



**Value for Money**

<b>Outcome requested:</b>	<p>This paper sets out a summary of the current sector position regarding Value for Money (VfM) and the broader context following the introduction of the new regulatory body, the Office for Students (OfS). At each March meeting of ARC the committee normally considers and sets out its annual measures for VfM that are then reported in the following November.</p> <p>As it is yet unclear to as to how the OfS wish to proceed with reporting and assessment of VfM at an institutional level, ARC is asked to consider three options at this time with option three being the recommended approach.</p> <ol style="list-style-type: none"> <li>1. Continue as before under the four E's module introduced by HEFCE</li> <li>2. Anticipate the likely direction the OfS may move toward and report on that basis</li> <li>3. Pause, whilst monitoring VfM movement at sector/government level, and await clarity from the OfS on its approach going forward</li> </ol>																
<b>Executive Summary:</b>	<p><b>Current Context</b></p> <p>The OfS is helping to create a more dynamic and effective HE market, protecting students' interests while removing unnecessary regulatory burdens on providers to support market access and innovation. Core to its mission is driving choice and competition, and promoting access and participation. However, following its launch and the close of HEFCE in April 2018, there is uncertainty as to what universities will be required to do in order to demonstrate Value for Money (VfM). HEFCE approached VfM through its regime of the four E's (economy, efficiency, effectiveness and equity) but the OfS is yet to define how it will take VfM forward in terms of institutional reporting requirements and assessment.</p> <p>The OfS defines VfM as "students get[ting] value for money when they experience the full benefits of higher education in exchange for the effort, time and money they [and the taxpayer] invest". One of its main aims is that all students, from all backgrounds, receive value for money. By monitoring providers and enforcing regulation, the OfS seeks to reduce the risk that this objective is not met. It has a duty to promote value for money and it does so in a number of ways including the following:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">OfS are of focus for ensuring VfM:</th> <th style="text-align: left;">Ways QM are complying/actively looking at VfM:</th> </tr> </thead> <tbody> <tr> <td><b>Offering quality assurance:</b></td> <td>QM ensure quality and report this through the Academic Assurance return to Council.</td> </tr> <tr> <td><b>Promoting excellent teaching:</b></td> <td>Teaching excellence is being promoted and enhanced through the Going for Gold project led by the VP Education.</td> </tr> <tr> <td><b>Providing the right information:</b></td> <td>QM provides annual assurance to the Audit and Risk Committee and is currently with the Russel Group on how institutions can best illustrate how student fees are spent.</td> </tr> <tr> <td><b>Ensuring good governance:</b></td> <td>QM is currently undertaking an external governance review with Advance HE.</td> </tr> <tr> <td><b>Protecting students' interests:</b></td> <td>OIA - QM prepares annual reports on student complaints to Council. CMA - assurance on consumer protection compliance is provided to Audit and Risk Committee.</td> </tr> <tr> <td><b>Making sure there are contingency plans:</b></td> <td>QM has a protection plan in place as approved by Council in March 2018.</td> </tr> <tr> <td><b>Senior Staff Pay:</b></td> <td>Staff senior pay is being monitored and overseen by the Remuneration Committee.</td> </tr> </tbody> </table>	OfS are of focus for ensuring VfM:	Ways QM are complying/actively looking at VfM:	<b>Offering quality assurance:</b>	QM ensure quality and report this through the Academic Assurance return to Council.	<b>Promoting excellent teaching:</b>	Teaching excellence is being promoted and enhanced through the Going for Gold project led by the VP Education.	<b>Providing the right information:</b>	QM provides annual assurance to the Audit and Risk Committee and is currently with the Russel Group on how institutions can best illustrate how student fees are spent.	<b>Ensuring good governance:</b>	QM is currently undertaking an external governance review with Advance HE.	<b>Protecting students' interests:</b>	OIA - QM prepares annual reports on student complaints to Council. CMA - assurance on consumer protection compliance is provided to Audit and Risk Committee.	<b>Making sure there are contingency plans:</b>	QM has a protection plan in place as approved by Council in March 2018.	<b>Senior Staff Pay:</b>	Staff senior pay is being monitored and overseen by the Remuneration Committee.
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	<p><b>Approach going forward</b></p> <p>There is some speculation that the OfS may decide to assess VfM through the lens of student satisfactions with their university experience. In which case one or more NSS indicators may be the preferred measure, or universities may be required to demonstrate VfM through greater transparency on how student fees are spent.</p> <p>Once requirements around VfM reporting have been published, governance arrangements for monitoring value at an institutional level should be considered and revised as appropriate. If the OfS chosen metric is student satisfaction for example, it should be considered if QM can best demonstrate VfM through the new University Strategy at a meeting of Council rather than at the Audit and Risk Committee.</p> <p>In the meantime and until such an announcement, it is recommended that we pause, whilst monitoring VfM movement at sector/government level, and await clarity from the OfS on its approach going forward. Members of ARC are asked to consider the three options as noted below and confirm if they are content to adopt the approach as outlined in the recommended third option.</p> <ol style="list-style-type: none"> <li>1. Continue as before under the four E's module introduced by HEFCE</li> <li>2. Anticipate the likely direction the OfS may move toward and report on that basis</li> <li>3. Pause, whilst monitoring VfM movement at sector/government level, and await clarity from the OfS on its approach going forward</li> </ol>
<b>Alignment:</b>	Strategic aims 3, 5 and 6.
<b>Consideration of Strategic Risks:</b>	<ul style="list-style-type: none"> <li>• Strategic Risk 2: Student Experience: teaching, learning and assessment Strategic Risk 3: High quality staff</li> <li>• Strategic Risk 9: Reputational development and external relations Strategic Risk 11: Sustainable growth</li> <li>• Strategic Risk 12: Cost control, VfM and expenditure</li> </ul>
<b>Subject to Prior and Onward Consideration by:</b>	Considered by ARC.
<b>Confidentiality and Distribution:</b>	For free distribution once approved.
<b>Equality Impact Assessment:</b>	Not required
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<b>Date:</b>	07 March 2019
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