

# Strategy

## Value for Money

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## Introduction

- 1 Bucks New University has had an explicit Value for Money (VfM) strategy since 2008, most recently updated by Executive Board in 2009. It follows the HEFCE's published guidance available [online](#).
- 2 The University is an educational charity that receives a substantial proportion of its funds from public sources. We seek to achieve VfM from all our activities, however they may be funded. The University's strategy is to embed value for money as part of our ongoing business processes and decisions and the purpose of this document is to outline the overall approach taken to the consideration, management and implementation of a Value for Money policy in the pursuit of the mission and strategic aims of Bucks New University.
- 3 We have an explicit duty imposed by the memorandum of assurance and accountability between HEFCE and Bucks New University, which sets out the terms and conditions for payment of HEFCE grants.

## Definition

- 4 Value for Money has three components, economy, efficiency and effectiveness. It is often wrongly simplified as lowest price or cost but this is a mistake and it is important to try to achieve an outcome that also recognises the efficiency of any process or function and its effectiveness.

## Value for Money Strategy

- 5 To achieve good VfM, we seek to:
  - a Integrate VfM principles within existing planning and review processes and embed the pursuit of economy, efficiency and effectiveness within operational management;
  - b Respond to opportunities to enhance the economy, efficiency and effectiveness of activities and adopt recognised good practice where this makes sense;
  - c Undertake VfM studies on areas of activity identified as worthy of review and apply the lessons learned to other areas of the University;
  - d Promote a culture of continuous improvement;
  - e Ensure that all staff recognise their continuing obligation to seek VfM for the institution as part of their routine activities;
  - f Benchmark our activities against other similar activities and organisations where this is considered useful.
- 6 A VfM policy is approved and communicated, establishing responsibilities for how VfM concepts and practices are allocated within Bucks New University.
- 7 VfM will be embedded into the strategy, culture and operations of Bucks New University, within an overall framework linking strategic priorities, risk, internal control, audit and performance management.

- 8 VfM principles will be integrated within existing planning and review processes and the pursuit of economy, efficiency and effectiveness will be embedded within operational management.
- 9 We will identify and respond to opportunities to enhance the economy, efficiency and effectiveness of activities and adopt recognised good practice where this makes sense.
- 10 We will embed the pursuit of increased efficiency and effectiveness while maintaining costs to affordable levels throughout all layers of management in Bucks New University.
- 11 We will promote a culture of continuous improvement, to challenge current practices and approaches to improve performance and position Bucks New University to meet future challenges.
- 12 We will ensure that all staff recognise their continuing obligation to seek VfM for the institution as part of their routine activities;
- 13 We will benchmark our activities against other similar activities and organisations where this is considered useful.
- 14 The Internal Audit service will provide opinion and guidance on VfM issues routinely, within reports prepared as part of their annual schedule.
- 15 The VfM Policy forms part of the internal control and governance of the University.

## **Governance, Management and Value for Money**

- 16 The University has adopted the CUC guidance on the operation of the governing body. Responsibility for pursuing value for money lies with all members of staff; in a formal sense, the following roles have been agreed:
  - a Council ensures that there are sound arrangements for risk management, control and governance, and for economy, efficiency and effectiveness. It keeps under review the arrangements for managing the resources under its control;
  - b The Vice-Chancellor is the officer designated by Council as responsible for satisfying the governing body that the conditions of the HEFCE Memorandum of Assurance and Accountability are being satisfied;
  - c Audit Committee receives assurance during the year that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. It maintains an overview and independent judgment on the effectiveness of the University's value for money arrangements. Its annual report includes its opinion of the arrangements for promoting economy, efficiency and effectiveness.
  - d Senior Management Team (SMT) is the formally constituted senior management team and is responsible to Council and Senate for the operation of the University including the use of key performance indicators, risk management and value for money activities. It submits an annual report on VfM to Audit Committee. VfM is specifically part of its terms of reference.
  - e Managers have the responsibility for reviewing and maintaining good practice in their own area of operation;

- f All staff should endeavour to seek and achieve VfM in all activities and to bring to management's attention any opportunities for improvement;
- g The Internal Audit Service considers VfM as an integral part of its work and carries out a small number of specific VfM reviews. The annual report from internal audit includes an opinion on the University's arrangements for securing value for money.