



Value for Money Policy and Procedures

1. Purpose

1.1 This Policy and Procedures expresses how the College recognises its responsibility to achieve value for money ("VFM") from all of its activities, regardless of the method of funding.

2. Policy Statement

Newbattle Abbey College is committed to achieving value for money ("VFM") from all of its activities, regardless of the method of funding.

3. Scope

This policy aims to:

3.1 Integrate and enable the adoption of VFM principles within existing management, planning and review processes;

3.2 Adopt recognised good practice where this makes good sense;

3.3 Ensure that, mainly through the internal audit process, VFM studies are conducted on areas of activity identified as worthy of review;

3.4 Provide the opportunity to enhance the economy, efficiency and effectiveness of activities;

3.5 Promote a culture of continuous improvement;

3.6 Ensure that financial savings for the College will be achieved without compromising any aspect towards the quality of service delivery;

3.7 Provide evidence to both internal and external observers, that the achievement of VFM is sought in all activities undertaken; and

3.8 Communicate to staff the recognition of their continuing obligation to seek VFM for the College as part of their routine activities;

3.9 This policy should be read in conjunction with the College Equality Diversity & Inclusion Policy and its separate Disability, Race and Gender Equality Schemes.

4. Responsibilities

4.1 The responsibility for VFM lies with all members of staff within Newbattle Abbey College and is not restricted to Senior Management or those within financial responsibilities.

4.2 The Senior Management Team are responsible for implementing arrangements that will ensure VFM is being sought.

4.3 Managers have the responsibility to be aware of good practices in their own area of operation and to ensure that these are followed appropriately.

4.4 All staff should endeavour to seek and achieve VFM in all activities and to bring to management's attention any opportunities for improvement or financial savings.

5. The Concept of VFM

5.1 "Value for Money" (VFM) is a term used to assess whether or not an organisation has obtained the maximum benefits from the goods and services it acquires and provides, within the resources available to it. Some elements of VFM may be subjective, difficult to measure, intangible and misunderstood and judgement is therefore required when considering whether VFM has been satisfactorily achieved or not. VFM not only measures the cost of goods and services, but also takes account of the mix of quality, cost, resource use, fitness for purpose, timeliness and convenience to judge whether or not, together, they constitute good value.

5.2 Achieving VFM is also often described in term of "the three E's" - economy, efficiency and effectiveness:-

- **Economy** - minimising the cost of resources for an activity ("doing things at a low price")

- **Efficiency** - performing tasks with reasonable effort (“**doing things the right way**”)
- **Effectiveness** - the extent to which objectives are met (“**doing the right things**”)

5.3 In many areas of activity there is purported “good practice” or “best practice”, although again this is subjective. In general terms, the College wants to adopt such best practice, where it is appropriate to its own circumstances. Adoption of such best practice is a recognised way of not only achieving VFM but also of demonstrating that VFM has been sought and achieved.

5.4 The main benefits of promoting VFM are:-

(i) **The clarification of objectives** - VFM principles give managers a framework with which to assess the objectives of an activity. A VFM assessment should demonstrate that the activity fits in with the College’s strategies and objectives and should maximise the chance of achieving the desired ends without unnecessary expenditure and effort.

(ii) **Planning** - Application of VFM principles ensures that the activity is planned.

(iii) **Openness and transparency** - Properly documented planning and assessment helps provide a demonstration of achieving propriety as well as VFM

(iv) **Compliance with statutes and regulations** - Application of VFM principles at the planning stage should consider, and therefore ensure, compliance with statutes and regulations.

(v) **Risk assessment** - As inadequate risk assessment can lead to poor VFM, application of VFM principles at the planning stage should help ensure that appropriate risk assessment of the activity has been carried out.

6. Achievement of VFM

6.1 An assessment of value for money can be achieved in a number of ways. For example:-

- through benchmarking
- through competitive tendering/seeking of alternative quotations
- by using performance indicators
- through conducting VFM studies
- by seeking out and considering the adoption of "best practice"
- through internal audit work
- through the retention of planning and VFM assessment documentation
- by reviewing the outcomes of an activity

6.2 There is no single way of demonstrating VFM and indeed the decision regarding whether VFM has been achieved is subjective. However, by planning and implementing activity in accordance with VFM principles, we can demonstrate that we have acted in the appropriate manner required of a publicly funded organisation.

7. Review

The Value for Money Policy should be read in conjunction with the College Purchasing Policy.

This policy will be reviewed every four years or whenever change affects any part of it.

Amended from and with acknowledgment to Jewel & Esk College - Finance Director.

Newbattle Abbey College	POLICY/PROCEDURE
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Terms and conditions of contract for purchase of goods

These conditions may only be varied with written agreement of the Purchaser. No terms or conditions put forward at any time by the supplier shall form any part of the Contract unless specifically agreed in writing by the Purchaser.

1. DEFINITIONS

"Purchaser" means Newbattle Abbey College.

"Supplier" means the person, firm or company to whom the contract is issued.

