

# Value for Money Statement

The College Academies Trust Company

Academy Trust Company Number: 7272906

Year Ended 31 August 2014

I accept that as accounting officer of the College Academies Trust, 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 Statement 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 College Academies Trust's use of its resources has provided good value for money during the academic year.

## **Supporting students to reach their potential**

The Trust has a number of Academies for children and young people, aged 5 to 18. The College Academies Trust supports the social, emotional and academic growth of children and young people through the development of meaningful relationships and the delivery of an appropriate curriculum by experienced and skilled staff. The Trust meets the needs of this diverse community of learners with specific and individual learning and bespoke learning pathways with developmental achievement benchmarks for each and every student. All students have full access to an age-appropriate curriculum, which is enhanced by additional interventions that focus on the specific needs of students. A strong emphasis is placed on the attainment of independence skills and students are encouraged to develop skills which will stand them in good stead throughout their lives.

The College Academies Trust is an innovative and aspirational organisation which has at its heart the desire to make a real difference to the life chances of all the students who are members of our learning community. As a locally based cross-phase multi academy trust, we aim to inspire and motivate students and encourage them to have high aspirations and ambitions. We provide pathways to enable our young people to make the smooth transition between schools, academies and college so that their progress is accelerated and not interrupted. As a leading education provider in the city we to play a part in developing the highly skilled and motivated working citizens of the future.

The Academies Development Plans are reviewed annually by Governors. It has established specific targets in the following areas:

- **Achievement (including literacy)**
- **Quality of Teaching**
- **Behaviour and Safety**
- **Leadership and Management**

### **Targeted improvement**

The staffing structure is deployed to drive and support school improvement and our wide curriculum, as outlined in our Development Plan which focuses on the four key areas above. A new pastoral structure and reward system for students has been in place since January 2014 to focus on behaviour and safety. We have moved away from a house system to year groups. This has proved very successful and received good feedback from students, parents and external inspectors. The staffing structure is reviewed annually to ensure staff are deployed effectively. Extra resources have been put in place to support literacy and reading across all year groups. This programme has been developed to help less able students with one to one support and to drive more academic students to reach their full potential.

The Trust is committed to delivering the highest standards of education in all of our academies and to providing every student with the opportunities, ambition and aspiration to succeed and progress. Each Academy in the Trust has its own Development Plan designed to address specific areas for development. However, the CAT Board has identified a number of areas for development common to all academies in the Trust and has a clear focus on addressing these:

Raising attainment across all subjects so that our students make accelerated progress, achieve their targets and exceed National Averages.

Utilise pupil premium funding effectively to support the progress and achievement of disadvantaged students.

Ensure that the quality of teaching in all of our academies is consistently good or better.

Provide learning environments that are safe and secure, where behaviour and attitudes to learning are good or better and attendance is improving towards National Averages.

Improve the effectiveness of leaders and managers at all levels to ensure maximum impact and measurable improvements in student performance.

Develop staffing, systems and outcomes to the standard required to ensure a good or better judgement by OFSTED.

Continue to raise the profile and reputation of the Trust and the academies within it to attract increasing numbers of students.

Expand the membership of the Trust and the wider Federation in accordance with the strategic plan.

## **Collaboration**

The Trust has worked closely with a local Academy which is joined the Trust in March 2014. We seconded a Senior Vice Principal into the Trust to support with Teaching and Learning in the classroom. This has had a measurable change in teaching and helped improve some teaching to go from Satisfactory to Good. One of the Primary Schools in the Trust has also received support from one of our partners this has helped to make improvements for both students and staff. A new Principal has been appointed at this academy who has proven experience of taking a school from requires improvement to good.

## **Robust governance and oversight of Academy finances:**

The Trust Directors are committed to ensuring that governance of the Academies financial management is robust. The Directors and the Local Governing Body are cognisant of their responsibilities in ensuring that the Trust's resources are managed effectively, to support the objectives in the Academy's Development Plan, whilst considering the long term development of the Trust. The Trust's Directors, Governors, Senior Leadership Team and staff strive for the best possible outcomes for students, achieved at a judicious cost.

The Finance and Operations Committee meets as often as is necessary to fulfil its responsibilities, but at least three times a year. The Committee has clear Terms of Reference which is reviewed annually. The Committee includes the Executive Principal and the Chair of Governors. Members are invited to join the Committee on the basis that they have appropriate skills and experience and training is provided as required. The Finance and Operations Committee receive regular budget monitoring provided in a consistent format and with explanatory notes. They also consider and ratify policies, scrutinise the Academy's budget forecast to ensure that the Trust complies with agreed policies and procedures and challenges decision makers on spending proposals. The Committee considers the annual reports and financial statements of The College Academies Trust and makes recommendations to the Directors, who approve core financial statements and documents. This Committee also reviews any Capital project and recommends them to the full Board. The Committee is serviced by an experienced clerk.

