



NORTH BIRMINGHAM ACADEMY

BEST VALUE STRATEGY POLICY

1. Introduction

1.1 This document establishes our School's Best Value Strategy for purchasing. It sets out:

- Why a best value strategy is needed;
- The benefits to the Academy of having a best value strategy,
- The key approaches to Best Value;
- The Academy's purchasing structure;
- The Academy's proposed approach to delivering best value in purchasing;
- Key implementation and monitoring targets;
- Proposals for taking the strategy forward.

1.2 The strategy will, at this stage, concentrate on obtaining best value in purchasing. This can be extended to other key areas, such as the delivery of curriculum, at a later date should the Governing Body feel this would be beneficial.

2. Why the strategy is needed

2.1 Best Value is a statutory duty on local authorities, including The Trust, to secure continuous improvement in the way that services and functions are exercised by the most economic, efficient and effective means possible. Whilst best value does not apply statutorily to Academy governing bodies, Academies are expected to demonstrate that they are following best value principles in their expenditure of public money, and as part of their evaluation of standards, the curriculum, partnership with parents and management.

2.2 In managing their budgets all Academies should be striving to utilise available funding in the most efficient and effective manner for the Academy. Key to this is seeking to obtain best value for all purchases being made.

2.3 The principles of Best Value have received a significant level of exposure to the general public. This higher profile has resulted in a far greater level of awareness, understanding and expectation by parents and in many cases the children of the Academy. The Academy has a duty to be open in ensuring that all stakeholders are aware of how it intends to ensure best value is obtained.

2.4 The Education Department's Fair Funding Scheme establishes a requirement on Academies to consider best value. As part of the scheme there is a requirement on all Academies to submit, along with their annual budget plan, a best value statement. This should set out the steps being taken in the course of the year to ensure that expenditure, particularly in respect of large service contracts, will reflect the principles of the Best Value regime. The formulation of a strategy will help the Academy meet these requirements.

2.5 Finally, the development and introduction of a best value strategy, would give the Academy the opportunity to be at the forefront, leading on an area other Academies will have to become involved in over the next few years.

3. The benefits of a Best Value strategy

3.1 The introduction of a Best Value strategy will provide a number of key benefits to the Academy.

- The strategy will formally establish, and help to highlight, the governors' commitment to creating a best value culture throughout the Academy.
- The strategy will raise awareness of the benefits the Academy can obtain from working towards a best value culture.
- The strategy will help to clarify governor and staff responsibilities in relation to best value.
- The strategy will provide a framework within which the Academy can work towards creating a best value culture.

4. Approach to Best Value

4.1 The aim of the Best Value strategy is to help the Academy achieve continuous improvement in the way it carries out its purchasing function. The approach used to ensure such improvements are achieved is to carry out a regular programme of review by applying the four key principles of best value –

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|-----------|---|--|
| Challenge | - | why, how and by whom the service is provided |
| Compare | - | performance against others |
| Consult | - | with key stakeholders |
| Compete | - | the use of competitive measures, wherever practicable, to secure efficient and effective provision |

4.2 By applying these principles to all aspects of the purchasing procedures, the Academy can ensure that it is working positively towards establishing a process that will deliver, monitor and improve the efficiency and effectiveness of the purchases being made.

5. Overview of the Academy's purchasing structure

5.1 Detailed below is an overview of the Academy's purchasing structure.

- All staff can raise internal order requisitions for the purchase of goods.
- Budget holders sign and approve the internal order stating the budget from which the goods will be purchased and retain a copy for their records.
- Internal order requisitions are processed by the Academy Finance Office
- Official orders are printed and then copied:
 - the official order is posted to the suppliers
 - a copy of the order is retained by the Finance Office. The copy order and the internal requisition are both held on file.

5.2 The Academy already has good practice procedures for the purchase of Audio-Visual and Information Technology equipment:

- Any internal order requisition for AVA or IT equipment is checked and approved by the ICT Manager for compatibility with Academy hardware, software, price – and value for money, before an official order is raised.
- The finance office ensures all order requisitions raised for such equipment, by curriculum budget holders, are brought to the attention of the ICT Manager before being processed.

