Value for Money Policy and Strategy

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A University document applies across the institution, is approved by a committee of Council or Senate and is held in the University Policy Directory on SharePoint.

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1 Introduction

1.1 Value for Money (VfM) might generally be said to be the achievement of the maximum benefit from the purchase and provision of goods and services within the resources available to the institution.

1.2 VfM is often referred to as the "three E's":

a. **Economy:** obtaining human and material resources at best value, taking both price and quality into account (doing things at best price)

b. **Efficiency:** converting these resources (inputs) into outputs (doing things the right way)

c. **Effectiveness:** applying those outputs to achieve the University's objectives (doing the right things)

1.3 The objective of this VfM strategy is to provide a guide to staff and members on how to secure and measure institutional effectiveness. Where appropriate it should be read in conjunction with the University's Procurement Policy.

1.4 The University of Hull recognises its responsibility to achieve value for money from all its activities, however they may be funded. Specifically, there is an underlying duty of care to ensure that public funds are spent on the purposes for which they are intended and that good value for money is obtained. The University also has a duty to deliver value to money to its students.

1.5 The University aims to offer its students a chance to grow and develop as a person and provides them with information on how it invests tuition fees, to ensure that they have a rich, varied and inspiring platform to achieve the careers and futures they want.

1.6 The University of Hull is committed to the pursuit of economy, efficiency and effectiveness as part of its institutional, academic and supporting strategies. It will continue to adopt good practice; it will incorporate VfM principles in all its activities; and it will always seek to find new ways of obtaining better VfM.

1.7 The principles embodied in this strategy document follow the guidance issued by Office for Students (OfS) to complement the Financial Memorandum and Accountability and Audit Code of Practice.

1.8 The simple principle that is applied to all of our work is to make the best use of the resources we have available in order to achieve the desired output and maximise the benefit achieved from that output, without detriment to the quality of our provision.

1.9 Work on value for money should also consider a fourth "E", that of ethics. The University's approach will be aligned with its work on social inclusion, financial ethics and tackling modern slavery.

1.10 Other policies related to VfM include:

a. Procurement Policy

b. Policy on Socially Responsible Investment

c. Ethics Framework

d. Anti-Slavery and Human Trafficking Policy

e. Policies on student experience (section on website)

2 Objectives

2.1 To achieve good VfM, the University of Hull has set itself the following objectives:

a. To integrate VfM principles within existing management processes by, for example, ensuring that all staff recognise their continuing obligation to seek VfM for the University as part of their routine activities;

b. To demonstrate to internal and external stakeholders that VfM is taken seriously throughout the University, including representing good VfM for its students;

c. To adopt recognised good practice so as to improve the University's operations, including e.g., guidance on VfM published by the OfS.

d. To undertake VfM studies on areas of activity identified as worthy of review;

e. To apply the lessons learned from investigations and reviews in certain areas, to other areas, in order to maximise the benefit of this work;

f. To challenge current practices and approaches in order to improve performance and position the institution to meet future challenges;

g. To benchmark the University's activities against other similar activities and organisations where this is considered useful;

h. To respond to new opportunities to enhance the economy, efficiency and effectiveness of activities;

i. To promote a culture of continuous improvement;

j. To ensure VfM activity aligns with the University's Ant-Slavery and Human Trafficking Policy

k. Include relevant reporting metrics within relevant performance indicators linked to institutional strategies or external reporting requirements, including relevant OfS Conditions of Registration

3 Responsibilities

3.1 Responsibility for pursuing VfM is shared by all staff and lay members of University committees.

A <u>Council</u>

3.2 The University Council is required by its Financial Memorandum with the OfS to deliver VfM from public funds and has overarching responsibility for ensuring that suitable arrangements for VfM are in place by reviewing the arrangements for managing the resources under its control. In practice, the Audit and Risk Committee will be the main channel for reporting on VfM to the Council and the University Leadership Team (ULT) will most obviously encounter VfM considerations in its work. However, all committees of Council should draw any significant VfM-related issues to the attention of the Audit and Risk Committee or Council.

B <u>Audit and Risk Committee</u>

3.3 The Audit & Risk Committee has a mandatory responsibility under Audit Code of Practice to report its opinion on the University's VfM arrangements annually to the

University Council. It will receive assurance that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.

C Internal Audit Service

3.4 The Internal Audit Service is responsible for including an opinion on the adequacy and effectiveness of the University's VfM arrangements in its annual report to the Audit and Risk Committee.

D Vice Chancellor

3.5 Executive responsibility for VfM resides with The Vice Chancellor, supported by the University Secretary, Registrar & Chief Compliance Officer.

E University Leadership Team

3.6 The University Leadership Team will have operational responsibility for developing the performance improvement and VfM arrangements and identifying resource requirements, co-ordinating and delivering work against this plan. This group work will be integrated into the planning, risk and reporting framework. Key areas to consider are (but not limited to):

a. Teaching (and student experience)

b. Research

c. Knowledge exchange

d. Workforce

e. Estates

f. Procurement

g. Financial performance

h. Collaboration and sharing

i. Information technology

j. Learning resources

4 Office for Students

4.1 When considering VfM the University will reflect the guidance for providers that is issued by the OfS (Appendix A), namely:

a. Teaching quality

b. Consumer protection

c. Fees, funding & efficiency

4.2 Further guidance from the Office for Students can be found on its website.[1]

4.3 In practice the University has a number of approaches including ensuring that its offer to potential students is presented in easy to understand English and is compliant with CMA guidance; it regularly reviews its approach to and compliance with the OfS Conditions of Registration; and that it has clear information available around its Access &

[1] Value for Money – what should providers do?: https://www.officeforstudents.org.uk/for-providers/student-protection-and-support/value-for-money-what-should-providers-do/

Participation Plan and its Student Protection Plan[2].

