

## Value for Money Policy

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This policy and procedure is subject to The Equality Act 2010 which recognises the following categories of individual as Protected Characteristics: Age, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion and Belief, Sex (gender), Sexual orientation, Disability.

### Alternative Format

This policy is available in alternative formats, to request this, please email [marketingcampaigns@mkcollege.ac.uk](mailto:marketingcampaigns@mkcollege.ac.uk)

## Version Control

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## Change log

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2	No changes made

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## 1. Definition

The National Audit Office (NAO) uses three criteria to assess the value for money of government spending i.e. the optimal use of resources to achieve the intended outcomes:

- **Economy**: minimising the cost of resources used or required (inputs) – **spending less or doing things at a low price**;
- **Efficiency**: the relationship between the output from goods or services and the resources to produce them – **spending well or doing things the right way**;
- **Effectiveness**: the relationship between the intended and actual results of public spending (outcomes) – **spending wisely or doing the right things**.

## 2. Value for Money Policy

The College's strategic priorities include building organisational resilience and financial sustainability by enhancing the effectiveness of our systems, processes and structures. It recognises its responsibility to achieve value for money from all its activities; however they may be funded.

The College is committed to the pursuit of economy, efficiency and effectiveness, and seeks to adopt good practice and incorporate value for money principles in all its activities.

## 3. Principles and Objectives

Taking the Managing Public Money guidance and the College's Financial Regulations, in particular Section 6, Purchasing and Competitive Tendering, into account, the college will apply the following principles to achieve VfM:

- ensure an efficient and effective staffing structure to facilitate the achievement of its strategic aims
- integrate value for money principles within existing management, planning and review processes;
- adopt recognised good practice where appropriate to do so;
- benchmark the College's activities against other similar institutions where this is considered useful;
- respond to opportunities to enhance the economy, efficiency and effectiveness of activities;
- only enter into contracts which offer quality at a competitive price, having researched the market and taken advantage of offers and discounts;
- observe the need for price quotations and for tender invitations according to the limits prescribed in the Financial Regulations;
- ensure that all systems and processes are designed to maximise integration and eliminate duplication and delay;
- develop appropriate internal and external service level agreements and standards and monitor delivery against them;
- promote a culture of continuous improvement;
- demonstrate actively to both internal and external observers that the achievement of value for money is sought in all activities;
- ensure that all staff recognise their continuing obligation to seek value for

- money for the College as part of their day-to-day activities;
- undertake periodic value for money reviews of key areas or activities.

#### **4. Responsibility**

**The Board** should approve the College's Value for Money Policy and through its Audit and Risk Committee, satisfy itself that:

- value for money is being both sought and achieved by the College and its staff from the use of its resources, and that
- satisfactory arrangements are in place to promote economy, efficiency and effectiveness.

**College Management** (Senior Management Team and Budget Holders) is responsible for ensuring that:

- value for money is being sought;
- for maintaining an awareness of good practices;
- ensuring that these are followed appropriately.

**All staff**, including those who do not have direct resource or financial responsibilities, should endeavour to seek and achieve value for money in all activities and to bring to management's attention any potential opportunities for improvement.