The Finance and Operations Committee regularly review key financial policies and procedures. These include:

- Financial Regulations
- Internal Financial Manual
- Anti-Fraud & Corruption Policy
- Treasury Policy
- Risk Management Policy and Risk Register
- Pay Policy
- Lettings policy
- Disposals and write off policy
- Gifts and hospitality policy

An Audit Committee has been set up since September 2013 as the Trust has a turnover in excess of £10 million. The Committee has clear Terms of Reference and meets as often as is necessary to fulfil its responsibilities but at least twice a year. The Audit Committee's remit is to work with the Internal Audit Company, HCSS and the External auditor. Currently the Internal Audit function is carried out by HCSS over four visits in line with the Financial Academies Handbook. The Committee considers the reports of the Internal Audit function and makes recommendations to the Board. The Committee ensures that any actions recommended by HCSS are undertaken by staff. The Audit Committee reviews the effectiveness of internal controls established to ensure that the aims, objectives and key performance targets of the Trust are achieved in the most economic, effective and efficient manner. The Audit Committee reviews the Business Continuity Plan and the Risk Register. All Directors, Governors and staff are required to complete a Register of Pecuniary Interests form annually. A new compliance check list document was produced this year in line with the Schedule of requirements annex C 'the musts' for Governance and financial oversight in the Financial Handbook Academies September 2014. This is checked annually and evidenced for the Committee. The full Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Trust remains a 'going concern'. The Governing Body also receives and approves the Financial Statements and External Management Report. This year there have been no management recommendations from the external auditor.

### **Ensuring that the Trust gains good value for money, and effective and efficient use of resources**

The Trust takes a prudent approach to expenditure as nearly 77% of the Academies budget is spent on staffing. The staffing structure is reviewed annually to ensure that it is fit for purpose and can adapt and respond to support the successful attainment of the objectives within the Academies development plans. Creative use of human resources demonstrates a commitment to deploying staff skills effectively and staff are encouraged to use their particular areas of expertise to benefit student outcomes throughout the Trust. The Trust has carried out four staffing restructures over the last three years to ensure an effective and efficient structure is in place to support the curriculum and operations of the Academies. The Trust has a high proportion of skilled and experienced support staff, thus ensuring that pupil to staff ratios are maintained at a high level whilst providing value for money. Staff are deployed to provide best value, and temporary changes to permanent contracts are frequently used to meet the needs of the Trust. Staff are trained to provide and deliver good outcomes thus reducing the reliance on external providers in the future. Some support staff roles are now in place to support services throughout the Trust not just at one Academy for example the Finance and Operations Director works over all the Academies within the Trust and a number of services have been centralised to gain economies of scale. Teachers' performance management and support staff appraisal

systems are in place and HR policies, such as Managing Absence, Whistle blowing are implemented.

The Trust payroll is maintained by Stoke on Trent Council, and detailed monthly reconciliations of payroll by the Finance & Operations Assistant Director ensures that payments to staff are accurate. Regular bench marking is carried out and delivered within the monthly management reports to the Finance and Operations committee and Trust Board.

The Trust's Internal Financial Regulations Manual is strictly followed by all staff who have financial responsibilities. This Manual sets out systems for:

- The accounting system
- Financial planning
- Payroll
- Purchasing
- Income
- Cash management
- Fixed assets
- Insurance

The Manual also sets out responsibilities for staff, including the Executive Principal, Finance & Operations Director, Finance & Operations Assistant Director, Finance Officers, Finance Manager, Facilities Manager and Budget holders.

All the financial transactions of the Trust are recorded on the Corero accounting system, access permissions to Corero are strictly controlled.

All purchasing follows best value principles and a scheme of delegation is in place as are separation of duties. Purchases of over £5,000 require three written quotations and contracts and orders over £25,000 are authorised by the Finance and Operations Committee. All goods and services ordered with a value of over £50,000 or for a series of contracts which in total exceed £50,000 are subject to formal tendering procedures and authorised by the Finance and Operations Committee. Purchases over the OJE thresholds come under EU procurement rules. Competitive tendering procedures are detailed in the Internal Financial Regulations Manual and have been applied for a number of services. An example is the Cleaning contract which went out to tender through OJE for the group this year to ensure a value for money service was procured. Governors and staff accept that best value quotes may not be the cheapest as other factors, including workmanship and quality of services, need to be considered.

The Trust Hospitality Manager and Facilities Manager take an active approach in helping to reduce costs across the Academies in the trust by looking at sharing services. Catering has been taken in – house in two of the Academies to provide a good service with improved nutritional meals for a better value.

### **Maximising income generation**

The Trust has a Lettings policy in place and explores opportunities to generate income through the hire of sites within the Trust. The Trust has one Academy which has just moved in to a new building and are opening their fantastic sport's facilities to the local community from January 2014. This is to help encourage health and well-being in the local community and will also generate some additional income. A proactive approach is taken towards preparing funding bids and generating revenue streams in order to maximise income generation. Two Academies in the group have successfully bid and secured over £250k which has helped improve their facilities.

### **Reviewing controls and managing risks**

Monthly management accounts are produced and reviewed by the Finance and Operations Director which are scrutinised to ensure any necessary remedial action is taken to address any significant variances that may have an impact on the budget out-turn. The Trust regularly reviews its Risk Management Strategy, Business Continuity Plan and Risk register. Insurance levels are reviewed annually, cover is currently sourced through Zurich for the group. A Reserves policy is in place, which considers potential risks when calculating the optimum level of reserves held by the Trust. The Governors review reserve levels annually. An Anti - Fraud policy is also in place.

### **Lessons Learned**

In the last three years as a Trust, the Directors and Senior Leadership Teams have striven to maintain a continuity of service to reduce the operational impact of the conversion process for new Academies entering into the Trust. Over coming years it will be appropriate to tender for an increasing number of services and contracts to ensure that the need for continuity is balanced with recognition of the opportunities available to all the Academies within the Trust in sourcing their services. All decisions regarding purchasing and service provision have been and will continue to be taken with an emphasis on obtaining value for money and improving outcomes for students.

### **Signed**

**Name:** John Patino  
**Academy Trust Accounting Officer**

**Date:** 15.12.14