

STRATEGIC BUSINESS & SYSTEMS - FINANCIAL SERVICES

Children, Young People & Culture (CYPC) Financial Services offers a high quality and comprehensive range of professional financial management advice and support service to Schools and Academies.

Our Successful Aims are to:-

- ❖ Ensure all Schools and Academies have prompt access to straight-forward financial advice that cuts through the complexities that surround Children, Young People & Culture (CYPC) finance.
- ❖ To aid effective decision-making and financial planning for Schools and Academies.
- ❖ Ensure that accurate and robust financial management systems, including P2P, operate within Schools and Academies and that school-based staff are trained and are comfortable with using the financial systems.
- ❖ Where appropriate, provide assistance to Headteachers with their staff's duties and responsibilities of a financial nature.
- ❖ Review and develop financial working practices to enhance the financial information available to Schools and Academies.
- ❖ Provide Governors and staff within Schools and Academies with good and timely financial training appropriate to their School or Academy.
- ❖ Continue to work in partnership with all Schools and Academies to ensure that the current high standard of financial management and compliance is maintained.
- ❖ Offer differing levels of support so that Schools and Academies 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.

Strategic Business & Systems Financial Services
Service Level Agreement (SLA) with Schools & Academies

Overview

The SLA for Schools and Academies is offered to ensure all aspects of revenue financial management, including compliance to relevant statutory regulations, requirements and guidance, is fully adhered to. This includes for all Maintained Schools, Academies and Multi-Academy Trusts buying in to the service provision.

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).

The financial notifications, planning, reporting and monitoring covers all revenue funding aspects in accordance to Dedicated Schools Grant (DSG) and General Annual Grant (GAG) as outlined in the relevant statutory regulations, including The Schools and Early Years Finance (England) Regulations and the Academies Financial Handbook and Academies Accounts Direction [*as updated for each financial/academic year*].

Any references to 'financial year' relate to the Financial Year (1 April to 31 March) for Maintained Schools and to the Academic Financial Year (1 September to 31 August) for Academies and Multi-Academy Trusts

1 Financial Notifications

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 or Academy 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 or Academy 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).

2 Revenue Budget Preparation

2.1 Full budget planning service including:

- A summary of the approved revenue delegated budget for the year.
- A summary of the previous year's budget and variance analysis between the two years.
- Detailed costings for each member of staff employed by the School or Academy.
- Detailed estimates of non-staffing costs.
- Details of the assumptions underlying the values calculated in the budget e.g. pay and price inflation.
- A meeting with the Headteacher to discuss the Estimate of Costs to enable the Governors/Trustees to give their approval to their spending plan.

2.2	Provision of: <ul style="list-style-type: none"> ▪ Pay and Prices Inflationary increases ▪ Employer oncosts rates
2.3	Input all approved budgets onto the Financial Management Information System (FMIS) within 10 working days of being received from the Governing Body.
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 / Trustees.
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.
3	Revenue Budget Reporting to DfE and ESFA
3.1	Ensure all Schools and Academies formula budget allocations are notified to the DfE and ESFA in accordance to statutory requirements
3.2	Ensure all Maintained Schools spending plans are approved and reported to the Local Authority in accordance to statutory requirements
3.3	Ensure all Academies and Multi-Academy Trust spending plans are reported to the ESFA in accordance to the Accounts Direction and Financial Handbook
3.4	Ensure all Academies and Multi-Academy Trust final accounts are reported to the ESFA in accordance to the Budget Forecast Return: Outturn (BFRO)
3.5	Ensure Multi-Academy Trust accounts are consolidated and reported in accordance to ESFA requirements.
4	Budget Monitoring and Reporting to Schools & Academies
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 once per term as standard. At each meeting you will be provided with: <ul style="list-style-type: none"> • A report detailing expenditure and income to date and by month, per budget heading, to be compared with the full year's estimate. • A projection of likely surplus or deficit at year end. • Detailed projected costings for each member of staff employed. • Advice regarding any financial management queries you have including explanations of the financial reports.
4.4	Meet the Executive Headteacher of a Multi-Academy Trust once per month if required, see 4.3 for details of what will be provided in addition to consolidated accounts updates and projections.
4.5	Monitor expenditure and income throughout the year for both staffing and non-staffing costs and assist with the forecasting of the budget out-turn.
4.6	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

