Title: Value for Money

TYPE:	Policy
PURPOSE:	The purpose of this document is to set out the College policy for the management of liquid resources.
SCOPE:	This policy applies to all staff
RESPONSIBILITY:	Vice Principal Finance

Note: Legal Context: Procurement legislation

Value for Money (VfM) Policy

1. Introduction

"Put simply, value for money (VfM) is about obtaining the maximum benefit with the resources available. Decisions about VfM are a daily reality in all our lives. We are constantly choosing which items or services to buy, and judging the right balance for us between quality and cost.

Solihull College & University Centre is no different. VfM is about achieving the right balance between economy, efficiency and effectiveness, spending less, spending well and spending wisely."

The College recognises its responsibility to achieve value for money from all its activities however they may be funded whilst still delivering excellence to its customers.

The College is committed to the pursuit of economy, efficiency and effectiveness as part of its corporate and academic strategies. It seeks to adopt good practice and incorporate VfM principles in all its activities. In reviewing VfM cost is measured as the whole life cost (WLC) of a product or service. VfM not only measures the cost of goods and services but also takes account of the mix of cost with quality, resource use, and fitness for purpose, timeliness and convenience to judge whether or not, together, they constitute good value.

The College will refer to projects and actions as related to VfM as 'Best Use of Resources'.

2. Objectives

The College is committed to:

- Integrating VfM principles within existing management, planning and reviewing processes
- Adopting recognised good practice where this makes sense

- Benchmarking the institution's activities against other similar activities and organisations where this is considered useful
- Responding to opportunities to enhance the economy, efficiency and effectiveness of activities
- Promoting a culture of continuous improvement
- Ensuring that all staff recognise their continuing obligation to seek VfM as part of their routine activities.
- Delivering the relevant priorities within the strategic plan
- Support of the Social Value Act 2012 where applicable

3. Framework of Control

    Solihull College & University Centre identifies several areas of control aimed at securing VfM including:

    - Measuring and evaluating learners progress and success rates
    - Business planning, including clear definition of objectives and targets
    - Use of contribution and 'value added' analyses
    - Comparison of results with benchmark figures or those achieved by similar organisations
    - Financial Regulations and Financial Procedures including competitive tendering arrangements
    - Budgetary control systems
    - Undertaking specifically identified VfM reviews and projects in response to the outcomes of the above

4. Responsibility

    The responsibility for achieving VfM lies with all managers and staff and is not restricted to those with resource or financial responsibilities.

    Managers have the executive responsibility to maintain an awareness of good practice in their own area of operation and to ensure that these are followed appropriately.

    All staff should endeavour to seek and achieve VfM in all activities and to bring to management's attention any opportunities for improvement.

