

Value for Money Statement

Academy trust name: Plymouth UTC

Academy trust company number: 07645326

Year ended 31 August 2014

I accept that as accounting officer of **Plymouth UTC** I am responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the academy trust's use of its resources has provided good value for money during the academic year.

Improving Educational Results

Targeted Improvement

The Academy continually reviews the staffing structure against the establishment and curriculum requirements. When a member of staff ends their employment with the Academy it is not automatic that they will be replaced, instead this will be seen as a further opportunity to review the current requirements.

Performance Management of staff has been reviewed in line with The Education (School Teachers' Appraisal) (England) Regulations 2012. This ensures that performance is being reviewed and if necessary poor performance is being addressed on an ongoing basis. The aim of this is to ensure that the Academy is gaining value for money from its staffing structure.

Training opportunities are made available for all staff and especially teaching staff through partnership working with the Academy sponsors, Plymouth University and Plymouth City Council, in order to raise the standard of pedagogy in practice and embed further accreditation as entitlement.

Focus on individual pupils

Pupil Premium funding is being used to ensure that where individual students require additional support they are receiving it. The inclusive setup enables students with special or additional educational needs to access more targeted or individual support.

More information on pupil premium expenditure

There may also be complex family situations that prevent students from making sustained progress. At Plymouth UTC, we recognise that these challenges are varied and there is no one size fits all, we therefore personalise learning for our students.

Our key objective in using Pupil Premium Funding is to narrow the gap between vulnerable groups. Through targeted interventions we are working to eliminate barriers to learning and progress. For students who start at the Academy with low attainment on entry, our aim is to ensure that they catch-up with their peers through additional specialist interventions.

Collaboration

The Academy is sponsored by Plymouth University, Plymouth City Council and City College Plymouth and works closely with them. Not only is good practice shared but the Academy is also able to take advantage of curriculum based activities offered by these establishments at a reduced rate.

The back office duties surrounding finance and HR are completed by a shared service that undertakes the same tasks for four Academies sponsored by Plymouth University. The Academy has been able to take advantage of the economies of scale surrounding this agreement, creating greater efficiencies and reducing the cost to the Academy.

The Academy has hosted events which the whole City can benefit from such as a STEM event to engage girls in career pathways linked to Science, Technology, Engineering and Mathematic subjects.

New Initiatives

As a new organisation the UTC has developed a number of new initiatives such as running city wide events like the Bloodhound SSC STEM event and the National Marine Aquarium STEM FEST. One of the most exciting developments was to become one of four colleges affiliated with the Royal Navy. Students will benefit from projects, visits to naval facilities and careers advice from a range of naval professionals.

Quantifying Improvements

The performance in the Academy's first year of operations shows a positive outlook for the Plymouth UTC. As it's the first year, the Academy only had a small group of students which took formal examinations. Whilst this group was extremely challenging, achievement was good and 100% of students progressed to further education, employment or training opportunities.

The first year of operation has seen the development of a structure of high quality staff and the creation of policies and procedures which enable the Academy to deliver its core objectives.

In the year ended 31 August 2014 total expenditure exceeded income by £0.080m which represents both the challenging demographic dip affecting all secondary schools in the City and the requirement to invest in supporting specific interventions for students. The UTC is developing a recovery plan with the Education Funding Agency to manage the deficit and support the Academy's continuing activities.

Financial Governance and Oversight

Management accounts are produced and discussed with the Accounting Officer on a monthly basis to help improve financial oversight of the budget and aid decision making.

The Management Accounts are reviewed in detail by the Finance Committee once per term and the Full Governing Body twice per term. Financial expenditure and performance is reviewed fully and challenged where necessary.

Purchases over £25,000 are approved by the Finance Committee and purchases over £100,000 are approved by the Full Governing Board. The relevant tender processes are followed where required ensuring that value for money is achieved.

The Academy has employed qualified accountants to act as internal auditors who report on financial governance.

