

## **CORPORATE CORE FINANCE - SCHOOL BUSINESS CONSULTANCY**

Corporate Core Finance - Children & Young People (CYP) offers a high quality and comprehensive range of professional financial management advice and support service to Maintained Schools.

### **Our Successful Aims are to:-**

- ❖ Ensure all Schools have prompt access to straight-forward financial advice that cuts through the complexities that surround Children & Young People finance.
- ❖ To aid effective decision-making and financial planning for Schools.
- ❖ Ensure that accurate and robust financial management systems, including P2P, operate within Schools, and that school-based staff are trained and are comfortable with using the financial systems.
- ❖ Review and develop financial working practices to enhance the financial information available to Schools.
- ❖ Continue to work in partnership with all Schools to ensure that the current high standard of financial management and compliance is maintained.
- ❖ Offer differing levels of support so that Schools can become more effective in achieving optimum financial efficiencies and value for money.
- ❖ Strive for continuous improvement and development in effective financial management, including regularly reviewing financial systems and all processes with a £ sign attached.

<b>CORPORATE CORE FINANCE (CYP)</b>	
<b>Service Level Agreement (SLA) with Maintained Schools</b>	
	<b>Overview</b>
	<p>The SLA for Schools is offered to ensure all aspects of revenue financial management, including compliance to relevant statutory regulations, requirements and guidance, is fully adhered to.</p> <p>The financial management and reporting compliance covers all requirements as specified by the Local Authority, Department for Education (DfE) and the Education and Skills Funding Agency (ESFA).</p> <p>The financial notifications, planning, reporting and monitoring covers all revenue funding aspects in accordance with the Dedicated Schools Grant (DSG), as outlined in the relevant statutory regulations, including The Schools and Early Years Finance (England) Regulations [<i>as updated for each financial year</i>].</p> <p>Any references to 'financial year' relate to the Financial Year, 1 April to 31 March.</p>
<b>1</b>	<b>Financial Notifications</b>
1.1	Prior to each financial year the provision of an individual Budget document outlining the value of each formula component and data used.
1.2	The provision of individual School budget documents outlining the value of each formula component and data used, including for a multiple year period if available.
1.3	Provide financial statements detailing your School expenditure and income compared to the revenue estimates
1.4	Provide detailed payroll transaction reports at individual employee level from the Financial Management Information System (FMIS).
1.5	Provide detailed expenditure and income reports at individual transaction level from the Financial Management Information System (FMIS).
<b>2</b>	<b>Revenue Budget Preparation</b>
2.1	<p>Full budget planning service including:</p> <ul style="list-style-type: none"> <li>• A summary of the approved revenue delegated budget for the year.</li> <li>• A summary of the previous year's budget and variance analysis between the two years.</li> <li>• Detailed costings for each member of staff employed by the School.</li> <li>• Detailed estimates of non-staffing costs.</li> <li>• Details of the assumptions underlying the values calculated in the budget e.g. pay and price inflation.</li> <li>• A meeting with the Headteacher to discuss the Estimate of Costs to enable the Governors to give their approval to their spending plan.</li> </ul>