5 Approach

5.1 We will seek to achieve continuous improvement in the following ways:

a. Continually assess our performance against the agreed key performance indicators both at ULT and Council.

b. Regularly review the KPIs in order to ensure that the measures are appropriate and give a true indication of the performance of the University.

c. Introduce performance management targets into the personal objectives of the ULT, Executive Deans and Heads of Service where appropriate. The University's appraisal process will then enable progress against these targets to be monitored.

d. Benchmark our own performance against our KPIs externally, and internally by breaking these down (where possible) to academic and service function/department level.

e. Investigate areas where the benchmarks suggest that we are underperforming or underachieving to establish how we can revise our practices and approaches to improve our performance. Areas to review include NSS, league tables, TRAC, graduate outcomes

f. Undertake process improvement reviews in areas that have been assessed by management as falling short in terms of the benefit they are providing

g. Provide appropriate training and development opportunities in VfM techniques for managers

6 Reporting

6.1 The Chief Financial Officer and University Secretary, Registrar & Chief Compliance Officer will ensure the University's Annual Report and its Sustainability Report are prepared for submission to the Audit and Risk Committee. These will report on relevant VfM achievements, which will include reference to ongoing or routine activities that contribute to good VfM as well as any specific VfM projects. This will also include an annual Procurement Performance Report, to be considered by ULT and Audit and Risk Committee in the Autumn Term. The Audit and Risk Committee will obtain an annual opinion from the Internal Audit Service on the adequacy and effectiveness of the University's VfM arrangements.

6.2 All audit reports produced by the Internal Audit Service should, where relevant, give an opinion on VfM in relation to each audit carried out.

6.3 Any findings and recommendations arising from VfM activities will be fed into the annual Operating and Financial Review.

6.4 Progress against all actions arising from VfM activities will be tracked by ULT and included in reports to the Audit and Risk Committee

6.5 Information on the University's approach to VfM will be reported externally and reflect

[2] Policies and information: https://www.hull.ac.uk/policies-and-information

wider issues of VfM to students and external stakeholders.[3]

[3] How we spend your fees: https://www.hull.ac.uk/policies-and-information/general/how-we-spend-your-fees

7 Version control

Version	Author	Date approved	Relevant sections
2-01	Governance Officer	21/11/2024	New template; corrections
2-00	University Secretary, Registrar and Chief Compliance Officer	21/11/2024	Minor amendments
1-00	University Secretary and Chief Compliance Officer	29/11/2021	New document

8 Appendix A: Office for Students guidance

Teaching quality

Our evidence suggests that students feel that the quality of teaching, assessment and feedback are very important in demonstrating value for money.

We only register providers that meet our conditions for teaching quality and student support, as set out in our regulatory framework. We continue to monitor providers once registered and intervene where necessary.

What should providers do?

Registered providers must:

1. deliver well-designed, high-quality courses and reliably assess their students' achievements (condition B1)
2. support their students, from admission through to completion, so that they succeed in and benefit from higher education (condition B2)
3. deliver successful outcomes for all of its students that are valued by employers or enable further study (condition B3).

What does this mean?

Where we think that a registered provider may not be meeting the requirements for teaching quality we may ask our designated quality body, the Quality Assurance Agency External link (Opens in a new tab or window), to conduct a review.

We take the evidence gathered into account in assessing whether these conditions are met.

We also check that providers are delivering successful outcomes by monitoring data telling us whether students are completing their courses and progressing to professional jobs or postgraduate study.

Beyond the baseline for teaching quality

This regulation sets a minimum baseline for the quality and support that students can expect from registered providers. But we encourage providers to go beyond this.

The TEF encourages providers to enhance the quality of their teaching and student outcomes.

Consumer protection

Informed choice by students is essential in prompting providers to improve the value for money that they offer.

Good consumer information for students also helps them understand what they can expect from higher education.

What should providers do?

1. Under consumer protection law, providers must give students clear, accurate and timely information about their course.
2. As a condition of registration, a provider must demonstrate that in developing and implementing its policies and procedures, it has given due regard to relevant guidance about how to comply with consumer protection law (condition C1).

The Competition and Markets Authority (CMA) has published guidance for higher education providers External link (Opens in a new tab or window) about how consumer law applies to them.

Their guidance suggests that providers should tell students about the number and type of contact hours, and expected self-study time.

It also notes that providers must inform students about the total costs of a course, including fees and any necessary additional costs.

To comply with the law and the guidance issued by the CMA, providers must ensure that their contracts with students are clear, and that students are aware of surprising or important terms.

What does this mean?

We do not have the power to judge whether a provider is complying with consumer protection law – only a court can do that.

We identify concerns about consumer information through our own monitoring or information shared by the CMA and Office of the Independent Adjudicator (OIA) and intervene when appropriate.

Fees, funding and efficiency

Being able to see how their fees are spent is important to students. It allows them to understand whether they are receiving value for money and to hold providers to account.

For this reason, all registered providers must meet our requirements for transparency.

What should providers do?

1. Registered providers must have adequate and effective management and governance arrangements (condition E2). These arrangements must deliver in practice a set of principles – including being transparent about value for money for students.
2. We require additional transparency from providers wishing to charge higher level fees. These providers must submit a plan to us for approval, setting out how they will use this additional investment to improve equality of opportunity for underrepresented groups.

What does this mean?

One way that providers can satisfy our requirements is by regularly publishing clear information about how they ensure value for money, including income and expenditure data.

Where we identify providers who do not comply with our requirements about transparency, we may intervene by requiring plans for improvement.

Where we have concerns about a provider's efficiency, we can investigate the efficiency and effectiveness of a registered provider to assess whether they are providing value for money for students and taxpayers.