

## <Creative Academy>

## <Value for Money Strategy>

## <Financial Viability & Sustainability>

### Overview

A Value for Money (VfM) strategy ensures organizational resources are used optimally to achieve maximum benefits, balancing cost, quality, and effectiveness rather than just choosing the lowest price. It is commonly framed around the "4Es" - Economy (low costs), Efficiency (productive use), and Effectiveness (reaching outcomes) and Equity.

### Key Components of the VfM Strategy

- **The 4Es Framework:**
  - **Economy:** Minimizing the cost of inputs (staff, materials) while maintaining required quality.
  - **Efficiency:** Maximizing output for a given input - "spending well".
  - **Effectiveness:** Ensuring outputs produce the desired outcomes or objectives - "spending wisely".
  - **Equity:** Ensuring services are fair and accessible to the target population.
- **Strategic Approach:**
  - **Cultural Embedding:** Creating an organizational culture where VfM is shared at all levels.
  - **Benchmarking & Reporting:** Regularly measuring performance and costs against benchmarks and reporting to stakeholders.
  - **Optimum Mix:** Defining value as the best available combination of cost, quality, and sustainability.

### Introduction

- Slough Borough Council is committed to the successful and affordable delivery of the Creative Academy.
- Slough Borough Council makes decisions about the Creative Academy through its management reporting lines and the Steering Committee for Higher Education.
- All decisions made throughout the Creative Academy, no matter how small, ultimately have an impact upon whether Slough Borough Council's Creative Academy maximises value or unnecessarily loses value.
- The objective of the Value for Money (VFM) Strategy is to support the council, steering committee and staff to secure and measure Creative Academy efficiency and effectiveness in all business areas.
- VFM considerations are embedded within the routine management culture of Creative Academy through Slough Borough Council and the Steering Committee. This is a maturing process for business planning and performance and the means by which judgements about longer term sustainability can be derived.
- The strategy covers objectives, responsibilities and approaches which will enable planning and delivery of VFM in the longer term.

## Context

- In the continued climate of challenges within the Education sector, Creative Academy needs to be able to demonstrate the highest standards of governance and stewardship by delivering VFM for both public and private funds. Therefore we need to have the staff, skills, structures, systems and processes that enable us to continually challenge and improve our performance to meet evolving needs.
- Creative Academy will seek to adopt good practice and incorporate VFM principals in all its activities.

## Objectives

- Creative Academy has the following VFM objectives:
  - To ensure that the principals of VFM are understood throughout the institution and that staff take responsibility for pursuing VFM for all Creative Academy activities.
  - To embed the pursuit of increased economy, efficiency and effectiveness throughout Creative Academy and encourage a culture of continuous improvement.
  - To improve the efficiency and effectiveness of our systems and processes which seek to fulfil Creative Academy's aims and objectives.
  - To integrate VFM principals within existing management, planning and review processes.
  - To adopt recognised best practice, where best practice delivers economy, efficiency and effectiveness for Creative Academy.
  - To monitor the achievement of VFM through reporting and benchmarking.
  - To ensure that Creative Academy has the ability to demonstrate that VFM is being achieved.

- To ensure that good practice in procurement is established throughout Creative Academy.
  - To improve the outcomes of investigations, reviews and benchmarking in order to maximise the benefit of this work.
- The VFM activities that will result from this strategy will support Creative Academy to achieve competitive advantage by performing in a way that makes the best use of all business resources.

## Responsibilities

- The responsibility for VFM lies with all staff and is not restricted to those with resource and financial responsibilities.
- The Creative Academy Manager and Quality Assurance & Business Manager have executive responsibility to maintain an awareness of good practices in all areas of operation and to ensure these are followed appropriately and reported via the Steering group).
- The Steering group is responsible for the monitoring and reporting of VFM performance ensuring financial and procurement rules are being met.
- The Steering group is required under the regulatory framework and public interest principles to provide assurance that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. The Steering group is required to relay its view on the arrangements to OfS upon registration.

