

# Value for Money Statement

**Academy trust name: Cabot Learning Federation**

**Academy trust company number: 06207590**

**Year ended 31 August 2013**

I accept that as accounting officer of Cabot Learning Federation 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 over the following pages how I have ensured that the academy trust's use of its resources has provided good value for money during the academic year.

Signed:  .....

Name: *Sir David A Carter* .....

**Academy Trust Accounting Officer**

Date: *December 18 2013* .....

## **Cabot Learning Federation Value for Money Statement**

### **1. Positive educational outcomes for all our students**

This is demonstrated by the results for the 2012/2013 academic year. Full details are available on the CLF website: <http://www.cabotlearningfederation.net/federation/exam-performance/>

The CLF promises to deliver an outstanding education to every child who attends one of our Academies. To achieve this, every student will be taught by a well-trained and well supported teacher, in an Academy that is led at every level by an inspirational leader, with parents & carers who are partners in their children's education. As a result, we will create a federated learning community that through collaboration and partnership, delivers outstanding achievement for all.

To achieve this goal, every Academy in the Federation ensures that resources are directed where they are most needed and most effective in meeting educational requirements.

### **2. Financial governance and oversight**

The CLF structure has been established to ensure effective financial governance and oversight.

The main responsibilities of the Board include: ensuring that grant funding is only used for the purposes intended, approval of the annual budget, appointment of Chief Executive Officer (Executive Principal 2012/13) and Chief Operating Officer positions, authorising pay arrangements and ex-gratia payments to senior staff and monitoring the financial affairs of the Federation.

The Federation Board has delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management.

The Finance and General Purposes Committee is a sub-committee of the main governing body. Its purpose is to monitor financial performance, review and recommend financial plans to the Board, and overview systems of internal financial control.

The Audit Committee is also a sub-committee of the main governing body. Its purpose is to review the risks to internal financial control at the Federation.

### **3. Better purchasing**

The Federation must achieve the best value for money from all purchases. This means they want to get what they need in the correct quality, quantity and time at the best price possible, following the general principles of:

- Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Federation;

- Accountability, the Federation is publicly accountable for its expenditure and the conduct of its affairs;
- Fairness, that all those dealt with by the Federation are dealt with on a fair and equitable basis.

The CLF Financial Regulations provide a basis for ensuring that the Federation maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management. Included in the financial regulations are the following;

- For orders over £5,000 but less than £15,000 – At least three quotations should be obtained for all orders to identify the best source of the goods/services.
- For orders over £15,000 but less than £50,000 - formal written quotations will be sought. Quotations should be obtained from at least three firms/individuals based on specifications or terms of reference prepared by, or on behalf of, the Federation.
- For orders over £50,000 - All goods/services ordered with a value over £50,000 must be subject to formal tendering procedures. Purchases over the EU procurement limit require advertising in the Official Journal of the European Union.

As standard practice, all contracts entered into are continuously reviewed to ensure that goods and services being procured represent value for money.

Energy supplies across a number of the academies are purchased using a large energy broker. The contracts are reviewed and renewed regularly in order to achieve best value.

The Federation is currently tendering a maintenance and electrical contract across all its non BSF academies with the purpose of achieving savings through economies of scale.

A large number of services continue to be procured from local authority providers. As a result of the Federation being based across a number of local authority areas, the Federation can benchmark the services offered and as a result obtain value for money.

Other savings have been made as a Federation in the procurement of the following; a health and safety contractor, insurance, staff absence insurance, surveys, consumables, cashless payment system, photocopier contracts and ICT consumables.

Value for money has been achieved by the Federation providing the following central services to its academies during the year: human resources, financial services, project management, ICT services, educational support and leadership and management. The central team consists of qualified professionals who provide a excellent level of service and advice to the academies.

#### **4. Better income generation**

The CLF explores every opportunity to generate income, particularly through;

- Hire of facilities,
- Teaching school,
- Other consultancy – working with other schools

The Federation invests all surplus cash balances in short to medium term deposits designed to achieve the optimum return. The Federation balances the rate of return to risk and will invest accordingly.

The Federation continually investigates opportunities to apply for grants, bids and resources.

#### **5. Reviewing controls and managing risks**

The system of internal control within the CLF is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Federation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Directors review the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The Federation's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- Risk register;
- Regular reviews by the Finance and General Purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Monthly monitoring meetings attended by Chief Operating Officer, Head of Finance, Senior Finance Manager, HR representative, Principal and Academy Business Manager;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;

- Identification and management of risks; and
- Reviews by an external auditor of financial arrangements.

The Directors have appointed Baker Tilly, the external auditors to perform additional checks. The auditor's role includes giving advice on financial matters and performing a range of checks on the Federation's financial systems. On a quarterly basis, the auditor reports to the governing body, by way of letter, on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

From 1 January 2014, the Federation will be appointing internal auditors who will report to the Audit Committee on a six monthly basis.

#### 6. Lessons learned

- Tendering of a number of key contracts – external audit, internal audit, payroll services, maintenance and electrical services and occupational health.
- Review of investment policy to ensure best value.
- Continue to increase income generation particularly with the letting of sports facilities.

Signed: .....



Name: SIR DAVID A CAKBER

Academy Trust Accounting Officer

Date: December 18 2013