



Directorate of Education and Leisure • Cyfadran Addysg a Hamdden

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# **Education Finance Service Level Agreement Primary**

**2021/2022**

## Education Finance Service Level Agreement 2021/2022

<b>Service Area :</b>	<b>Directorate :</b>
Education Finance	Planning and Strategy

<b>Parties :</b>	<b>School :</b>
Caerphilly County Borough Council Education Finance	

### Aims and Approach of Service Delivery

The Finance Service Level Agreement aims to:

- Provide accurate and timely Financial reports
- To support head teachers with their school financial management through finance meetings
- Continually update schools on local and national finance regulatory amendments and targets
- To provide a finance Support service that will utilise established links within the Local Authority. Service provided by experienced and knowledgeable staff with strong local awareness and knowledge of applicable legislation.

### Duration of agreement :

This agreement will commence on the 1<sup>st</sup> April 2021 and end on 31<sup>st</sup> March 2022

<b>Cost of Service :</b>	<b>Core:</b>	<b>Premium:</b>
	£1,798	£2,875

### Contacts :

### Arbitration Procedure:

In the event that the contractor fails in the Clients opinion to perform in accordance with the terms of this Agreement the Client shall detail the failure in writing to the Contractor. The contractor will use every endeavour to remedy the breach, but if the breach is not remedied, or not accepted by the contractor as a breach, then the dispute shall be referred to a mutually agreed arbitrator to determine whether the failure exists, and to recommend such remedial action as is appropriate.

This Agreement may be varied at any time by the mutual agreement of both parties. It must be stipulated that this is a support service, the information will be presented as the Head teachers report and the information contained in the conclusion and recommendations as being those of the Head teacher.

**Service Specification for:** Education Finance Team

**Service Area:** Planning and Strategy

**Service Function:**

The Service aims to provide sound financial support for Head teachers and Governing bodies to assist with the meeting of their national and local financial responsibilities. The service will provide the Head teacher with financial statements for both current financial year and further 2 years projections

**Performance Targets :**

Provide schools with a Premium service that result in 100% buyback into the Service Level Agreement. Aim to provide schools with a service that they buy back into the Premium option reaches 70%.

<b>The Service Will</b>	<b>The School Assist service Delivery by</b>	<b>Monitoring and Evaluation Strategies</b>
Provide termly financial statements	Providing accurate information on both planned staffing changes and budget spend. Check financial statements for any inaccurate data.	Monitor planned carry forward balances against actual outturn statements
Provide 1 actual formula allocation statement and 2 formula projections.	Providing as accurate as possible pupil projections to aid formula accuracy	Monitor retrospective adjustments.
Determine School Budget Shares, consulting / confirming data as appropriate, and provide outturn reports / details of school reserves	Providing input to issues, particularly through the School Budget Forum and its working / sub groups	School Budget Shares provided by 31 <sup>st</sup> March at the latest each year with further 2 years indicative budget shares
Attend finance meetings to present finance statements to Head teacher and Chair of Governor when necessary. Providing head teachers with support surrounding the full understanding of the data produced, aiming for satisfaction at the service delivery.	Ensuring finance meetings are planned and sufficient time is allocated from their schedule.	Monitor service buy back and Service level Agreement satisfaction survey.

## SUMMARY OF SERVICES:

### 1 COMPARATIVE STATEMENT 1 SUMMER TERM

A Comparative statement is financial information prepared by your Support Officer on the budget set and agreed by the Governing Body at the beginning of the financial year. It contains the following information:

- The Previous financial year's actual outturn for comparison purposes.
- The budget for the current financial year that was agreed by the Governing Body.
- Actual expenditure for the current year to date.
- Commitments to account for all expenditure/income anticipated to the end of the financial year.
- A Revised budget based on performance to date in the current financial year.
- A variance column to record all virements made to date to show Governors over/under spend to date
- A budget projection for the next financial year alerting Governors to any potential financial difficulties enabling prompt action to alleviate a budget deficit.
- A salary profile showing all increments, pay awards and additional allowances for teaching and non teaching staff.

The comparative statement has been approved by Internal Audit and criteria in the "Good Practice Guide" for effective and efficient management information to Governors.

### 2 COMPARATIVE STATEMENT 2 AUTUMN TERM

This will be an update of the Summer Term statement detailing any staff changes, pupil projections, supplies and services appending revisions etc. This information will inform Head Teachers and Governing Bodies of any future budget difficulties and allow time to plan and recover and estimate deficit. The pupil count form due to the Authority in September will indicate any change in the future funding of the school.

