

Value for Money Statement

Academy trust name: Watford University Technical College

Trust company number: 08599329

Year ended 31 August 2014

I accept that as Accounting Officer of the Watford UTC that 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 Watford UTC's use of its resources has provided good value for money during the academic year.

Robust governance and oversight of UTC finances:

The Watford UTC's Directors are committed to ensuring that governance of the Watford UTC's financial management is robust. The Directors and the Governing Body are cognisant of their responsibilities in ensuring that the UTC's resources are managed effectively, to support the objectives in the Watford UTC's Development Plan, whilst considering the long term development of the UTC. Directors, Governors, Senior Leadership Team and staff strive for the best possible outcomes for students, achieved at reasonable cost. The Governors and Senior Leadership Team apply the principles of best value when making decisions about:

- The allocation of resources to best promote the aims and values of the UTC.
- The targeting of resources to best improve standards and the quality of provision.
- The use of resources to support the various educational needs of all students

A Resources Committee has been established by the Governing Body following the opening of Watford UTC in September 2014. This committee has clear terms of reference, which includes the responsibility for providing assurance over the suitability of, and compliance with, financial systems and controls as required by the Education Funding Agency.

The UTC'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;
- Regular reviews by the Resources Committee of reports which indicate financial performance against the forecast and of major purchase plans, capital works and expenditure programmes;
- Clearly defined purchasing guidelines including regular appraisal and re-negotiation of services and contracts
- Delegation of authority and segregation of duties
- Identification and management of risks

The Full Governing Body approves the budget and is mindful of the need to balance expenditure against income to ensure that the UTC remains a “going concern”. The Full Governing Body receives and approves the Annual Accounts and the External Auditors Management Report.

An independent Peer Review Officer has been appointed by the Governing Body of Watford UTC and will provide Governors with an independent oversight of the UTC’s financial affairs. The reviews will investigate procurement, banking, payroll and financial reporting and an assurance on the system of internal control being maintained by the UTC. Procedures have been implemented to ensure that competitive tendering takes place to ensure that the most economic tendering option is taken. A report of the findings from each visit by the independent Peer Review Officer will be presented to the UTC’s resources committee and to the Watford UTC Full Governing Body.

The Watford UTC’s Finance Director provides regular written financial reports to the Principal and Governors at the UTC. These reports included funding and payroll reconciliations and a full budget monitoring with commentary, thus ensuring a consistent format. Reports also include a review of UTC funding, cash flow, payroll reconciliation, and a balance sheet.

All Directors and Governors are required to complete a Register of Pecuniary Interests form annually. The opportunity to declare any pecuniary interests is provided at all governors meetings.

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

The UTC takes a prudent approach to expenditure. With over 70% of the UTC budget spent on staffing, staffing structures are reviewed frequently to ensure that they are fit for purpose and can adapt and respond to support the successful attainment of the objectives within the UTC development plan.

The Watford UTC has a high proportion of skilled and experienced teaching and associate staff, who are very effectively deployed to provide best value. Teachers’ performance management

and Support Staff appraisal systems are being formalised and HR policies, such as Managing Absence and Whistleblowing, are implemented.

The UTC's payroll is maintained by Dataplan and detailed monthly reconciliations of payroll are undertaken by the Finance Director and the finance assistant to ensure that payments to staff are correct.

The Watford UTC's Internal Financial Regulations has defined responsibilities for each person involved in the administration of finances to avoid the duplication or omissions of functions and to provide a framework of accountability for directors, governors and staff. A documented scheme of delegation ensures that contracts and services are regularly appraised and renegotiated when appropriate to ensure value for money. Individual budget holders are held accountable for the use of their budgets, and are helped by the UTC's finance team in sourcing best value.

All purchases under £5,000 should be chosen from a list of approved suppliers. At least three written quotations should be obtained for all purchases between £5,001 and £25,000 to ensure that an assessment of cost and benefits are duly considered. All purchases over £25,000 must be referred to the resources committee for approval. Purchases over £75,000 are subject to formal tendering procedures.

The UTC intends that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential. Investment institutions would be selected carefully to provide the most acceptable balance of return and risk.

Assessing value for money

The Watford UTC is committed to providing a high quality, inclusive education for all. The UTC has a tracking system for monitoring achievement and is continually looking at how data can inform staff in order for them to support and extend the learning of the students. Through regular assessment, we have a clear picture of the potential and progress of every student and provide support and extension work for those students who need it. We have employed skilled staff to support our improvement agenda and we involve all our teams in focusing on the students learning need and encourage innovation and creativity to meet those needs. The UTC tracks student progress, attendance and behaviour of all student. Students that receive pupil premium are clearly identified and their individual performance reviewed to ensure that progress attainment is achieved. It is the Watford UTC's mission to focus on raising attainment at GCSE, BTEC and A Level. The Senior Leadership Team work hard to identify vulnerable groups for Mathematics and English and the identification of key marginal students in other subject areas.

The Watford UTC has been founded to work collaboratively with partner stakeholders to enhance staff and student practice and performance. A Student Relationship Manager has been appointed to work with students and community partners in that respect.

The Finance Director scrutinises each departments budget forecast, ensuring that the they comply with agreed policies and procedures, whilst challenging on spending decisions and approving expenditure over £25,000 in accordance with the scheme of delegation.

Departmental and curriculum allocations are allocated to specifically meet day to day needs, thus ensuring that significant expenditure remains within the control of senior management. Option appraisal is then the focus before any purchase proceeds.

Careful and prudent management of financial resources ensures that the annual expenditure budget remains within the total income received for the year.

Emma Loveland

Accounting Officer

Watford UTC

Date: 04/12/14