"Goods" means any such goods as are to be supplied to the Purchaser by the Supplier (or by any of the supplier's subcontractors) pursuant to or in connection with this contract.

"Purchase Order" means the document setting out the Purchaser's requirements for the Contract.

2. THE GOODS

2.1 The Goods shall be to the reasonable satisfaction of the Purchaser and shall conform in all respects with any particulars specified in the Contract and in any variations thereto.

2.2 The Goods shall conform in all respects with the requirements of any statutes, orders, regulations or by-laws from time to time in force.

2.3 The Goods shall be fit and sufficient for the purpose for which such Goods are ordinarily used and Supplier by the Purchaser and the Purchaser relies on the skill and judgement of the Supplier in the supply of the Goods and the execution of the Contract.

3. THE PRICE

3.1 The price of the Goods shall be as stated in the Contract and no increase will be accepted by the Purchaser unless agreed by with him in

writing before the execution of the Contract.

3.2 Unless otherwise agreed in writing by the purchaser, the Supplier shall render a separate invoice in respect of each consignment delivered under the Contract. Payment shall be due 30 days after receipt of the Goods or the correct invoice therefore, whichever is the later.

3.3 Value added tax, where applicable shall be shown separately on all invoices as a strictly net extra charge.

4. DELIVERY

4.1 The Goods shall be delivered to the place named in the Contract. Any access to premises and any labour and equipment that may be provided by the Purchaser in connection with delivery shall be provided without acceptance by the Purchaser of any liability whatsoever and the Supplier shall indemnify the Purchaser in respect of any actions, suits, claims, demands, losses, charges, costs and expenses which the Purchaser may suffer or incur as a result of or in connection with any damage or injury (whether fatal or otherwise) occurring in the course of delivery or installation to the extent that any such damage or injury is attributable to any act or omission of the Supplier or any of his subcontractors.

4.2 Where any access to the premises is necessary in connection with delivery or installation, the Supplier and his sub contractors shall at all times comply with the reasonable requirements of the Purchaser's staff.

4.3 The time of delivery shall be of the essence and failure to deliver within the time promised or specified shall enable the Purchaser (at his option) to release himself from any obligation to accept and pay for the Goods and/or to cancel all or part of the Contract therefore, in either case without prejudice to his other rights and remedies.

5. PROPERTY AND RISK

5.1 Property and risk in the Goods shall without prejudice to any of the rights or remedies of the Purchaser (including the Purchaser's rights and remedies under condition 7 hereof) pass to the Purchaser at the time of delivery.

5.2 The property in the Goods shall pass to the Purchaser upon payment for the Goods unless delivery of the Goods is made prior to payment, when it shall pass to the Purchaser once the Goods have been delivered.

5.3 Any Goods for which the Supplier has received payment but which have not been delivered will, for the avoidance of doubt, remain the exclusive property of the Purchaser and may be removed at any time by the Purchaser or its representative from wherever they are stored.

6. DAMAGE IN TRANSIT

6.1 On despatch of any consignment of the Goods the Supplier shall send to the Purchaser at the address for delivery of the Goods an advice note specifying the

means of transport, the place and the date of despatch, the number of packages and their weight and volume. The Supplier shall free of charge and as quickly as possible either repair or replace (as the Purchaser shall elect) such of the Goods as may either be damaged in transit or having been placed in transit fail to be delivered to the Purchaser provided that: (a) in the case of damage to such goods in transit the purchaser shall within 30 days of delivery give notice to the Supplier that the Goods have been damaged, (b) in the case of non delivery the Purchaser shall (provided that the Purchaser has been advised of the despatch of the Goods) within 10 days of the notified date of delivery give notice to the Supplier that the Goods have not been delivered.

7. INSPECTION, REJECTION AND GUARANTEE

7.1 The Supplier shall permit the Purchaser or his authorised representatives to make any inspections or tests he may reasonably require and the Supplier shall afford all reasonable facilities and assistance free of charge at his premises. No failure to make complaint at each time of such inspection or tests and no approval given during or after such tests or inspections shall constitute a waiver by the Purchaser of any rights or remedies in respect of the Goods.

7.2 The Purchaser may by written notice to the Supplier reject any of the Goods which fail to meet the requirements specified herein. Such notice shall be given within a reasonable time after delivery to the Purchaser of Goods concerned. If the Purchaser shall reject any of the Goods pursuant to this condition, the Purchaser shall be entitled

(without prejudice to his other rights and remedies) either (a) to have the Goods concerned as quickly as possible either repaired by the Supplier or (as the Purchaser shall elect) replaced by the Supplier with Goods which comply in all respects with the requirements specified herein, or (b) to obtain a refund from the Supplier in respect of the Goods concerned.

7.3 The guarantee period applicable to the Goods shall be 12 months from putting into service or 18 months from delivery, whichever shall be the shorter (subject to any alternative guarantee arrangements agreed in writing between the Purchaser and the Supplier). If the Purchaser shall within such guarantee period or within 30 days thereafter give notice in writing to the Supplier of any defect in any of the Goods as may have arisen during such guarantee period under proper and normal use the Supplier shall (without prejudice to any other rights and remedies which the Purchaser may have) as quickly as possible remedy such defects (whether by repair or replacement as the Purchaser may elect) without cost to the Purchaser.

