

Stuart Carlton
Corporate Director – Children & Young People's Service

Howard Emmett
Assistant Director – Strategic Resources
County Hall, Northallerton
North Yorkshire, DL7 8AE

Your ref:

Tel: 01609 532118

Our ref: HE/DAW

E-mail: howard.emmett@northyorks.gov.uk

Web: www.northyorks.gov.uk

Contact: Howard Emmett

4 March 2021

Dear Colleague

School Financial Management Update – March 2021

Schools continue to play a vital central role in both the local and national response to the Covid pandemic and the associated recovery roadmap. The response from North Yorkshire schools in ensuring the continuity of educational provision and school operations continues to be hugely appreciated by the Local Authority. Clearly, with the full re-opening of schools from 8th March 2021 there will be a further period of intense activity over the coming weeks with schools managing the return of all pupils. Having regard to schools also entering a key period within the financial year, an update is provided on the following areas:

- 2020/2021 financial year end closedown
- 2021/2022 Start Budget
- 2020/2021 School Financial Value Standard submissions
- DfE Financial Transparency Requirements for Local Authority Maintained Schools & Academies

1. 2020/2021 Financial Year End Closedown

Detailed information on the required tasks and timescales for the 2020/21 financial year end closedown was issued to schools on the 11th February 2021 by direct e-mail and the CYPS Red Bag. Please ensure that you have read this information as it is essential that the tasks are completed within the required timescales in order for the Local Authority to meet its statutory requirements for the production of the final accounts. Please ensure that you have business continuity plans in place in order to ensure that the closedown tasks can still be completed in the event of absence of key staff or school closure. In this respect, please can you ensure that the **FMS Support access is set up and activated for your RM Finance accounting software**, which will enable the key data to be able to be accessed by the Local Authority in a situation where no school staff are available to provide the data for the financial year end closedown. . If you need any assistance in setting up the FMS Support access, please contact the FMS Helpline (fmshelpline@northyorks.gov.uk).

2. 2021/2022 Start Budget

School budget allocations for the 2021/22 financial year were issued on the 10th February 2021. Schools are requested to submit their 2021/22 Start Budget and three year financial forecast to the Local Authority **by 20th May 2021**.

Your FMS Support Officer will be able to provide advice and assistance in preparing your 2021/22 Start Budget and future financial forecast. If you are in the position where you are considering setting a budget for 2021/22 with a cumulative revenue deficit, please be aware that this will require approval, which will be conditional upon the receipt of an appropriate recovery plan.

3. 2020/2021 School Financial Value Standard (SFVS)

The DfE have recently announced that they are allowing local authorities a longer timescale to submit their 2020/2021 SFVS Assurance Statement. Within North Yorkshire, the Local Authority has taken a local decision **to extend the deadline for schools for the submission of the 2020/21 SFVS to the 30th April 2021**. We are aware that schools will have already been working to the original 2020/21 SFVS submission deadline of the 31st March 2021 so hope that the extension to deadline offers some flexibility in the event of any unexpected delays in Governor's sign off of the 2020/21 SFVS.

4. DfE Financial Transparency Requirements for Local Authority Maintained Schools

In July 2020, the DfE outlined a number of new financial transparency requirements for local authority maintained schools. Schools are reminded of the following requirements that need to be actioned:

- LA maintained schools to publish a link to the DfE national schools financial benchmarking website, where the Consistent Financial Reporting (CFR) statement of income, expenditure and balances is published. The link should be available on the school website from 1st January 2021.
- All LA maintained schools are required to publish annually on their websites the number of individuals (if any) earning over £100K in £10K bandings. This information needs to be available on school websites from 1st January 2021.
- Schools are required to append a list of Related Party Transactions (RPTs) to their response to the question in the Schools Financial Value Standard (SFVS) about their arrangements for managing RPTs. This list is required to be appended to the 2021/22 SFVS. Further information in relation to RPTs can be found at:
<https://www.gov.uk/government/publications/schools-financial-value-standard-sfvs/2019-to-2020-checklist-guidance#are-there-adequate-arrangements-in-place-to-manage-related-party-transactions>

Thank you for your ongoing work and support in ensuring the continuation of financial processes, management and governance in your schools. If you have any queries with regard to any of the items contained within this update, in the first instance, please contact your FMS Support Officer or the FMS Helpline (fmshelpline@northyorks.gov.uk)

Yours sincerely



Howard Emmett
Assistant Director – Strategic Resources