2.2	Provision of: <ul style="list-style-type: none"> <li>▪ Pay and Prices Inflationary increases</li> <li>▪ Employer oncosts rates</li> </ul>
2.3	Input all approved budgets onto the Financial Management Information System (FMIS).
2.4	Provide draft indicative formula funded budgets as a starting point for the next year's budget
2.5	Provide advice to each school in connection with budget setting and evaluating different options to deal with situations arising which may have significant impact on plans, e.g. decreasing pupil numbers.
2.6	Preparation of Revenue Budget statements for the Governing Body.
2.7	Provide assistance in undertaking financial modelling, including formula funding analysis and variations, where pupil numbers and other local factors are expected to change significantly.
<b>3</b>	<b>Revenue Budget Reporting to DfE and ESFA</b>
3.1	Ensure all Schools formula budget allocations are notified to the DfE and ESFA in accordance with statutory requirements
3.2	Ensure all Maintained Schools spending plans are approved and reported to the Local Authority in accordance with statutory requirements
<b>4</b>	<b>Budget Monitoring and Reporting to Schools</b>
4.1	Details of the budget Virements required to/from the Contingency Fund.
4.2	Input approved Virements into the FMIS throughout the year in accordance with the school's latest agreed budget.
4.3	Meet the Head Teacher or their nominated colleague once per term as standard. At each meeting you will be provided with: <ul style="list-style-type: none"> <li>• A report detailing expenditure and income to date and by month, per budget heading, to be compared with the full year's estimate.</li> <li>• A projection of likely surplus or deficit at year end.</li> <li>• Detailed projected costings for each member of staff employed.</li> <li>• Advice regarding any financial management queries you have including explanations of the financial reports.</li> </ul>
4.4	Monitor expenditure and income throughout the year for both staffing and non-staffing costs and assist with the forecasting of the budget out-turn.
4.5	Input any corrective journals in respect to any changes in authority coding structure and/or for any miscodings of transactions that may occur during the financial year

4.6	Provide assistance with the reconciliation of the information recorded on the school based systems, including the school's records of committed expenditure, and the official records held on the Authority's FMIS.
<b>5</b>	<b>Strategic Budget Planning</b>
5.1	Production of a detailed multiple year strategic budget plan incorporating pupil forecasts
<b>6</b>	<b>Multiple Year Planning – used by CYP Finance Staff</b>
6.1	Provision of a multiple year financial plan specifically tailored for each School
6.2	Provision of finance system support, guidance and updates
6.3	Where required, provision of training to aid School staff's understanding of the finance system
6.4	Determination and completion of the detailed aspects of the planner on behalf of the School
<b>7</b>	<b>Year-end Final Accounts</b>
7.1	Provide details of year-end procedures, including the Final Accounts Timetable.
7.2	Ensure that the School accounts fully comply with the Final Accounts requirements of the Director of Finance and the Education and Skills Funding Agency (ESFA).
7.3	Ensure that the School accounts meet all the requirements of the Authority's external auditors and the Education and Skills Funding Agency (ESFA).
7.4	Once the Final Accounts have been finalised, provide and complete each <u>school's</u> Consistent Financial Reporting (CFR) or equivalent requirements.
<b>8</b>	<b>Schools Encountering Financial Difficulties</b>
8.1	In cases where there are particular budget problems, attendance at additional meetings at your school will be arranged (additional charges may apply).
8.2	In cases where there are potential funding problems involving staff and their union representatives' attendance at additional meetings may be arranged (additional charges may apply).
<b>9</b>	<b>Costings</b>
9.1	Costing reports are usually requested to enable Schools to assess the financial viability of a project, or to assess the financial effects of different staffing options. Costing reports can be completed for a range of different options at the request of an individual School. This will usually be done within 10 days of the request, depending upon volume and complexity of work.

## **Statutory Arrangements**

All financial information, advice, guidance and financial returns are subject to compliance to statutory financial regulations pertaining to Schools, including published Operational Guidance where relevant.

Services will be provided in accordance with CIPFA's Accounting Code of Practice and other professional financial standards.

## **Additional Services**

If requested by Schools, there are extra financial management services that may be provided by CYP Finance which will generally be charged for based on the amount of work involved, and will include any office-based preparation work as well as time spent directly within Schools.

**See Appendix A for some examples of Additional Services that may be available**

### **For further details, please contact:**

Alison Vidler

0161-253 5620

Senior Schools Finance Officer

e-mail: [CYP\\_Finance@bury.gov.uk](mailto:CYP_Finance@bury.gov.uk)

### **School responsibilities if it decides to buy the Service**

In order to complete the budget preparation and monitoring work, the School must provide certain information to the School Finance Officer, e.g. confirmation of current staff and any changes in staffing levels, details of anticipated staff changes, anticipated changes in spending levels of non-staffing items.