7.4 Any Goods rejected or returned by the Purchaser as described in paragraph 7.2 or 7.3 shall be returned to the Supplier at the Supplier's risk and expense.

8. LABELLING AND PACKAGING

8.1 The Goods shall be packed and marked in a proper manner and in accordance with the Purchaser's instructions and any statutory requirements of the carriers. In particular, the Goods shall be marked with the Purchase

Order number, the net gross and tare weights, the name of the contents shall be clearly marked on each container and all containers of hazardous goods (and any documents relating thereto) shall bear prominent and adequate warnings. The Supplier shall indemnify the Purchaser against all actions, suits, claims, demands, losses, charges, costs and expenses which the Purchaser may suffer or incur as a result of, or in connection with, any breach of this Condition.

8.2 All packaging materials will be considered non-refundable and will be destroyed unless the Supplier's advice note states that such materials will be charged for unless returned. The Purchaser accepts no liability in respect of the non-arrival at the Supplier's premises of empty packages returned by the Purchaser unless the Supplier shall within 10 days of receiving notice from the Purchaser that the packages have been despatched notify the Purchaser of such non-arrival.

9. CORRUPT GIFTS OR PAYMENTS

The Supplier shall not offer or give or agree to give, to any employee or representatives of the Purchaser any gift or consideration of any kind as an inducement or reward for doing or refraining from doing or having done or refrained from doing, any act in relation to the obtaining or execution of this or any other contract with the Purchaser or showing or refraining from showing favour or disfavour to any person in relation to this or any such contract. The attention of the Supplier is drawn to the criminal consequences created by the Prevention of Corruption Acts 1889 to 1916.

10. PATENTS AND INFORMATION

10.1 It shall be a condition of the Contract that the Goods are made up in accordance with designs furnished by the Purchaser, none of the Goods will infringe any patent trademark, registered design, copyright or other right in the nature of industrial property of any third party and the Supplier shall indemnify the Purchaser against all actions, suits, claims, demands, losses, charges, costs and expenses which the Purchaser may suffer or incur as a result of or in connection with any breach of this Condition.

10.2 All rights (including ownership and copyright) in any specifications, instructions, plans, drawings, patterns, models, designs or other materials (a) furnished to or made available to the Supplier by the Purchaser pursuant to the Contract, shall remain vested solely in the Purchaser (b) prepared by or for the Supplier for use, or intended use, in relation to the performance of this contract are hereby assigned to and shall be vested in the Purchaser solely and (without prejudice to condition 14.2) the Supplier shall not and shall procure that his servants and agents shall not (except to the extent necessary for implementation of the Contract) without the prior written consent of the Purchaser use or disclose any such specifications, instructions, plans, drawings, patterns, models, designs or

other materials as aforesaid or any other information (whether or not relevant to the contract) which the Supplier may obtain pursuant to or by reason of this contract, except information which is in the public domain otherwise than by reason of a breach of this domain, and in particular (but without prejudice to the generality of the foregoing) the Supplier shall not refer to the Purchaser or the Contract in any advertisement without the Purchaser's prior written agreement.

10.3 The provision of this Condition 10 shall apply during the continuance of the Contract and after its termination howsoever arising.

11. HEALTH AND SAFETY

The Supplier represents and warrants to the Purchaser that the Supplier has satisfied himself that all necessary tests and examinations have been made or will be made prior to delivery of the Goods to ensure that the Goods are designed and made so as to be safe and without risk to the health and safety of persons using the same, and that he has made available to the Purchaser adequate information about the use for which the Goods have been designed and which have been tested and about any Conditions necessary to ensure that when put to use the Goods will be safe and without risk to health. The Supplier shall indemnify the Purchaser against all actions,

suits, claims, demands, losses, charges, costs and expenses which the Purchaser may suffer or incur as a result of or in connection with any breach of this Condition.

12. INDEMNITY AND INSURANCE

12.1 Without prejudice to any rights or remedies of the Purchaser (including the Purchaser's rights and remedies under condition 7 hereof) the Supplier shall indemnify the Purchaser, its agents and employees against all actions, suits, claims, demands, losses, charges, costs and expenses which the Purchaser may suffer or incur as a result of or in connection with any damage to property or in respect of any injury (whether fatal or otherwise) to any person which may result directly or indirectly from any defect in the Goods or the negligent or wrongful act or omission on the Supplier.

12.2 The Supplier shall have in force and shall require any sub-Supplier to have in force: (a) employer's liability insurance in accordance with any legal requirements for the time being in force, and (b) public liability insurance for such sum and range of cover as the Supplier deems to be appropriate but covering at least all matters which are the subject of indemnities or compensation obligations under these Conditions in the sum of no less than £5,000,000 for any one incident and unlimited in total, unless otherwise agreed by the Purchaser in writing.

