LIVERPOOL HOPE UNIVERSITY

VALUE FOR MONEY STRATEGY

Approved by:	University Council
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Context

The Higher Education sector is facing a period of unrivalled change following the introduction of funding changes in 2012/13, student number controls, teacher education changes etc. At the same time students are becoming more demanding and there is an increased level of competition across the sector with new entrants into the market such as Further Education Colleges and commercial entities offering alternative courses to traditional three year degrees.

Within the Corporate Plan for 2012 – 2016, Liverpool Hope University has outlined five corporate objectives:

- High quality academic pursuit
- Knowing our students 'one by one' – deepening the culture of the collegium
- A transformational experience for students and for all those we serve
- An enterprising University that is financially self-sufficient
- A distinctive place for learning

The Value for Money agenda will be a key enabler in helping the University to reach its targets. The University has limited resources and these resources need to be utilised as effectively as possible to support the attainment of the Corporate Plan.

The University is committed to ensuring that Value for Money principles is fully embedded within all processes and procedures of the University.

Principles of Value for Money

Value for Money is summarised by HEFCE as the assessment of:

> 'Whether or not an organisation has obtained the maximum benefit from the goods and services it both acquires and provides, within the resources available to it. Some elements may be subjective, difficult to measure, intangible and misunderstood. Judgement is therefore required when considering whether VFM has been satisfactorily achieved or not. It not only measures the cost of goods and services, but also takes account of the mix of quality, cost, resource use, fitness for purpose,

timeliness and convenience to judge whether or not, together, they constitute good value.' (HEFCE website)

There are three principles that need to be met to ensure that value for money is being achieved.

- Economy – careful use of resources to save expense, time or effort
- Efficiency – delivering the same level of service for less cost, time or effort
- Effectiveness – delivering a better service or getting a better return for the same amount of time, expense or effort.

The HEFCE identified that in many areas of the sector there is already 'good practice' or 'best practice' in place for a range of processes and procedure. Therefore, they recommend adoption of best practice from within the sector whenever possible as this should assist in achieving value for money and in demonstrating that value for money has been sought.

HEFCE also identified five areas which should be focussed on to assist in achieving Value for Money:

1. Clarification of objectives
2. Good planning
3. Openness and transparency of process
4. Compliance with Statutes and regulations
5. Risk assessment

Therefore, Value for Money is a set of principles and an approach to resource management not a cost saving, procurement focussed activity. It encompasses every process and procedure used across the institution and should be a fundamental consideration of all planning.

<u>Objectives of Liverpool Hope Value for Money Strategy</u>

a) To embed VFM principles into our existing management, planning, review and decision-making processes.
b) To seek out and where appropriate adopt recognised good or best practice across the sector
c) To identify topics for review through careful operational monitoring and analysis of the risks to VFM across the full range of operations
d) To challenge current practices and approaches in order to improve performance and position the institution to meet future challenges
e) To benchmark our activities against similar institutions where appropriate
f) To promote a culture of continuous improvement

Each year a number of activities will be identified and reviewed by a Value for Money Steering Group in order to progress the Value for Money agenda and assist the institution in the attainment of the Corporate Plan.

Roles and Responsibilities

Responsibility for ensuring that Value for Money is delivered across the University is shared by all staff.

Under the HEFCE Audit code of Practice there is a mandatory requirement for the University Council to ensure that the University is achieving Value for Money.

> 'The governing body of each higher education institution (HEI) must take reasonable steps to ensure that there are sound arrangements for risk management, control and governance and for economy, efficiency and effectiveness (value for money) within the HEI.' (Audit code of Practice – HEFCE Financial Memorandum)

This responsibility is delegated to the Audit Committee who must report each year to Council as to whether or not it is satisfied with the arrangements in place within the University to promote Value for Money.

The Vice Chancellor and Rectorate team are responsible for developing and implementing the Value for Money strategy. The operational responsibility for implementing the strategy and identifying areas for review and improvement will be delegated to a Value for Money Group who will report to the Senior Management Team on a quarterly basis.

The Internal audit service will review value for money activities as part of its annual audit plan.

Approach

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

- Continually assess our performance against agreed performance indicators at senior management team
- Introduce performance improvement targets for every area
- Benchmark our performance against external performance indicators and investigate areas where we fall short
- Undertake departmental reviews on a five year cycle to ensure that processes and procedures are still fit for purpose (may be done more frequently if an issue is identified)
- Provide training and development opportunities in Value for Money thinking and appraisal techniques

Our approach will be informed by use of data from a range of sources both internal and external.

Reporting

The Value for Money Group will report to the Senior Management Team on a quarterly basis to provide an update on its activities.

The University will provide an annual Value for Money report to the Audit Committee. The Committee will also be able to gain assurance from reports throughout the year on operational matters.