## Approach

- Steering Committee - is responsible for the VFM strategy and associated KPI's, which incorporate all areas of VFM, specifically:
  - Delivery of Educational programmes
  - Research
  - Human Resources including core staff and freelance
  - Expenditure relating to all programmes being delivered including indirect costs
- Collation of data and integrating management systems guide VFM
- VFM targets and KPI's
- Finance and other enablers
- The Steering group reviews VFM progress; and is chaired by the Director of Adults & Communities.
- It is the responsibility of the Creative Academy manager to:
  - Set and agree VFM targets for business-as-usual activities and include any other specific UWL initiatives.
  - Monitor performance against the VFM KPI's on a quarterly basis.
  - Take into consideration initiatives that will improve economy, efficiency and effectiveness and direct decisions accordingly.
- VFM Responsibilities for the Creative Academy Manager

- VFM responsibilities for embedding VFM principles and to ensure good practice is utilised across the Creative Academy lies with the Creative Academy Manager, however all staff are required to contribute to this process.
- The Creative Academy manager and staff will encounter VFM considerations during the course of their work. Consequently, they will be able to draw significant VFM matters both positive and negative to the attention of the Steering Group for consideration.

#### **The Steering Committee:**

- Meets quarterly, comprises members outlined in the terms of reference document.
- Reviews and oversees VFM good practice in all areas of Creative Academy business.
- Identifies and makes recommendations for the dissemination of VFM good practice where and when necessary.
- Takes into consideration initiatives that will improve economy, efficiency and effectiveness in teaching, research and administration.
- Supports development of plans to increase capability and enable efficiency and effectiveness through continuous improvement.
- Reviews and approves the annual targets for Slough Borough Council.
- Receives and actions KPI's as necessary.
- Receives and notes recommendations from the Steering group and others.

#### **Financial viability and sustainability**

This section outlines approaches to determining the financial viability of the academic programme at the Creative Academy. This is a critical component of assessing the Creative Academy programme's overall sustainability. Key to assessing the financial viability of the Creative Academy programme is to understand and outline the teaching activities and running costs required to deliver the programme.

The Creative Academy must not only cope with the present day, but also plan for the future by setting short, medium and long term plans and objectives. To help planning the Creative Academy will:

1 – Analyse our current status as a viable, sustainable organisation / department within Slough Borough Council and ensure these are at the forefront of all decisions made including annual financial budget setting and monthly monitoring.

2 - Evaluate how we will address changes facing the higher education sector and ensure financial viability and sustainability for the next decade by careful planning.

Sustainability means the ability to support and maintain, to keep something intact and functioning properly.

**Creative Academy sustainability is summarised as:**

Fiscal sustainability – adequacy of financial resources and the appropriate alignment of those resources – is fundamental and has always been critical in any institutional review. In a forever changing Higher Education financial environment, assurance of financial sustainability becomes even more critical. Any issues raised or recommendations, then the Creative Academy will present to the Steering Group / and or senior management. Any subsequent action plans should include targets, metrics, and timelines and agreed by the governing body.

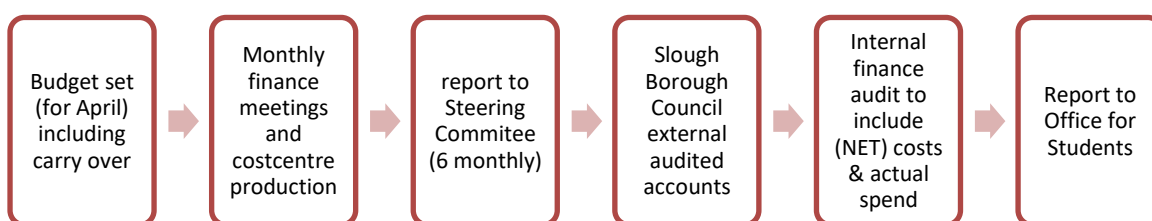
Alignment - It is essential that resources be allocated in alignment with the Creative Academy's priorities. For the Creative Academy the top priority is student learning and success; thus resource allocation needs to support educational effectiveness, along with other activities such as enrichment and enhancement.