### 3 COMPARATIVE STATEMENT 3 SPRING TERM

This comparative statement will show a more accurate projection for the current financial year with the next year projected using the actual formula statement which is sent to schools in the March of each financial year. This statement will give Governors a base for considering the budget for the next financial year in order to prepare the official budget statement which must be returned to the Director of Education and Leisure by the 31st of May each financial year in accordance with the "Scheme For Financing Schools "It also gives the Governing Body time to consider any staffing implications that may be necessary to achieve a balanced budget

### 4 UPDATING SALARY PROFILE AND PROVIDING SCENARIOS FOR CUTS/GROWTH IN SPEND.

Throughout the financial year the Finance Committee may need scenario costings for the appointment/ deletion of posts from the staffing profile. The financial effect on the school budget will need to be projected over future years. The SLA covers up to a half day provision of Finance Officer time for this service.

### 5 ADVICE AND GUIDANCE THROUGH THE REDUNDANCY PROCESS

To enable Governors to make very difficult decisions regarding staffing issues in the school, they must be convinced that there is a redundancy issue and satisfied with the explanations in respect of the budget shortfall. This agreement will accommodate the school and the LA working together to achieve the best scenario for the school. Assistance and advice will be given at the allocated Head Teacher meeting.

<b>6</b>	<b>BUDGET INPUT ON TO OLAS.</b>
	In order for the budget to be monitored on a daily basis by the school the budget must be uploaded on to OLAS. This can be performed centrally as soon as the budget statement is received
<b>7</b>	<b>VIREMENTS ENTERED ON TO OLAS.</b>
	During the financial year, savings from one budget heading can be moved to subsidise overspends in another. The budget can be physically moved on OLAS to accommodate this. This function can be performed centrally on behalf of the Governing Body and the virement form returned to the school for reporting to the Governing Body as per internal Audit recommendations.
<b>8</b>	<b>JOURNAL TRANSFER ENTERED ON TO OLAS.</b>
	To monitor a budget effectively it is imperative that costs are allocated to the correct subjective where the budget has been allocated. In view of this journal transfers will be performed centrally on instruction from the Head teacher.
<b>9</b>	<b>ADVICE ON COMPLETION OF THE PROFORMA BUDGET STATEMENT.</b>
	The Scheme for Financing schools requires a specific budget format for budgetary information which is required by the Authority each year. Assistance/Support can be provided to the Head teacher in completing the necessary proforma.
<b>10</b>	<b>ADVICE ON SUBJECTIVE CODES OR PAYMENT UPDATE.</b>
	A full subjective code list is kept in central finance. Any advice or guidance on which subjective heading to use can be sought and confirmation of the budget against the subjective headings confirmed. Any queries regarding the actual payment can be reviewed and conveyed to the school.
<b>11</b>	<b>ADVICE ON INVOICE PAYMENTS.</b>
	All schools are now responsible for paying their own invoices on site. Advice on this process can be sought from Education Finance
<b>12</b>	<b>INTERNAL INVOICE QUERIES.</b>
	Central services will be offering contracts to schools under Service Level Agreements. In view of this the level of internal invoices will increase. Advice will be offered on the process for dealing with these invoices and the subjective codes necessary to ensure the correct allocation of costs.
<b>13</b>	<b>OLAS TELEPHONE ENQUIRIES</b>
	Support and advice will be provided on all areas of the OLAS financial system More detailed queries may be referred to the Central OLAS helpdesk team.
<b>14</b>	<b>PROCESS AND/OR AUTHORISATION OF INVOICES ON BEHALF OF THE GOVERNING BODY.</b>
	This is a back-up service for the payment/authorisation of School Invoices by the Education Finance office. If the Head teacher is taken ill or is absent from the school for any reason then Internal Audit have agreed that the invoices can be authorised centrally. In order for Education Finance to offer this support, the invoices must be batched and authorised in accordance with current audit guidelines. Subject to a limit of 20 invoices per annum.

	Thereafter a pay as you use charge will be levied for any additional works.
<b>15</b>	<b>INCLUSION IN AN ANNUAL BENCHMARKING SCHEME</b>
	An all Wales benchmarking tool for all Schools is available for schools to be able to identify their performance against other schools with similar profiles. It is anticipated that this exercise will identify areas of inefficiency and enable the school to concentrate financial resources to meet the schools objectives.
<b>16</b>	<b>PETTY CASH QUERIES.</b>
	Those schools that hold cheque book petty cash accounts, operated by Education Finance, should send their periodic reports to the Finance Support Officer to take any necessary action.
<b>17</b>	<b>ADVICE AND GUIDANCE ON AUDIT REPORTS.</b>
	The Governors should ensure that all recommendations made in an audit report are implemented immediately after the report is received. Support and Guidance on how to implement these recommendations.
<b>18</b>	<b>OUTTURN REPORTS FOR GOVERNING BODY MEETING (PARENT REPORT).</b>
	Reports will be provided upon request for inclusion in the parents report which can be prepared in a format dictated by the Headteacher The report will contain the total outturn for a particular financial year but can be provided in a detailed or summary format.
<b>19</b>	<b>ASSET REGISTER</b>
	The retention of an annual asset registers listing all assets owned by the school for insurance purposes.