5. Role of the Audit Committee

    The Audit Committee has the responsibility to advise the Corporation on the adequacy and effectiveness of the College's arrangements for securing economy, efficiency and effectiveness (VfM).
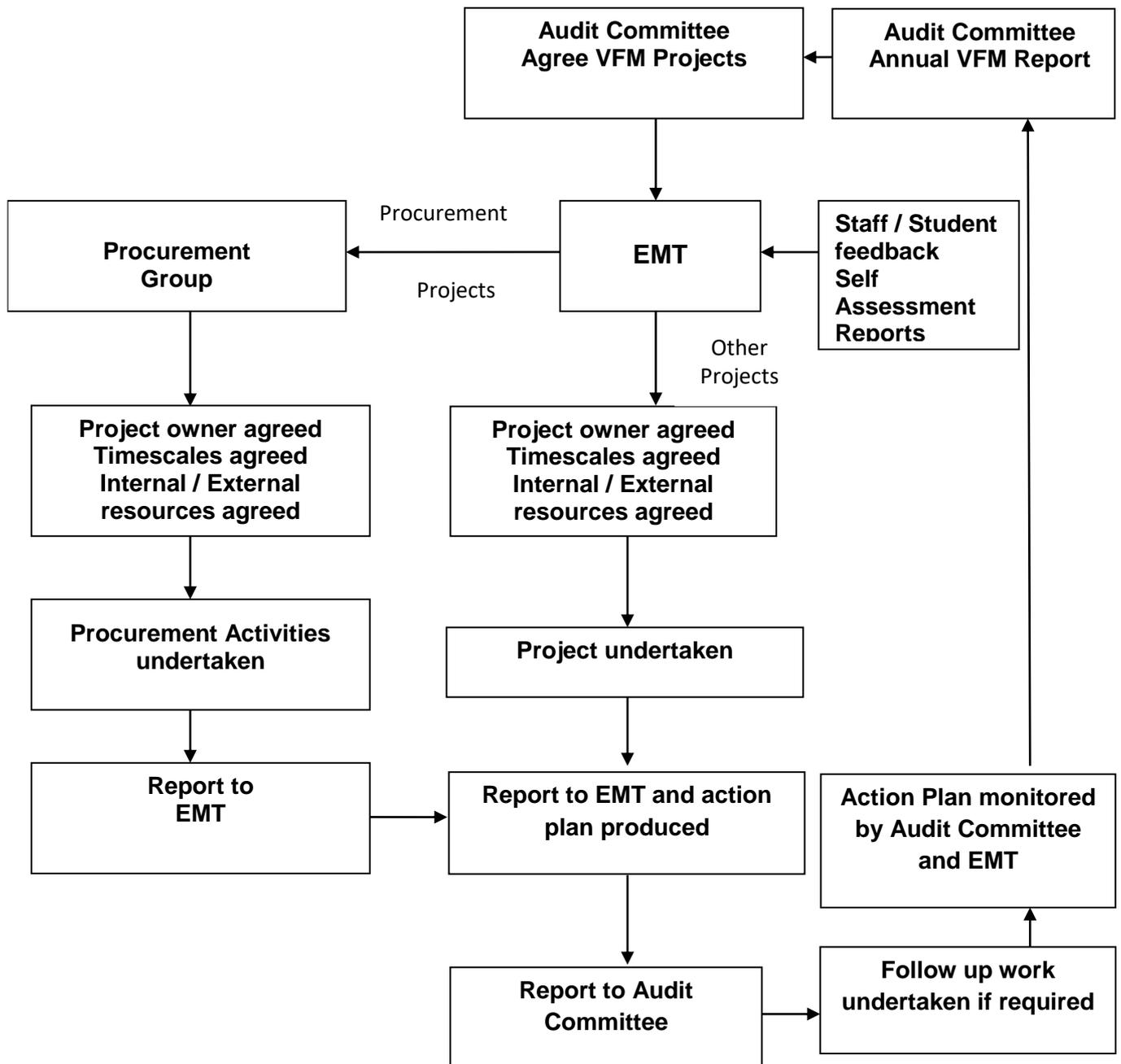
6. Role of EMT

    The EMT has overall responsibility to put arrangements in place to ensure that VfM is obtained.

7. Process (if required)

The below identifies these arrangements on the process of reporting, decision making and ongoing monitoring and evaluating where value for money projects are agreed by Audit Committee.

Value for Money Process

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┌─────────────────────┐                    ┌─────────────────────┐
│  Audit Committee    │◄───────────────────│  Audit Committee    │
│  Agree VFM Projects │                    │  Annual VFM Report  │
└─────────────────────┘                    └─────────────────────┘
            │                                          ▲
            ▼                                          │
   Procurement  ┌─────────┐   ┌────────────────────┐   │
┌────────────┐◄─│   EMT   │◄──│ Staff / Student    │   │
│Procurement │  └─────────┘   │ feedback           │   │
│   Group    │   Projects     │ Self               │   │
└────────────┘                │ Assessment        │   │
      │              Other    │ Reports            │   │
      ▼           Projects    └────────────────────┘   │
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Procurement	EMT	Other Projects	

Procurement → Procurement Group

Projects

Project owner agreed Timescales agreed Internal / External resources agreed	Project owner agreed Timescales agreed Internal / External resources agreed

Procurement Activities undertaken	Project undertaken

Report to EMT	Report to EMT and action plan produced	Action Plan monitored by Audit Committee and EMT

Report to Audit Committee	Follow up work undertaken if required

Author	Created	Approved by	Last Reviewed	Next Review Date
Heather Evans	2013	Corporation	Oct 19	Oct 20

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