

Brookfields Primary School

Best Value/Value for Money Strategy Document

1. Introduction

1.1 This document establishes Brookfields Primary School's Best Value/Value For Money Strategy for purchasing. It sets out :

- Why a best value strategy is needed;
- The benefits to the school of having a Best Value/Value for Money strategy,
- The key approaches to Best Value and Value for Money
- The schools purchasing structure;
- The schools proposed approach to delivering best value and value for money 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 LAs, 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 and value for money does not apply statutorily to school governing bodies, schools are expected to demonstrate that they are following best value and value for money 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 schools should be striving to utilise available funding in the most efficient and effective manner for the school. Key to this is seeking to obtaining best value and value for money for all purchases being made.

2.3 The principles of Best Value and Value for Money 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 school. The school has a duty to be open in ensuring that all stakeholders are aware of how it intends to ensure best value and value for money are obtained.

2.4 The development and introduction of a Best Value Strategy will give the school the opportunity to be at the forefront, leading on in an area other schools will have to become involved in over the next few years.

3. The Benefits of a Best Value/Value for Money Strategy

3.1 The introduction of a Best Value/Value for Money Strategy will provide a number of key benefits to the school.

- The Strategy will formally establish, and help to highlight, the governors' commitment to creating a value for money culture throughout the school.
- The Strategy will raise awareness of the benefits the school can obtain from working towards a value for money culture.
- The Strategy will help to clarify governor and staff responsibilities in relation to value for money.
- The Strategy will provide a framework within which the school can work towards creating a Best Value/Value for Money culture.

4. Approach to Best Value/Value for Money

4.1 The aim of the Best Value/Value for Money Strategy is to help the school 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 –

- | | | |
|-----------|---|--|
| 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 school 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 Schools Purchasing Structure

5.1 Detailed below is an overview of the schools 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.

- Internal order requisitions are processed by the school Finance Office
- Official orders are printed and then copied twice:
 - the official order is posted to the suppliers
 - a copy of the order is retained by the Finance Office attached to the internal requisition
 - a copy of the official order is passed to the budget holder

5.2 The school 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 & Learning Resources Manager for compatibility with school hardware, software, price and value for money, before an official order is raised.
- The Finance Office ensure all order requisitions raised for such equipment, by curriculum budget holders, are brought to the attention of the Learning Resources 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 school. 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 Head Teacher 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, pupils 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/Value for Money

6.6.1 Within normal school financial practice, monthly budgetary 'cost centre reports' are provided for budget holders. This would be the most appropriate time for monitoring, reviewing and recording 'Best Value and Value for Money'. 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 Value for Money questionnaire. (See Appendix G of the Schools Financial Procedures Manual)

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 Value for Money 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/Value for Money Strategy, and the implementation of a monitoring process, will provide the school 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 and Value for Money

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 school, about getting the best value from the money expended, about ensuring that the school 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 and value for money throughout the school. To achieve this, the Governors, Head Teacher 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 school. This top-down approach will then influence the day to day operations ensuring best value and value for money 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 Value for Money Assessment Questionnaire. Staff need to understand that it is about improving the use of resources throughout the school 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 schools throughout the country easier to achieve.