As Schools must set their budget by May 31<sup>st</sup> in any year, the School must forward its budget plans to CYP Finance by this date.

The School should keep records of committed expenditure in order to help inform the budget monitoring process.

The School is responsible for the completion of any bank reconciliations, cash flow management and VAT claims where applicable.

### **LA's responsibilities if the School decides NOT to buy the Service or the additional Services**

The LA will publish the statutory financial notifications, including individual Schools' budgets for Maintained schools and Special Educational Needs (SEN) and Early Years allocations where relevant by March 31<sup>st</sup>.

The LA will publish the statutory out-turn reports and balances for schools within statutory reporting timeframes.

The LA will monitor and evaluate the financial position of each non-buying back school for the current/closing financial year (or current buy-back period) ends only. This will include an assessment of compliance with the Authority's Financial Regulations, including an appropriate Scheme of Financial Delegation and ensuring that there are adequate insurance arrangements in place. It should be noted that any investigation and action plans involving Financial Services will be charged to the school's delegated budget at the appropriate hourly and daily rate.

### **School responsibilities if it decides NOT to buy the Service**

None of the services included within the Package nor 'Additional Services' would be available to the school beyond the current/closing financial year.

Schools will need to comply with relevant statutory Financial Regulations and requirements and associated timeframes applicable to them.

Schools seeking to set a budget deficit must gain prior approval from the Executive Director of Children & Young People (It should be noted that there will be a separate charge for any work undertaken by Financial Services when considering the school's proposals).

Schools will need to provide regular financial information to enable the Authority to monitor their expenditure. Schools will be informed as soon as possible of the details of the type of information, the format and regularity.

It is recognised that the completion of the Consistent Financial Reporting (CFR) return is a responsibility of the School Governors. Before the return is completed, reconciliation between the school's records and those held on the Authority's FMIS has to be undertaken in order to comply with DfE and Audit Commission regulations. Consequently, this information has to be provided to CYP Finance by the school at least 10 working days before the published deadlines.

### **Handover Period**

Notice in accordance with Traded Services Standard notice Periods is requested from each School deciding not to buy into the service.

This period is needed to ensure that the LA can undertake deployment of staff for the budget preparation process for the following financial years for those Schools that are buying the service.

### **Pricing Structure**

The service is available at an annual lump sum charge per School plus an additional amount based upon pupil numbers. The service includes one budget monitoring meeting each term and a budget preparation meeting. Additional charges will apply for attendance at meetings in excess of the four provided under the service level agreement.

Additional Charges are based on the following:

- Hourly rate
- Half Daily rate (based on a maximum of 4 hours)
- Full Daily rate (based on a maximum of 8 hours)

## **General Standards of Performance**

- Each School will receive the service of a named School Finance Officer.
- Staff are aware of, and are responsive to, the needs of your School.
- Staff are experienced in the financial systems and procedures of a large organisation.
- Staff are knowledgeable and are experienced in various types of external funding.
- Confidentiality will be maintained at all times in respect of our service.
- Our staff training and management will be continuous in order to ensure that knowledge and skills are kept up-to-date and that the Service responds quickly and efficiently to requests and enquiries from Schools.
- The service will be available between 8.45 a.m. and 5.00 p.m. Mondays to Fridays. Assistance outside these hours can be arranged upon request.

## **Customer Feedback**

The contents of this Service Level Agreement will be reviewed on an on-going basis. The aim of the review will be to maintain and improve service quality in liaison with clients and ensure relevance and cost-effectiveness is maintained.

We want to provide you with a high standard of service that meets your needs. If you would like to discuss ways in which you feel we could improve the quality of the service being provided to you or if there are any additional services which you would value, please contact either your dedicated School Finance Officer or:

Alison Vidler  
Senior Schools Finance Officer  
0161-253 5620

[CYPFinance@bury.gov.uk](mailto:CYPFinance@bury.gov.uk)