Forecasting - sustainability depends on the Creative Academy's ability to read the evolving higher education landscape and anticipate ways in which we may need to change. New technologies, economic pressures, public concern about the quality of learning, demographic shifts, student preparation for college, new skills and knowledge needed for success, and alternatives to traditional degrees - all these shifts and many others are rapidly transforming the social, economic, and political environment in which higher education functions.

The Creative Academy needs to continue to develop a vision of our role in the future of higher education. The choices we make in the face of these bracing conditions will influence our long-term success. The vision for the Creative Academy remains to be an affordable provider of Higher Education in dance, re-investing into the programme and a model similar to that of a not for profit organisation. The Creative Academy remain focussed on developing the next generation of dancers, choreographers, performers and teachers by delivering a programme built around industry needs ensuring positive student outcomes. The Creative Academy model of retaining small class sizes, a good student to teacher ratio, enrichment and enhancement and to remain a small provider of less than 100 students with good financial management ensures our future success.

## Internal Financial Audit

Slough Borough Council statement of cash flow and expenditure for the Creative Academy:



The Creative Academy sets its annual budgets for April to March each year, these are done by:

- Net costs are set corporately – The Chair of the Steering Committee is involved with this as part of the Slough Borough Council Corporate Management Team

- Running costs are set each January after:
  - Evaluation of previous academic year
  - Annual full staff meeting
  - Discussion with students
  - Discussion with Steering Committee for Higher Education
  - Through line management processes at Slough Borough Council
- Capital costs for things such as building works and renovation are met centrally through the Slough Borough Council capital budget, and any financial returns sent to agencies such as OFS will include these.
- The Creative Academy will undertake an internal financial audit and sign off with a report generated for the Steering Committee and Office for Students annual return this will be a compliment to the full Slough Borough Council external audit not in place of.

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the Creative Academy operations. It helps Slough Borough Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Slough Borough Council Internal Financial Audit & Sign Off therefore exist to satisfy legislative requirements, assure the Steering Committee for Higher Education provision while adding value to the Creative Academy and its higher education offer, to concentrate on the key risks, to evaluate and assess the use of students and public money, internal control system and to contribute to the proper, economic, efficient and effective use of resources.

One of the key concepts in the financial Internal Audit and sign off work is risk management and to assure the Office for Students that the public monies are utilised fair, proper and within legislation. This recognises that the Creative Academy governance has taken on added significance (since Office of Students inception) in many areas of the Creative Industries, Local Government, Higher Education and Educational Scrutiny; including local government and that control exist to help manage risk. The activity will support the Council & the University to identify key risks, both financial and non-financial and provide assurance about the effectiveness of the control structure.

This is a separate activity to Slough Borough Council's annual external audited accounts, although the higher education activity will form a part of the Councils annual budget setting and monthly expenditure monitoring, external auditing of accounts and annual statement of accounts.

To view audit of accounts, annual audit letter (BDO) and published statement of accounts

<http://www.slough.gov.uk/council/performance-and-spending/statement-of-accounts.aspx>

Reviewing this statement or policy

This policy or statement will be annually reviewed to ensure it is fit for purpose, up to date and effective. Student representation will be part of the process to ensure that it is fair and clear.

Any changes will be uploaded to the website, ensuring that it is accessible to prospective and current students. For general enquiries and/or complaints regarding this statement, please contact the Creative Academy using the information below:

- By phone - 01753 875400
- By email - [info@creativeacademy.org](mailto:info@creativeacademy.org)
- By post - Creative Academy, 73a Stoke Poges Lane, Slough, Berkshire, SL1 3NY
- By website - using the contact us page on [www.creativeacademy.ac.uk](http://www.creativeacademy.ac.uk)
- For complaints - please see the complaints process on the website