**SERVICES PROVIDED UNDER PREMIUM SERVICE LEVEL AGREEMENT ONLY**

<b>20</b>	<b>ADDITIONAL COMPARATIVE STATEMENTS / ATTENDANCE AT FINANCE SUB COMMITTEE MTGS</b>
	Either an additional 3 x further comparative statements can be provided in year at the School's request, for which five working days notice will be required, or a Finance Support Officer can present (in conjunction with the Head teacher) a financial statement to the Finance Committee. (Maximum attendance - 3 Finance Sub Committee meetings per annum) This support can only be given where the Finance Sub Committee meets during office hours (before 5 pm).
	The School can also choose a mix of the additional comparative statements and attendance at finance sub committee meetings, at a maximum of 3 of either of the above.

<b>21</b>	<b>ASSISTANCE WITH SCHOOL INSPECTIONS WITH REGARD TO FINANCE ISSUES</b>
	School Inspectors require financial information from the Head teacher prior to the commencement of the inspection. This service will complete the form on the Head teachers behalf which will ensure the report reflects the Section 52 Outturn Statement provided to the Welsh Office showing the schools carried forward balance

**PAY AS YOU USE SERVICES**

<b>22</b>	<b>ADDITIONAL COMPARATIVE STATEMENT (£337)</b>
	This has been included to give Heads the option of buying in this service as and when rather than using the premium SLA.

<b>23</b>	<b>ADDITIONAL SUPPORT PER HALF DAY (£122)</b>
	This service is offered on a half or full day basis. A half day session will be for three and a half hours. The additional support could include any aspect of the items previously described in the SLA e.g.. Authorisation and payment of additional invoices (re point 16), additional administration support, advice and training for clerical staff etc.

<b>24</b>	<b>TRAINING PROVIDED WITH EXTERNAL AGENCIES (TO BE ADVISED)</b>
	This service is offered on a half or full day basis. A half day session will be for three and a half hours. The additional support could include any aspect of the items previously described in the SLA e.g. Authorisation and payment of additional invoices (re point 16), additional administration support, advice and training for clerical staff etc.

<b>25</b>	<b>GOVERNOR TRAINING (TO BE ADVISED)</b>
	Additional workshops in respect of Finance and LMS related issues can be made available to the school Governing Body. The cost will be dependent on the topics to be covered, the availability of training providers and the popularity of demand.

<b>26</b>	<b>ATTENDANCE AT FINANCE COMMITTEE MEETINGS (£179)</b>
	A Finance Support Officer can present (in conjunction with the Head teacher) a financial statement to the Finance Committee. (Maximum attendance - 3 Finance Committee meetings per annum) This support can only be given where the Finance Committee meets during office hours (before 5 pm). If this service is required it will count as one of the six meetings held during one financial year.

<b>27</b>	<b>ATTENDANCE AT FULL GOVERNING BODY MEETINGS (£275)</b>
	A senior member of the finance support team will attend the meeting to offer advice and guidance in relation to finance issues. At least two weeks notice must be provided for arrangements to be made; attendance will be conditional upon other commitments. Please note that this is not a clerking service

<b>28</b>	<b>ATTENDANCE AT GOVERNING BODY AND 1 REDUNDANCY PANEL INCASE OF REDUNDANCIES (£538)</b>
	A senior member of the finance support team will attend each meeting to offer advice and guidance in relation to Finance issues.

<b>29</b>	<b>ATTENDANCE AT ADDITIONAL REDUNDANCY PANEL MEETING (£275)</b>
	A senior member of the finance support team will attend the meeting to offer advice and Guidance in relation to finance issues.

<b>30</b>	<b>ASSISTANCE WITH SCHOOL INSPECTIONS WITH REGARD TO FINANCE ISSUES (£178)</b>
	School Inspectors require financial information from the Head teacher prior to the commencement of the inspection. This service will complete the form on the Head teachers behalf which will ensure the report reflects the Section 52 Outturn Statement provided to the Welsh Office showing the schools carried forward balance

<b>31</b>	<b>GRANT CLAIMS (TO BE ADVISED)</b>
	The LA will complete grant claim forms in respect of all grants relating to schools. The information needed for the grant must be compiled by the school and certified by the Head teacher. If the information is incorrect the school will bare any penalties.

<b>32</b>	<b>ASSISTANCE WITH THE PREPARATION OF GRANT CLAIMS (TO BE ADVISED)</b>
	The cost of this service will depend upon the work involved in the compilation of the claim and will be agreed before the work is undertaken. All expenditure and income relating to the grant must be incurred inline with the conditions laid down in the grant criteria. Any failure to do so may result in the grant claim being disallowed when reviewed by External Audit. If this occurs the school must bare the cost.

