

UNIVERSITY OF HERTFORDSHIRE

**EFFICIENCY, EFFECTIVENESS AND VALUE FOR MONEY STRATEGY  
2015 – 2020**

*'It is imperative that universities continue to evidence their success in delivering efficiency and cost savings. Universities require investment, and in the context of austerity and continuing pressures on public spending must therefore be willing and able to demonstrate what they have done to deliver both excellence and value for money. Similarly, in the new funding environment, there is also an obligation on universities to demonstrate to students that they are working efficiently. Principles of transparency, openness and accountability dictate that there needs to be a greater emphasis on value for money in the future.'*

*Efficiency, Effectiveness and Value for Money in HE Report, 2015*

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**1. THE UH CONTEXT**

The University's Strategic Plan 2015-2020 sets out a vision for the University for the next five years to be 'internationally renowned as the UK's leading business-facing University'. Key to achieving this vision is a commitment to being efficient, effective and delivering value for money. In addition, given the increasingly constrained financial climate, the need for efficiency and effectiveness is now widely acknowledged and the need to address the 'cliff edge' of increasing costs and static income has become a live topic of conversation across the University.

**2. THE WIDER HIGHER EDUCATION (HE) SECTOR CONTEXT**

The HE sector as a whole is being challenged as never before by government and funding bodies to become more financially and environmentally sustainable and by students to deliver value for money. In response to this challenge, Universities UK (UUK) asked Professor Ian Diamond, Principal and Vice-Chancellor, University of Aberdeen, to report on the Efficiency, Effectiveness and Value for Money of HE reviewing progress and following up his 2011 report. His Report ('Diamond 2') which was published on 25 February 2015 sets the agenda for efficiency, effectiveness and value for money across the sector in the coming years.

The UUK Report begins by outlining the critical part played by HE in the UK economy states: *'UK higher education is a national success story, enjoying a global reputation for excellence in teaching and research. Our universities continue to be in the vanguard for advancing individuals and wider society, helping to solve the many problems facing people across the globe today. We are seen globally as an efficient sector; one which uses every pound wisely.'*

However, the same Report notes:

*'Universities must continue to make efficiency, effectiveness and value for money core operational priorities if we are to make a robust case for future investment'*

**3. UH'S RESPONSE TO DIAMOND 2**

The Efficiency and Effectiveness agenda and Diamond 2 Report provides the University with an opportunity to embed the business-facing message. The broader focus of the agenda enables the University to promote discussion on what efficiency and effectiveness means to the whole University community and not just those traditionally associated with VfM. It also provides a vehicle for exploring how the University meets the challenge of increasing the quality of outcomes whilst managing costs. This Strategy and the University's commitments for 2015-20 are therefore structured around the key themes of the Diamond Report.

## EFFICIENCY, EFFECTIVENESS AND VALUE FOR MONEY COMMITMENTS 2015 – 2020

### 1. EXCELLENCE, REWARD AND THE HE WORKFORCE

*'Universities are dependent on the quality of the workforce they recruit. This applies to all aspects of the institution, world-class academics are needed to deliver excellence in teaching, research and knowledge exchange activities while similarly world class operational and support staff must be capable of meeting the myriad challenges that face any large, complex commercial organisation on a daily basis.'*

The University will:

1. Complete our programme of strategic reviews of professional SBUs to ensure they are fit for purpose
2. Develop improved processes to 'set staff up for success' including probation, appraisal, talent identification, succession planning as well as managing under performance.
3. Progress towards a more consistent approach to academic workload management
4. Develop and implement a new Equality, Diversity and Inclusivity Strategy
5. Promote and use the engagement-driven approach to improvement and change

### 2. DELIVERING VALUE FROM THE HIGHER EDUCATION ESTATE

*'The university estate matters. It is central to the operational effectiveness of the university, the experience of staff and students alike, and plays a critical role in ensuring that a university is able to meet the many demands placed on it. But as the higher education sector adapts to a new and more competitive environment, the role and purpose of the estate as a potential competitive advantage has also increased'*

The University will:

6. Continue to invest in our physical estate according to the principles of the University Estates Strategy (2020 Estates Vision) and deliver the 2020 Vision projects to enhance student and research facilities
7. Reduce our Total Property Costs in real terms
8. Proactively bid for public funds to support capital expenditure schemes
9. Reduce our impact on the environment by reducing carbon emissions and levels of waste

### 3. A WORLD CLASS AND SUSTAINABLE RESEARCH BASE

*'Universities are by far the leading hubs of publicly-funded R&D in the UK and also crucial contributors to the domestic R&D base as a whole.<sup>104</sup> This is reflected in the proportions of domestic R&D they perform: UK universities carry out nearly three quarters (74.3%) of publicly-funded Gross Expenditure on Research and Development (GERD) and over one quarter (26.5%) of total GERD, significantly above the OECD median.'*

The University will:

10. Develop a Research Strategy focused on becoming world class and sustainable and delivering impact and public engagement
11. Commit to investing in delivery of the Research Strategy
12. Deliver effective and efficient support services to the UH research community

### 4. HARNESSING THE BENEFITS OF ASSET-SHARING

The University will:

13. Identify and exploit further opportunities to share assets across the University and the UH group as a whole
14. Gain efficiencies through standardisation of staff computing where it is beneficial to do so

## 5. UNLOCKING VALUE FROM HIGHER EDUCATION DATA

*'Throughout HE, data plays a vital role in institutional management and for underpinning public accountability'*

The University will:

15. Improve our internal data to develop better cross-Institutional BI for measuring and managing performance
16. Use data from across the HE sector and beyond to assess our own efficiency and benchmark against other Institutions
17. Undertake comparator analysis in relation to our competitors to ensure we maintain our competitive edge
18. Identify opportunities to align internal and external data reporting to reflect cross sector developments

## 6. SHARED SERVICES, INFRASTRUCTURE AND THE ROLE OF PROCUREMENT

*'The 2011 UUK review of efficiency identified the potential for procurement to make a greater contribution to efficiency in universities, and set a challenging agenda for the sector, recommending better strategic leadership of procurement, more joined-up collaborative procurement, tools and support to enhance effectiveness in procurement within universities. (The 2014 report acknowledges) there has since been significant progress.'*

The University will:

19. Champion existing and identify new cross-sector shared services, such as UCAS, SLC
20. Identify and promote opportunities for sharing services across the UH group and joint ventures
21. Proactively engage with national and regional purchasing consortia
22. Enhance our commercial income by offering services to others
23. Work with our supply chain to generate investment and have the supply chain employ our students
24. Ensure our investment in IT infrastructure is exploited efficiently and effectively

## 7. EVIDENCE, OVERSIGHT AND SHARING GOOD PRACTICE

*'It is imperative that universities continue to evidence their success in delivering efficiency and cost savings. Universities require investment, and in the context of austerity and continuing pressures on public spending must therefore be willing and able to demonstrate what they have done to deliver both excellence and value for money. Similarly, in the new funding environment, there is also an obligation on universities to demonstrate to students that they are working efficiently.'*

The University will:

25. Report on a regular basis to the Audit Committee on progress towards delivery of efficiency, effectiveness and value for money commitments and its future plans
26. Meet its obligations to relation to reporting on Value for Money to funding bodies
27. Identify and share University and sector-wide good practice in relation by establishing new mechanisms to improve openness and transparency