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Value for Money (VfM) briefing note for Heads of School

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([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, your Finance Business Partner.

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

Sian Thomas, April 201

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.

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'.

The University will maintain the value of a Sussex deg

	• addressing risk should we invest more or differently to increase the likelihood of success? • explaining the options • being clear who is accountable • ensuring performance is measured to determine if intended outcomes were delivered as planned for, making changes to reflect the review, and learning from this.

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 outcome 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 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.

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

	Economy	Efficiency cash-releasing	Efficiency time-releasing	Efficiency space releasing	Effectiveness	Income generation	Equity
Teaching							
Promoting effective teaching practice through staff development							