

Value for Money and Procurement Strategy

2018-19



Edge Hill
University

Value for Money and Procurement Strategy

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Version	Date	Change Author	Summary of Changes
V1	05.07.18	Carl Gibson	Final Version
V1.1	25.10.18	Carl Gibson	Minor change - to update job titles
V2	01.03.19	Steve Igoe	Major change – to include an additional paragraph regarding Regulatory Oversight

1. Introduction

1.1 The main aim of the VFM and Procurement Strategy is to maximise VFM through appropriate procurement practices.

1.2 VFM has been widely described as:

“A term used to assess 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.”

It considers the use of resources to deliver outputs against the “three E’s”:

- Economy - doing things at a “low price”
- Efficiency - doing things the “right way”
- Effectiveness - doing the “right things”

1.3 In fact, no organisation in the world can legitimately claim to having maximised the benefit from goods and services it acquires and provides.

1.4 Essentially the simple principle is to make the best use of the resources we have available in order to achieve the desired output and maximise the benefit achieved from that output.

2. Strategic Context

2.1 Our corporate planning statement sets out the core objectives designed to build on our six key strategic aims of:

- institutional growth, sustainability and equality of opportunity;
- the development and enhancement of a high quality, innovative, accessible and flexible academic portfolio;
- the further development and dissemination of research, advanced scholarship and knowledge transfer;
- maximising student potential through high quality support mechanisms;
- enhancing participation from underrepresented groups;
- enhancing collaboration with regional, national and international partners in support of our mission.

2.2 The HE environment is increasingly challenging as we seek to fulfil these aims with a forecast reduction in 18-21 year olds nationally, increased competition from the private sector and a greater focus by students on the return they receive from the increasing levels of investment required of them.

2.3 The VFM and Procurement Strategy is a key enabler in helping the university to meet its aims because it seeks to continually appraise and challenge not only our performance but also our working practices.

3. Key Objectives

3.1 An organisation's genuine and continually demonstrated commitment to VFM through action and expression from the very highest level will help to build an appropriate cultural setting in which VFM can thrive.

3.2 Every individual member of staff working for an organisation has a contribution to make in terms of enhancing VFM and the maintenance of effective working relationships with all stakeholders plays a significant role in the ability of an organisation to enhance VFM.

3.3 At a high level, the core objectives of the VFM and Procurement strategy are:

- to increase the efficiency and effectiveness of our systems and processes that seek to fulfil our core objectives;
- to embed the pursuit of VFM and appropriate procurement practice throughout all layers of management;
- to challenge current practices and approaches in order to improve performance and position the university to meet future challenges;
- to apply the lessons learned from reviews in certain areas to other areas in order to maximise the benefit of this work.

3.4 In overall terms, VFM and procurement activities should seek to enable the university to achieve competitive advantage by performing in a way that makes best use of the resources available whilst maintaining the financial integrity of the University.

4. Overall Approach

4.1 The university is committed to maximising the benefits of VFM and procurement activities through:

- Establishment of a steering group with responsibility for:
 - Developing, implementing, monitoring and updating the university's VFM and Procurement strategy.
 - Reviewing purchasing activity and steering future priorities.
- Senior management and governing body support for VFM and Procurement by ensuring its importance is reflected in organisational structures and reporting lines.
- The assessment of performance against agreed performance indicators both at senior management team and governing body levels.
- Supporting Heads of Department, Directors and Deans in meeting their responsibility for obtaining value for money and ensuring appropriate procurement practices.

- Implementation of effective monitoring processes to measure the success of the strategy, which encompass the formal reporting of planned VFM and procurement activities.
- Appropriate and effective training and support to key procurement areas.
- The development and application of techniques to benchmark performance against external performance indicators and internal targets.
- Regular review of systems, processes, procedures and policies.
- Building upon and enhancing links with local purchasing consortia.

5. Staff Development

- 5.1 Clearly it is vital to ensure that staff have the necessary skills and access to expertise to enable them to undertake all procurement related aspects of their role.
- 5.2 The proposed VFM and Procurement structure combined with strong links to the North West Universities Purchasing Consortium (NWUPC) secures access to a pool of purchasing expertise.
- 5.3 The Director of Finance (whose role encompasses managing procurement) undertakes a lead role within the NWUPC as the university's representative on the management council and Board and along with the representatives of the commodity groups is a key source of information. The NWUPC offers training in purchasing which is accredited by the Chartered Institute of Purchasing and Supply and where it is clear a benefit exists, officers are encouraged to undertake training.
- 5.4 In addition, the university's financial regulations clearly set out required controls in relation to procurement which is reinforced through attendance at steering group and budget holder meetings.

6. Key Responsibilities

- 6.1 The responsibility for VFM and Procurement clearly lies with all staff and governors of the university. However, in terms of the specific organisational approach taken, the governing body is required by the Financial Memorandum between Edge Hill University and HEFCE to:
- deliver value for money from public funds
 - review the arrangements for managing the resources under its control
 - ensure appropriate procurement practice.
- 6.2 It, in turn, achieves this through the Audit Committee who report on whether satisfactory arrangements are in place in relation to VFM and Procurement practice.
- 6.3 The Vice-Chancellor and his senior management team are responsible for developing and implementing the VFM and Procurement strategy.

6.4 The VFM and Procurement steering group has responsibility for leading the development of performance improvement initiatives in relation to VFM and Procurement activity, identifying resource requirements and co-ordinating and delivering work against plan.

7. Reporting

7.1 The Audit Committee will receive an annual plan for approval at its Autumn committee meeting each year. This plan will set out proposed activities for the financial year and will be informed by the senior management team who will in turn consider areas of risk in terms of the fulfilment of the university's strategic aims and objectives. The report will also encompass a review of actual performance against the previous year's planned activity.

7.2 During the year the Audit Committee will also receive a progress report to enable progress against the annual plan to be monitored.

7.3 All reports will be made available via the intranet and the Deputy Vice-Chancellor will update the senior management team where appropriate.

8. Wider Collaboration

8.1 Clearly membership of the North West Universities Purchasing Consortium brings benefits of access to consortium contracts and expertise in specific areas of procurement as well as enhancing the effectiveness of benchmarking activity.

8.2 A key tenet of the VFM and Procurement strategy is that the benefits available through membership are secured. It is recommended that:

- All commodity group representatives attend these meetings. Where this is not possible an alternate should be proposed.
- Feedback on progress is provided to the VFM and Procurement Steering Group.
- Commodity group representatives be proactive members of the group so as to secure the benefits that membership offer.

9. Regulatory Oversight

- 9.1 The Office for Students (OfS) fully takes responsibility for the sector from 1 August 2019. It is clear that under this new regulated environment that VFM has been defined in a broader sense than simply; economy, efficiency and effectiveness.
- 9.2 Students get value for money when they experience the full benefits of higher education in exchange for the effort, time and money they invest.
- 9.3 Choosing to study with a higher education provider is a big decision, particularly given the cost of tuition fees.
- 9.4 Students want well run providers that are clear about what they offer. They also expect to gain from their education, both during and after their studies.
- 9.5 Competition to recruit students leads providers to improve the experience they offer, often increasing value for money for students.
- 9.6 The Office for Students oversees this competitive market and has a duty to promote value for money.
- 9.7 As a result, the University will seek to be as transparent as possible as to the use of funds provided by students and publish annually an analysis as to how funds available to the University are deployed in support of the overall student experience.

Endmatter

Title	Value for Money and Procurement Strategy
Policy Owner	Director of Finance
Approved by	Value for Money and Procurement Steering Group
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