4.7	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.
4.8	Assist, if required, Schools and Academies with their own bank account, to produce an agreed Cashflow Statement to enable them to maintain a credit balance as well as determining their own spending pattern.
5	Strategic Budget Planning
5.1	Production of a detailed multiple year strategic budget plan incorporating pupil forecasts
5.2	Provision of a multiple year budget template to ease budget calculations
6	Multiple Year Planner – for use by CYPC Financial Services
6.1	Provision of a bespoke multiple year financial planning system specifically tailored for each School or Academy
6.2	Provision of technical system support, guidance and updates
6.3	Where required, provision of training to aid School and Academy based staff's understanding of the system
6.4	Determination and completion of the detailed aspects of the planner on behalf of the School or Academy
7	Year-end Final Accounts
7.1	Provide details of year-end procedures, including the Final Accounts Timetable.
7.2	Ensure that the School or Academy accounts fully comply with the Final Accounts requirements of the Executive Director of Resources & Regulation and the Education and Skills Funding Agency (ESFA).
7.3	Ensure that the School or Academy 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 school's Consistent Financial Reporting (CFR) or equivalent requirements.
7.5	Provide an out-turn statement at year-end giving details of total expenditure and income against revised budget allocation per main budget heading.
7.6	Provide a comparative financial statement with the previous year's final out-turn for inclusion in the Governors' Annual Report if required.
8	Schools and Academies Encountering Financial Difficulties
8.1	In cases where there are particular budget problems attendance at additional meetings at your school will be arranged.
8.2	In cases where there are potential funding problems involving staff and their union representatives' attendance at additional meetings may be arranged.
9	Costings
9.1	Costing reports are usually requested to enable Schools and Academies to assess the financial viability of a project, or to assess the financial effects of different staffing options.
9.2	Complete costing reports for a range of different options at the request of an individual School or Academy within 10 days of the request, depending upon volume and complexity of work.

10	Support in Compiling Ofsted Inspection Report
10.1	Complete the Finance Form prior to inspection, which includes: <ul style="list-style-type: none"> ▪ Details of the previous financial year's budget and expenditure/income. ▪ Details of the current year's budget and expenditure/income. ▪ Details of SEN expenditure. ▪ Details of grant allocations and expenditure.
11	Telephone, e-Mail and Help-line
11.1	Offer a telephone helpline service. If solutions to the query cannot be made immediately we will contact you again within 48 hours with a solution or an estimate of the time and work we expect to undertake to be able to offer you with a solution.
11.2	We will contact you again if we find that we are not able to achieve this revised timescale. If your dedicated Senior Finance & Business Manager is not available, their Finance Officer will take a message and we will contact you within 48 hours to acknowledge receipt of the message or provide you with a solution to your query.

Statutory Arrangements

All financial information, advice, guidance and financial returns are subject to compliance to statutory financial regulations and standing orders pertaining to Schools and Academies, 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 and Academies, there are extra financial management services that may be provided by Strategic Business & Systems Financial Services 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 and Academies.

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

For further details, please contact:

Steven Goodwin
0161-253 5650

Head of Schools & Systems Finance
e-mail: s.goodwin@bury.gov.uk

School or Academy responsibilities if it decides to buy the Service

In order to complete the budget preparation and monitoring work, the School or Academy must provide certain information to the Senior Finance & Business Manager, 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 31st and Academies by July 31st in any year, the School or Academy must forward its budget plans to CYPC Financial Services by this date.

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

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

The School or Academy will be responsible, with the assistance of their Senior Finance & Business Manager and other LA staff, for identifying the financial management training needs of their members of staff, and for letting the LA know of its requirements to enable training to be prepared and planned.

LA's responsibilities if the School or Academy 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 for Schools and Academies schools by March 31st.

