of VfM application of resources in the sector**

	<b>Economy</b>	<b>Efficiency cash-releasing</b>	<b>Efficiency time-releasing</b>	<b>Efficiency space-releasing</b>	<b>Effectiveness</b>	<b>Income generation</b>	<b>Equity</b>
<b>Teaching</b>							
Promoting effective teaching practice through staff development schemes, support for professional recognition and teaching prizes and award schemes.					x		
Reviewing the institution’s course portfolio against quality and financial sustainability metrics, to identify which courses to close, which to improve and which to expand.	X	X	x	x	x	x	x
Using learning analytics to identify students who are not engaging effectively with their studies and to instigate timely and targeted support.	X				x		X
<b>Collaboration and sharing</b>							
Promoting the effective utilisation of research facilities and equipment by engaging with other institutions to develop suitable sharing protocols, arrangements, and equipment databases.	X				x		
<b>Information technology</b>							
Greater scrutiny of proposed information technology development projects to ensure that they promote the achievement of the institution’s aims and that they represent Value for Money.	X	X	x	x	x	x	x

## Text for staff

### Reminder of your responsibilities under the Financial Regulations

If you are a member of staff, or someone with a contractual relationship with the University, you have responsibilities under the Financial Regulations even if you don't do anything finance-related in your day to day work.

We all need to

1. comply with the [Financial Regulations](#) and all policy and procedures, so it's really important to understand what they mean for you
2. act in accordance with University standards of conduct always, notably
  - comply with the [Anti-Bribery Policy](#)
  - declare and avoid potential [conflict of interest](#)
  - act in good faith and in the best interests of the University
3. be responsible for the security of the University's property in our control, avoid loss (including reporting suspected fraud as soon as possible), use resources efficiently, and ensure Value for Money in the University's transactions.

Finance e-learning is also available for you to complete in your own time. The [Finance Essentials course](#) contains a good summary of financial responsibilities and what they mean.

### Value for Money

The University has a new [Value for Money \(VfM\) Policy](#) which sets out our commitment to making sure we use our resources to get the best outcomes for our students and the taxpayer. Demonstrating the achievement of VfM is a regulatory requirement which is relevant to us all, whether or not we are involved in 'money'.

### Criminal Finances Act

The Criminal Finances Act applies to all companies and organisations in the UK and aims to crack down on tax evasion by holding organisations to account

To address this the University has launched an [Anti-Facilitation of Tax Evasion Policy](#) (which you can find on the Finance website) and an E-Learning Course (which can be accessed via [LearnUpon](#)).

I will be identifying staff in relevant roles who need to undertake the e-learning but I would encourage everyone to complete it, so they are aware of what it means to them, and how to raise concerns.

### Additional Improvements

#### Finance Service Desk – New Email Address

The Finance Service Desk has progressed onto a same ticket management system (Ivanti) as ITS and there is now a new email address to be used when contacting the team - [FinanceServiceDesk@sussex.ac.uk](mailto:FinanceServiceDesk@sussex.ac.uk).

Please use this address when raising any new tickets with the Service Desk. If you have tickets in progress you do not need to re-raise these.

As a reminder, you can contact the Finance Service Desk either on the email above, or by calling 01273 87(7172) between 8.30am and 5pm.

#### New Visitor and Student Expense Form

A new [Visitor and Student Expense form](#) has been launched in an editable PDF format. It is structured to be clearer and easier to complete should help avoid any delays in reimbursement by ensuring a claim includes all required information.

Please ensure that you use this form from now on and delete any local copies you may hold.

#### Brexit – Information for Staff

The information and guidance on the University's [Brexit Information for Staff webpage](#) on purchasing goods and insurance has been updated. Please take a moment to read these pages if you are involved in importing goods from EU member states or are likely to be travelling in Europe on University business.

#### Finance inductions, 'refreshers' and other support

The Finance Service Desk provide a 15-minute finance induction for all new staff who have any financial responsibilities, before finance systems access is allowed. However, any member of staff can request a refresher on financial responsibilities, policy, or processes – either as an individual session or for their team.

The service desk is also happy to book longer calls via telephone or teams to talk you through any finance queries or transactions as well as supporting through their usual telephone and emails service.

Please contact the Finance Service Desk if you think this might be useful for you.

2020/21 Finance 'Road Map' for Directors of Professional Services – Updated January 2021

	May	June	July
<b>Financial Responsibilities and Financial Literacy</b> (lead contact Sian Thomas)	Directors of Professional Services receive email text to send to their staff including: <ul style="list-style-type: none"> <li>• annual responsibility reminder for all staff</li> <li>• awareness of new Value for Money Policy and Anti-Facilitation of Tax Evasion Policy</li> <li>• signposting to literacy and other support.</li> </ul> Directors of Professional Services receive draft agenda and invitations for Finance workshops (including Financial responsibilities and delegations, procurement update, other items of interest)  <i>Finance can offer bespoke workshops to Directors of Professional Services and their staff on request</i>	Workshops for Directors of Professional Services (and nominated deputies).  Directors of Professional Services complete literacy and responsibilities self-assessment to inform future support and provide ARC assurance (as in 2019/20).  Finance can extend this to senior teams on request.	Directors of Professional Services receive email text to send to staff with a reminder of their year-end responsibilities.  <i>Finance can offer bespoke workshops to Directors of Professional Services and their staff on request.</i>
<b>Anti-Facilitation of Tax Evasion Policy/Criminal Finances Act</b> (Carey McLaughlin)	Directors of Professional Services receive short contextual training regarding Criminal Finances Act (CFA) risk register to support understanding and awareness  Directors of Professional Services asked to: <ul style="list-style-type: none"> <li>• complete short CFA e-learning</li> <li>• nominate relevant staff for mandatory training.</li> </ul> Directors of Professional Services support compulsory training for relevant staff.	As May	As May
<b>Value for Money</b> (Sian Thomas)	Directors of Professional Services receive short introductory guide to VfM, building on November PSLT session.  Directors of Professional Services asked to work with Finance Business Partners to start to build on the introductory guide in the context of their Divisions.  NB: This is expected to be a gradual process lasting well into 2021/22 but it's important that we start to take steps to actively demonstrate how we ensure value for money to students and stakeholders.  Literacy self-assessment will include more specific value for money elements.	As May	As May
<b>Compliance</b> (Ian McKee)	Directors of Professional Services to act on issues where identified by Finance.	Directors of Professional Services to act on issues where identified by Finance.	Directors of Professional Services to receive annual compliance review outcomes.
<b>Delegations Review</b> (Heidi Jones)	Launch extension of 'group' authorisation for Professional Services to be ready for 2021/22 financial year.		
<b>IPBP</b> (Heidi Jones)	Directors of Professional Services receive questionnaire on Budget process for 21/22 to cover: <ul style="list-style-type: none"> <li>• process</li> <li>• support</li> <li>• awareness</li> <li>• suitability</li> <li>• compliance (FRG and VFM)</li> </ul> Final budget submitted for sign off.		

<b>Forecasts</b> (Heidi Jones)	Develop and sign off Professional Services Q3 forecast for 20/21.		
<b>Global Mobility, Tax and Social Security</b>  (Carey McLaughlin - Finance working with HR)	Directors of Professional Services to receive briefing on key exposures and practice requirements.	Actions and engagement via HR Business Partners and managers of staff.	Actions and engagement via HR Business Partners and managers of staff.