Better Purchasing

Fitness for Purpose

As a new organisation services and contracts were negotiated prior to opening and remain under continued review to ensure they represent best value.

At least three written quotations are obtained for orders over £5,000 and contracts over £25,000 are subject to formal tendering procedures.

Benchmarking

Whilst benchmarking data is not yet available for UTC's, the Academy maximises the knowledge and experience of partner schools regarding contractors and suppliers. The Academy uses data from the Baker Dearing Trust to compare the performance of the UTC.

Options appraisal

At least three written quotations are obtained for orders over £5,000 and contracts over £25,000 are subject to formal tendering procedures. When reviewing quotations and tender documentation the following areas are considered:

Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision;
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs;
- Is there scope for negotiation?

Technical/Suitability

- Qualifications of the contractor;
- Relevant experience of the contractor;
- Descriptions of technical and service facilities;
- Certificates of quality/conformity with standards;
- Quality control procedures;
- Details of previous sales and references from past customers.

Other Considerations

- Pre sales demonstrations;
- After sales service;
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

Economies of scale

By developing the shared service the Academy is able to take advantage of the economies of scale. This has particularly made a difference for larger purchases such as the finance and HR software. Other examples have included the tendering of audit services across all schools which secured a more efficient cost and the sharing of knowledge and experience regarding contractors and suppliers.

Better income generation

The key income stream identified for the Academy is the development of the Community Use and employer group sponsorship. A Business Development group has been established in partnership with Plymouth University, to maximise opportunities for raising additional income.

The parent association has run a number of events during the year such as quiz nights and food fairs to generate additional funds to support specific activities.

Reviewing Controls and Managing Risk

All purchases are reviewed at a senior level so that there is an overall review of purchases to ensure that there is no unnecessary expenditure.

The Principal receives regular finance briefings to help improve financial oversight of the budget and aid decision making. The Academies Finance Director meets regularly the Senior Leadership Team to ensure that both the budget represents the strategic direction of the Academy and that proposals and decisions are financially sustainable.

The Academy has appointed Francis Clark LLP to perform additional checks regarding the systems of internal control and provide an independent oversight of the Academy's financial affairs. The principal scope of work is to provide the Governing Body with independent assurance that:

- the financial responsibilities of the Governing Body are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained; and
- financial considerations are fully taken into account in reaching decisions.

The controls are tested via a programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the Governing Body. A report of the findings from each visit is presented to the Finance Committee.

A daily cashflow forecast is maintained and reviewed on a regular basis to ensure that the Academy has sufficient funds available to pay for day to day operations. If significant balances can be foreseen, steps are taken to invest the extra funds in low risk short term bank deposits. Any other form of investment must be pre-approved by the Governing Body.

The opening of all accounts must be authorised by the Governing Body. All cheques and other instruments authorising withdrawal from Academy bank accounts must bear two authorised signatures. Bank statements are received regularly and reconciliations are performed at least on a monthly basis.

The governors undertake a formal risk management process to identify, assess and, where possible, establish controls for the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances. This process involves identifying the types of risk the Academy faces, scoring and prioritising them in terms of their potential operational, compliance, financial and strategic impact, assessing the likelihood of occurrence and identifying means of mitigating or transferring the risks taking into account the costs relative to the benefit obtained.

Lessons Learned

The Senior Leadership Team meets at the start of the academic year to appraise the previous year's performance and plan for the year ahead. The Academies Finance Director meets regularly the Senior Leadership Team to ensure that both the budget represents the strategic direction of the Academy and that proposals and decisions are financially sustainable.

The governors review the reserve levels of the Academy annually as part of its rolling 3 year budget setting process. As a new organisation the Trust has little reserves and as such is vulnerable to fluctuations in pupil numbers. The Trust is developing a financial recovery package with the Education Funding Agency to manage the deficit and support the Academy's continuing activities.

Signed: _____

Name: Mary Cox

Academy Trust Accounting Officer

Date: 11 December 2014