

Value for Money Policy

Policy Statement

Halesowen College is committed to the adoption of good practice and the incorporation of a value for money approach to all its teaching, learning and other operating activities. The College recognises it has a responsibility to achieve value for money from all its activities, however they may be funded.

Purpose

This Value for Money (VfM) policy has the following purpose:

- consider and act upon the views of learners, employers and other partners about the suitability and availability of resources;
- ensure resources are managed and used for the different activities to ensure learner success;
- maintain the quality and availability of resources to support all learners;
- commit to managing resources in a sustainable way;
- ensure that all staff recognise their continuing responsibility to seek Value for Money as they carry out their roles and responsibilities;
- demonstrate to both internal and external observers that the achievement of Value for Money is sought in all activities undertaken.

The aim of this policy is:

- Define value for money.
- Specify the College's value for money objectives.
- Identify responsibilities.
- State how the College will review and report on value for money.

The value for money drivers for Halesowen College are:

- achievement of contractual targets
- student achievement rates to demonstrate quality.
- deployment of staff
- room usage
- class size
- contribution rates
- Customer (employer, learner, parental and community) satisfaction

Definitions

Halesowen College can demonstrate value for money when it uses grant income, tuition fees and other sources of income efficiently and effectively to deliver high quality education and training to learners from all backgrounds enabling them to contribute to society and the economy and to employers to enable them to bridge the skills gap and drive up their productivity.

- Economy means doing things cheaply and at the lowest cost.
- Efficiency means doing things well – an efficient organisation produces the maximum output within any given set of resources or similarly uses minimum resources to achieve a predetermined level of output.
- Effectiveness means doing the right things to optimize the impact of spending.

In terms of procurement, value for money is not therefore necessarily the lowest cost; all three measures must be considered to make the most appropriate purchase. Value for money goes beyond the price the College pays for goods and services, and in improving performance regarding value for money involves applying economy, efficiency and effectiveness across the whole College.

The College also needs to consider sustainability when making procurement decisions.

College Objectives

The overarching value for money objectives are:

- To ensure robust financial procedures and scheme of delegation for the control of all resources.
- To have clearly defined procedures for accounting for and reporting on all sources of income and expenditure.
- To ensure that the resources available are used in a manner which maximises their impact and contributes to the strategic objectives and transformational projects.
- To develop a framework which allows the College to respond to a changing and challenging environment.

Detailed objectives are as follows:

- Ensure all contractual targets are met or exceeded – i.e. the public purse is not funding activities which are not delivered.
- Education and training delivered has economic impact and relevance; supporting the priorities and WMCA and the LSIP whilst meeting the needs of learners.
- Success rates exceed national averages and are on a positive trajectory showing a high quality of delivery.
- To ensure that all budget holders fulfil their responsibilities regarding value for money and to ensure that College staff recognise the continuing obligation to seek value for money for the College as part of their routine activities.
- Ensure that budgets are used economically and for the designated purpose, also that best value is attained at all times.
- To routinely challenge purchasing decisions to ensure best value is being sought.
- Regularly monitor staff deployment to ensure that targets are being met and so that any remedial action can be taken promptly.

- Operate on an efficient class size.
- Utilise physical resources in an efficient and effective manner.
- Minimise waste and fruitless payments.
- Ensure all income is collected and write offs minimised.

Responsibilities

Responsibility for value for money lies with all staff of the College and is not restricted to those with resources or financial responsibilities. Financial Regulation states that all staff must ensure security of the College's property; avoid loss and exercise due economy in the use of resources. The principles of public life first outlined by the Nolan Committee of selflessness, integrity, objectivity, accountability, openness and honesty underpin best value, and are inherent throughout College policies. Since the ONS reclassification of colleges in November 2022 the need to adhere to these standards in spirit and practice has been reinforced as integral to the achievement of value for money.

As defined in the College's Finance Policy the Corporation is responsible for the formulation of the financial strategy, thus ensuring the effective and efficient use of resources. Explicitly responsibilities also include securing value for money for the College.

The Audit Committee of the Corporation is responsible for advising the Corporation on the effectiveness of the systems of internal control, including the mechanisms that are operational for securing value for money.

Budget holders shall seek to ensure value for money, avoid fruitless payments and wastage and inefficient and inappropriate use of resources.

Identification of Value for Money

Whilst there can be no absolute measure of value for money it can be judged by the following metrics:

- Performance against contract
- Success Rates and destination data (to demonstrate return on investment)
- Management of pay and non-pay budgets.
- Staff deployment
- Class size
- Room usage
- Curriculum contribution rates

Value for money is improved by making changes that reduce costs; increase efficiency or make an operation more effective in achieving its target or objective.

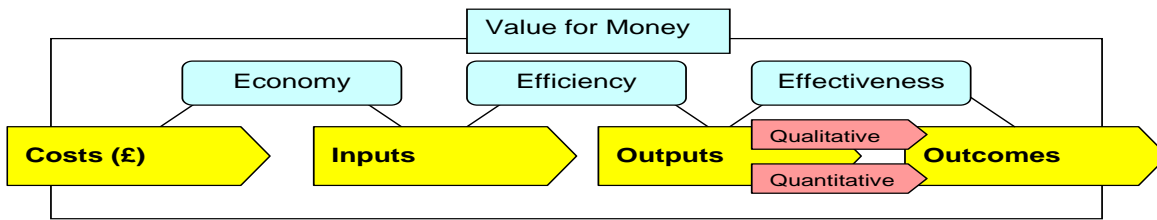
To aid the identification of value for money the person ordering goods or services must keep good records of estimates and quotes for each purchase and note the reasons should the lowest quote not be taken; for example: supplier could not deliver when required or goods being of proven poor quality.

In order to reassure the Corporation that value for money is being achieved the following factors are indicative:

- Financial regulations and standing orders are being adhered to (the College places reliance on regular systems based audit to ensure this).
- Budget holders operate within limits and the College is not experiencing any significant overspends.

- The performance against the metrics are reported to the Finance and Resources Committee.

The following model can be applied to monitor value for money.



Reporting and Review

A value for money dashboard will be reported through to the Finance and Resources Committee.

The value for money policy shall be reviewed annually.

Reviewed/Approved	By	Date
Updated by	Jacque Carman	08.06.2023
	CLT	13.06.2023
	Finance and Resources Committee	27.06.2023
Website	Yes or No	No
Next Review Date		01.06.2024