The LA will publish the statutory out-turn reports and balances for schools and academies within statutory reporting timeframes. The provision of summarised financial reports extracted from the statutory accounts for inclusion in the school's Annual Report can be provided at a price to be negotiated.

The LA will monitor and evaluate the financial position of each non-buying back school or academy for the current/closing financial year only. This will include an assessment of Maintained schools compliance with the Authority's Standing Orders and 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.

Schools and Academies 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 and Academies 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 & Culture (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.

Budget preparation, planning, monitoring and reporting services are provided in conjunction with the Financial Management section of the Department of Resources & Regulation. These will not be provided separately by either provider whether or not the school purchases the CYPC Financial Services package.

It should be noted that the Executive Director of Resources & Regulation could make a separate charge for his staff's time in providing the following services if the school does not buy the CYPC Financial Services package.

As Schools must set their budgets by May 31st in any one year, the school must forward its balanced budget plans to the CYPC Financial Services by May 31st. The school's approved budget will be input onto the Authority's FMIS by June 30th.

Any detailed analysis, reports or information required by Schools or Academies will be subject to direct negotiation and cost.

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 CYPC Financial Services by the school at least 10 working days before the published deadlines.

Any assistance with the reconciliation of the information recorded on the school based systems, including the school's records of committed expenditure and bank accounts, to the official records held on the Authority's FMIS.

Handover Period

Notice of 3 months prior to the start of each contract period is requested from each School and Academy 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 and Academies who are buying the service.

Proposed Contract Length

- 3 years.
- To enable a continuing dialogue and personal service to assist with the financial management of the School or Academy.
- To allow longer-term financial planning based on the financial and business needs of the School or Academy.
- To allow continued links with staff with expert knowledge of Children, Young People & Culture finance and education issues in general.

Pricing Structure

The service is available at an annual lump sum charge per School or Academy plus an additional amount based upon pupil numbers.

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)
- Quarter hour blocks - this only applies to the Telephone Helpline above the maximum levels quoted in the packages

General Standards of Performance

- Each School or Academy will receive the service of a named Senior Finance & Business Manager.
- Staff are aware of, and are responsive to, the needs of your School or Academy.
- Staff are experienced in the financial systems and procedures of a large organization such as a Local Authority and Multi-Academy Trust (MAT).
- 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 and Academies.
- Quality control procedures will be implemented within the service.
- 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 Senior Finance & Business Manager or:

Steven Goodwin
0161-253 5650

Head of Schools & Systems Finance
e-mail: s.goodwin@bury.gov.uk

Strategic Business & Systems Finance – Additional Services

The following services may be provided to schools or academies by Strategic Business & Systems Financial Services 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 and Academies.

These services are excluded from the detailed Service Level Agreement and include specific tasks such as:

- **Staff Absence Cover**
Subject to availability, we can assist in the preparation and completion of specific finance orientated tasks when key school or academy finance staff are absent. It should be noted that this service is generally only available in cases of long-term absence.
- **Final Accounts**
Section 7 of the SLA relates to year end compliance and ensuring Schools and Academies are maintained in accordance to year end processes and timeframes. This does not include the submission of Final Accounts to statutory bodies such as the DfE or EFSA.
Subject to availability, we can assist schools and academies in this task
- **Bank Reconciliation**
Schools and Academies operating bank account facilities are required to undertake their own bank reconciliation and reporting processes. Item 4.7 listed in the SLA relates to the reconciliation of financial data to the financial systems and does not refer to bank account reconciliation
Subject to availability, we can assist schools and academies in this task
- **Income & Expenditure Returns**
Schools and Academies operating bank account facilities are required to produce and submit their own income and expenditure returns for input into the financial management information system being operated, generally in the format specified by the system provider.
Subject to availability, we can assist schools and academies in this task
- **Review of Financial Management Processes, Systems and Policies**
Subject to availability, we can assist schools and academies in this task
- **Before & After School Clubs**
Subject to availability, we can assist schools and academies in developing financial monitoring, recording and reporting processes for Before & After School Clubs

Above is sample of additional services – other support may be considered upon request