For such a specialised area this procedure is practical. It is not possible to adapt this system for all purchases.

6. Proposed approach

- 6.1 For the strategy to be effective there must be a commitment throughout the whole of the Academy. The following steps should be taken to maximise the potential for successfully implementing the strategy.
- 6.2 The first, and most important requirement, is for the Governors and Principal to clearly be seen to support the strategy. The 'Top down' approach will give the strategy authority and credibility with all stakeholders, whether they are employees, parents, students or other partners. Therefore the strategy needs to be agreed and approved by the governing body.
- 6.3 All strategic staff (those in a position to influence purchasing in any way) should be informed of the strategy and the need to comply with it. Each should be given a copy and asked to sign to say they will work to it.
- 6.4 All other staff should be informed of the strategy. A copy should be made available in the staff room so that all staff are aware of the policy, why it is there and what it aims to achieve. In addition a copy of the strategy will be included in the staff handbook.
- 6.5 A monitoring process should be introduced to both enable the nominated monitoring officer to assess the level of compliance with the strategy and to ensure that all officers involved in the purchasing operation are aware that non-compliance may be identified.

6.6 Proposed Monitoring & Reviewing System for Best Value

- 6.6.1 Within normal Academy financial practice, half termly budgetary 'cost centre reports' are provided for budget holders. This would be the most appropriate time for monitoring, reviewing and recording 'Best Value'. This could be done by choosing a random selection of purchasing items from each key budget area. Each budget holder with responsibility for the selected purchases would be asked to complete a simple best value questionnaire.
- 6.6.2 Draft Procedure:
- A random order will be selected from each of the main key budget headings with the exclusion of the salary budget.
 - An assessment questionnaire with a copy of the order and relevant invoice will be issued to the budget holder.
 - Once the assessment questionnaire is returned to the finance office the information will be transferred to an analysis spreadsheet.
 - A copy of the best value assessment questionnaire, order, and invoice will be filed to back-up the analysis report.

In addition, there will be regular overview monitoring of purchasing to ensure that orders are being placed in the most efficient manner. This would help highlight if companies are receiving separate orders from different budget areas losing the benefits of the potential for negotiating savings.

6.6.3 An Annual Report will be made to the Governing Body giving an overview on how the process has worked and the results of the monitoring processes. This report should also be used to enable the governors to review the strategy.

6.6.4 The introduction of a Best Value strategy, and the implementation of a monitoring process, will provide the Academy with the opportunity to consider the introduction of performance indicators, which will assist with the assessment of continual improvement – a key element in Best Value.

7. Key implementation and monitoring targets

This section outlines the key milestones and target dates for implementing the strategy.

- Governors approval
- Strategy issued to key officers
- Strategy made available to all staff
- Monitoring process put in place
- Review of process
- Annual report to governors

8. Taking the Strategy forward

8.1 This strategy is about improving the use of resources throughout the Academy, about getting the best value from the money expended, about ensuring that the Academy gets the best quality supplies and services within the resources available.

8.2 If the strategy is to be successfully taken forward there needs to be total commitment to best value throughout the Academy. To achieve this, the Governors, Principal and Senior Management Team must be seen to fully support the strategy.

8.3 A demonstration of commitment from the top will set the style and tone which will cascade down throughout the Academy. This top-down approach will then influence the day to day operations ensuring best value considerations become an integral part of the purchasing processes.

8.4 All staff, particularly budget holders, would need to agree and comply with the importance of the Best Value Assessment questionnaire. Staff need to understand that it is about improving the use of resources throughout the Academy while achieving value for money. A review of overall purchasing could also provide the potential for negotiating purchasing discounts.

8.5 The monitoring process will complement the implementation of Consistent Financial Reporting which will be introduced in the near future, making benchmarking with Academies throughout the country easier to achieve.

NBA Governing Body Approval on :

Date of Next Review

Lead Manager: