



Update on value for money reporting

Outcome requested:	Audit and Risk Committee is asked to consider an update on value for money reporting.
Executive Summary:	The report describes the structure of the annual report on value for money which will be presented to the Committee in November.
QMUL Strategy:	Financial sustainability
External reference points:	Regulatory Framework for Higher Education in England
Strategic Risks:	Financial sustainability
Equality Impact Assessment:	N/A
Subject to prior and onward consideration by:	Update for this Committee only.
Confidential paper under FOIA/DPA	No
Timing:	Annual report to the Committee which supports the annual accountability return to the Office for Students.
Author:	Jonathan Morgan, Registrar and Secretary
Date:	1 October 2019
External Sponsor	Peter Thompson

Update on value for money reporting

1. The Office for Students (OfS) has a statutory duty to ensure that 'all students, from all backgrounds, receive value for money', considering at the same time the interests of the tax payer. In light of the fact that the OfS has not issued direct guidance on the format of value for money reporting, the Committee resolved in March 2019 to meet its own responsibilities in relation to value for money by monitoring the same metrics as in previous years with a view to including a commentary on value for money in its Annual Report. Accordingly, the report will contain 2–3 years' data and commentary on the following metrics:
 - [a] *teaching*: narrowing the gap of TRAC teaching costs against peer-group benchmark;
 - [b] *estates*: improvement in m2 space per staff/student; and improve space efficiency and quality through the measurement of utilisation and condition
 - [c] *financial performance*: exceeding performance against cash generation targets; and mean or upper quartile performance against HEFCE financial KPIs (with the exception of already agreed borrowing margin);
 - [d] *research*: improving £ research income per academic;
 - [e] *procurement*: to achieve 5.5% of non-pay impactable non-pay spend savings in both cash and non-cash.
2. In addition, the report will contain some case studies that relate to the emerging priorities in value for money outlined by the Office for Students, such as the student experience and senior staff pay.
3. The Committee is invited to note this update and provide feedback that can be incorporated into the final report.