

Value for Money Statement

Compass School Southwark (Compass Schools Trust)

Academy trust company number 07644380

Year ended 31 August 2014

I, Lauren Thorpe, accept that as accounting officer of Compass School Southwark (Compass Schools Trust) I am responsible and accountable for ensuring that the 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 2013-14. In doing so, I have considered how best I may ensure:

- the economic, efficient and effective use of all resources to improve educational results
- the avoidance of waste and extravagance
- the prudent and economical administration of the Compass Schools Trust
- the establishment and maintenance of prudent financial governance
- value for money in all financial transactions

Whilst the following list is not exhaustive it gives examples of areas where we have achieved, and how we continually strive to achieve, value for money.

Achieving value for money

At Compass School Southwark our core focus is to achieve our vision that "everyone in the Compass School Community will confidently reach the destination to which they aspire". Given the financial environment and constraints within which we operate, it is essential that value for money is considered as part of this. We take very seriously our responsibilities as a growing local employer funded by the public, and work tirelessly to make our school an outstanding place to learn, work and develop in a professional manner.

All staff have a shared focus on achieving value for money across all purchases. Spending has to be justified against one of four key areas we have set out: team, community, enrichment, and academic excellence. Budgets are clearly set for each area of spending in the school, and budgets must be adhered to. As Accounting Officer, I monitor financial performance against budgets and seek explanations for variances in order to ensure that our spending is controlled.

Academic progress

In our first year of operation, Compass School Southwark made progress towards the targets set out in the School Development Plan. In the same year, the Trust maintained a modest surplus. The strength of the Governing Body and Finance Committee scrutiny and oversight has supported the school in ensuring that academic standards are maintained while financial targets are met.

At the end of the academic year 2013-14, the proportions of students making and exceeding expected progress in English & Maths from each starting point were close to or above national

figures. Two-thirds of students made 2 sub-levels of progress in Maths and English during the academic year. Almost two-thirds of all students achieved 3 sub-levels of progress in English or Maths, exceeding nationally expected progress. For disadvantaged students, the proportions making and exceeding 2 sub-levels of progress in English and Maths, from each starting point were narrower than the national gap. Further, progress in a wide range of subjects beyond English and Maths is consistently strong.

This academic progress is supported by formula-driven departmental budgets which are wholly owned by department budget holders. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. A print detailing actual expenditure against budget is supplied to each budget holder a week after the end of each month and budget holders are encouraged to keep their own records of orders placed but not paid for. Where budgets are underspent, the surplus is carried into the subsequent academic year. No departmental budgets were overspent in the academic year 2013-14. In addition to budgetary spending, as the overall school budget allows, departments can access additional funding through a bidding process, thus aligning spending to strategic need.

Staffing

At Compass School staff perform as a team, supporting each other through flexible staffing timetables. This reduces the need for external and expensive temporary staffing. In addition, staff Continuing Professional Development (CPD) and wellbeing is promoted, in order that staff absences are limited.

Further, the staffing structure at Compass School is reviewed at least annually to ensure that we are deploying all staff efficiently, and that we are aware of potential future staffing issues in good time.

As a new school, we have the opportunity to tailor our appointments to the roles available in the school, again ensuring that all staff are utilised to best effect in order to achieve the academic progress targets set. This includes asking staff to spend up to 5 additional days throughout the academic year supporting students or accessing CPD, outside of the usual term dates.

Individual student support

Inclusion is at the heart of the Compass School vision, and we have invested in bringing these resources in-house. An Inclusion Co-ordinator ensures that all student inclusion needs are met, and provides the one-to-one support required. This provision has been effective in ensuring that all students receive the support they require, and is reflected in academic progress.

We also acknowledge where outside agencies are required to support and complement the work of colleagues. Where this is necessary (for example through student counselling or psychological services), we work with external agencies to identify suitable suppliers and secure best value through obtaining a range of quotes.

Further, the Pupil Premium report sets out where this specific funding has been allocated and spent, and the effectiveness of this spending. We hope to be able to provide the same level of analysis and scrutiny of each budgetary area, as the school grows.

Better purchasing

The School wants to achieve the best value for money from all our purchases. We achieve this through following the general principles of:

- Probity, it must be demonstrable that there is no corruption or private gain for connected parties involved in the contractual relationships of the School;
- Accountability, the School is publicly accountable for its expenditure and the conduct of its affairs;
- Fairness, that all those dealt with by the School are dealt with on a fair and equitable basis.

This means obtaining the correct quality and quantity at the best price possible. It is the responsibility of every member of staff at Compass School Southwark to ensure that value for money is secured. This is set out in the staff handbook and is reflected in the requirement that three suppliers should be identified and price comparisons carried out, before a purchase order can be processed. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the Finance Office. This ensures that we are not overpaying even for small items, which add up when repeatedly ordered over time.

At a strategic level, Compass School Southwark has also renegotiated or terminated contracts which have not turned out to deliver value for money, either through cost or quality of service. This ranges from the cleaning contract for the building through to the management information system that we use.

A scheme of delegated authorities is set out as to ensure that for purchases over a given level, a full assessment of the cost and benefits of alternatives is considered.

Economies of scale

As a small school and trust, we are not yet able to benefit from significant economies of scale. However, where we are able to share the costs of goods and services we do. For example, an upcoming training course delivered internally to teaching staff is being shared with other schools at a discount to RRP, in order to lower the cost to Compass School.

Income generation

At Compass School we aim to become a key stakeholder in the local community as our school grows. This means providing services and opportunities to the families that we serve. Where possible, we would ensure that such services are delivered free of charge, however we do charge when necessary or where the market suggests it appropriate. For example, from January 2015 our sports hall will be leased during non-school hours to a third party at the local market rate, and we charge for some school events.

In addition, a fundraising strategy is currently being developed by the Principal with the support of the Finance Committee of the Governing Body.

Financial benchmarking

As Accounting Officer I regularly carry out benchmarking against similar organisations, though comparisons are difficult to make given how few schools of a similar type share our circumstances. As part of the budget planning process, comparative spending is considered when we determine the allocation of funds for future years.

Given our small size and the nature of our accommodation, it is not currently possible to benchmark variables associated with operations and maintenance. However these costs are currently low, as a result of negotiation with our landlord. Compass School Southwark spends approximately 75 per cent of its resources on staffing, in line with similar sized schools.

Internal controls and risk management

Monthly management accounts are circulated to the Finance Committee, and the budget scrutinised at each meeting (half termly). Delegated authority limits prevent the school from entering into substantial (in value or length) contracts or purchases without prior approval of the Finance Committee of the Governing Body. These delegated authorities are clearly set out in the school's Financial Regulation and Procedures Manual.

As a new school, we regularly adjust budgets to reflect costs which may not have been envisaged. Where this has been the case, a virement has been recommended and subsequently approved by the Finance Committee of the Governing Body. In some cases, the decision has been made to defer spending on a specific item to the next academic year, in order that the budget is maintained.

Finally, a RAG rated risk register is updated half termly and circulated for review by the Finance Committee of the Governing Body.

Striving for better value

Since the school opened to students in September 2013 we have constantly sought to achieve best value in the use of resources and procurement of goods and services. We finished the financial year with a modest surplus, having achieved or made progress towards all of the aims set out in the school development plan.

As the school grows we will continue to model good practice with regards to achieving value for money, at both a strategic and operational level.



Lauren Thorpe

Principal

For and on behalf of the Compass Schools Trust