

National Film and Television School (the “School”) Value for Money Policy

1. Introduction

The School recognises its responsibility to achieve value for money (“VfM”) from all its activities. The School is committed to the pursuit of economy, efficiency and effectiveness as part of its overall aims and objectives. The School seeks to adopt good practice and incorporate VfM principles in all its activities.

VfM not only measures cost, but also takes account of quality and fitness for purpose to determine whether services represent good value. The School needs to have systems in place to determine if it is operating economically (using the minimum level of resources for a given service level), efficiently, (maximising its delivery of services within a given level of resource) and effectively (taking the most appropriate actions to meet its objectives).

When considering VfM, it is useful to consider the following factors:

1. **Inputs** – in terms of price, quantity and quality
2. **Outputs** – in terms of price, quantity and quality
3. **Processes** – activities that convert inputs into outputs
4. **Strategy** – how the School’s aims and objectives are translated into reality
5. **Allocative efficiency** – the deployment of limited resources to deliver the maximum overall benefit to the organisation in terms of its agreed Strategy.
6. **Structure** – the way the School is organised to implement the VfM Policy
7. **Culture** – the way or style in which the School carries out its activity

The list is wide-ranging and many of the above items are interrelated. The most effective approach to VfM will be achieved by viewing the above factors as a broad concept, and a mode of operating which should permeate all of the School’s activities.

2. Objectives

To achieve VfM, the School has set itself these objectives (to be applied as and

when relevant):

- To integrate VfM principles of economy, efficiency and effectiveness within existing management, planning and review processes
- To adopt recognised sector good practice where this is appropriate
- To undertake VfM studies on areas identified as requiring attention and where the review is expected to yield significant benefits
- To benchmark the School's activities against other similar organisations and activities
- To respond to opportunities to enhance the economy, efficiency and effectiveness of the School's activities
- To promote a culture of continuous improvement
- To demonstrate actively, to both internal and external observers, that the achievement of VfM is sought in all the School's activities
- To ensure that all staff recognise their continuing obligation to seek VfM for the School.

3. Responsibilities

The responsibility for achieving VfM lies with all members of staff, and is not restricted to senior management or those with financial responsibilities. Specific groupings with particular responsibilities are detailed below:

The Board of Governors

The Board of Governors has overall responsibility for achieving VfM. In particular, this stems from the HEFCE Memorandum of Assurance and Accountability, which states that the governing body of the institution is responsible for delivering value for money from public funds. In addition, it requires the Board of Governors to keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by organisations such as the National Audit Office and the Public Accounts Committee. The Board of Governors, however, delegates regular oversight of VfM matters to the Audit Committee.

Audit Committee

The Audit Committee is required, under the HEFCE Audit Code of Practice and by its own terms of reference, to satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. The Audit Committee is required to relay its view on VfM arrangements to Board of Governors in the Audit Committee's Annual Report. The Audit Committee will receive reports (at

least annually) from Senior Management and the Internal Auditors on VfM activities to:

- (i) satisfy itself that VfM extends to all areas of the School's activities; and
- (ii) review annually the School's approach to VfM and approve changes or improvements to key elements of its processes and procedures.

The Audit Committee should, on behalf of the Board of Governors, ensure that reasonable processes and procedures are in place to ensure that VfM is being achieved. The Committee must scrutinise, approve and, if appropriate, amend the School's VfM Policy.

Internal Audit

The Internal Auditors are expected to conduct all audits in a manner that meets the objectives of the VfM Policy. VfM considerations should influence the scope of the annual audit programme and the scope of individual audits. Where necessary, the School may also commission specific VfM studies from the Internal Auditors.

External Audit

The External Auditors are expected to comment on VfM arrangements as part of their external audit programme.

Senior Management Team

Members of the Senior Management Team have both individual and collective responsibility for VfM.

The Senior Management Team has overall responsibility for ensuring practical steps are taken to achieve VfM across all of the School's activities. The Senior Management Team will:

1. Agree an annual VfM plan which will be reported to the Audit Committee
2. Ensure steps are in place to achieve the the VfM plan
3. Ensure VfM considerations are taken into account as part of the annual budget planning process
4. Provide leadership on all aspects of VfM
5. Ensure arrangements are in place to embed VfM into all the School's day-to-day activities
6. Promote a culture of continuous improvement

Director of Finance

The Director of Finance has responsibility for keeping the Audit Committee and Board of Governors advised on all VfM matters. The Director of Finance should ensure that VfM arrangements are in line with principles set out in the Financial Strategy and should seek to ensure that adequate systems are developed to maximise the achievement of the aims of the VfM Policy. Additionally, the Director of Finance must oversee the VfM Policy in terms of its implementation.

Heads of Department

The Heads of Department are responsible for ensuring adequate consideration is given to VfM arrangements in the Departments for which they are responsible.