***In the above description of services provided under this SLA the term half day and full day has been included. If a half day has been defined then this service will be time barred at 3 and a half hours and a full day at 7 hours. If the issues of concern remain unresolved then the Head teacher will be informed that an additional half day charge may have to be levied. Governors should not assume a service will be provided or is included in a particular area of the SLA unless it is specifically stated. Please seek clarification on this matter from the school Finance Support Officer.***



## QUALITY STANDARDS AND PERFORMANCE CRITERIA.

### TIMESCALES

The Contractor will deal with all matters on behalf of the Client in an expeditious manner taking into account the nature of the matter and current corporate priorities Where a statutory or mandatory timescale applies, the Contractor will deal with all matters on behalf of the Client Where a statutory or mandatory timescale applies, the Contractor will deal with all matters on behalf of the Client in compliance with such timescale except where prevented from doing so by matters outside the control or influence of the Contractor. The Client may if he/she so requires it specify and agree with the Contractor that a matter shall be dealt with within a specific timescale or in a particular manner, and the Contractor will make every endeavour to comply with that agreed timescale or that agreed manner

### PERFORMANCE

The Contractor will ensure that work performed on behalf of the client is monitored so as to :

- Ensure that the service is of an acceptable standard.
- Ensure that time recorded as work done for the client is properly allocated to the client.
- Ensure that time is not unnecessarily spent on the Clients matters.

The Contractor will ensure that the service is of a sufficient standard in terms of quality and effectiveness and will ensure that any budgetary or time constraints agreed with the Client for any particular matter or project are complied with.

The Client will be charged costs in accordance with this Agreement, that is, on an annual fee excepting where the matter is of a complex nature or outside the general description of the service. The client will make provision in the Client's Estimates for the current financial year in accordance with the Council's normal estimating and recharging process and will be assumed by the Contractor to have made a financial provision for the estimated cost of the Service as agreed between the parties to this Agreement, and detailed in the above pages.

The Contractor will secure checks to ensure standards are maintained and that all Finance Officers are dealing with their clients properly.

Accordingly, quality audits are carried out regularly involving all Finance Staff. The information provided to schools is checked to ensure standards have been adhered to and the information is accurate and up-to-date. All information is checked to ensure the overall quality of service is being provided by the Finance Support staff and that the Section is adhering to the client care procedures agreed with the clients in this Service Level Agreement.

The type of matters that will be checked is as follows:

- Have meetings been arranged in accordance with the time scales of the Service Level Agreement?
- Is the information provided timely and in accordance with the service detailed in the Agreement?
- If meetings were attended are the notes and the Finance Committee minutes recorded and on file?
- Has all correspondence been replied to?
- Is it clear from the file that the accounts have been properly prepared and reported?

## RESPONSE TIMES

The Contractor will request termly/half termly meetings with the Head teacher/Finance Committee. Amendments to the information will be made and returned to the Head teacher within 3 working days.

All correspondence will be acknowledged within 7 working days, with a substantive reply within 15 working days, except where the exigencies of the report require an urgent response.

Telephone calls from the Client will be returned the same day, if at all possible.

Appointments are to be given to the Client's officers without any undue delay.

## CLIENT RESPONSIBILITIES

The client has an obligation to check all information delivered under this Agreement. If there are issues with regard to this no compensation will be awarded to Schools when the information is amended. It is the responsibility of the Client to provide all necessary information and documentation to enable the Services detailed in this Agreement to be provided as agreed within the necessary timescales.

### Instructions

The Client will ensure that the Contractor receives full and timely instructions to deal with any matter on the Client's behalf and will discuss with the contractor the form of this instruction so that the contractor is properly instructed. The Parties will agree a form of instructions acceptable to both the Client and the Contractor.

The Contractor will acknowledge in writing the instructions, and will advise the Client of the Finance Support Officer allocated to the school. (e-mail is acceptable as written instructions)

The Contractor will where this is agreed with the Client to be necessary, attend preliminary meetings with Client and the sub-committee at which a budget plan will be agreed with the Client. Any budget plan so agreed shall include matters relating to timescale or strategy, and shall be recorded in writing by the Contractor and copied to the client.

## VARIATION AND TERMINATION

This Agreement may be varied at any time by the mutual agreement of both parties.

In the event that the contractor fails in the client's opinion to perform in accordance with the terms of this Agreement the client shall detail the failure in writing to the contractor and the contractor will make every endeavour to remedy the breach. If the breach is not remedied and is fundamental to the provision of services the client may upon given two month's notice to the contractor terminate the provisions of this Agreement.

Any formal contact under the terms of this part of this Agreement shall be between the Head of Service of the Contractor and the Client.

Any arbitration provision contained in the Agreement applied to the effect of this clause.