

## **Introduction to the schools financial value standard (SFVS) checklist**

The schools financial value standard (SFVS) helps to provide schools with assurance that they are meeting the basic standards necessary to achieve a good level of financial health and resource management.


The SFVS checklist asks a number of questions of governing bodies in six areas of resource management to provide assurance that the school is managing its resources effectively. This can be used to identify possible areas for change to ensure that resources are being used to support high-quality teaching and the best education outcomes for pupils.

The checklist was formerly part of a tool that also contained a dashboard. This is now available on the schools financial benchmarking website. It shows how a school's data compares to thresholds on a range of statistics that have been identified as indicators for good resource management and outcomes, which will help you to complete your checklist.

### **Summary of agreed action and timetable for reporting back:**

1. Improve budget monitoring reports to clearly indicate changes in pupil numbers and needs, income and expenditure, and annual outcome projections.
2. Provide bespoke training to governors regarding iCollege finances, and explore ways in which the financial issues faced by AP schools can be more clearly articulated and understood by all stakeholders.
3. Continue to develop the longer-term school/financial strategy to ensure the longer-term sustainability of iCollege.
4. Budget strategy and budget papers to be provided to Governors fully completed and in the agreed format at least one week prior to the committee meetings.
5. Continue to make use of the dashboard data and further develop benchmarking.
6. Continue staff financial training (e.g. Procurement Training - undertake the on-line best practice procurement training for schools to improve knowledge in this area).
7. Network with other local schools to collaborate on purchasing/sharing of resources.

### **Outcome of schools financial value standard (SFVS)**

Signature: (Chair of governing body / management committee)	
Full name of signatory:	<b>Maureen Sims</b>
Date SFVS agreed by full governing body / management committee:	<b>e-approved 30.03.22</b>
Date SFVS submitted to local authority for review:	<b>31.03.22</b>

### **Schools financial value standard (SFVS) checklist**

The schools financial value standard (SFVS) helps to provide schools with assurance that they are meeting the basic standards necessary to achieve a good level of financial health and resource management.

The SFVS checklist asks a number of questions of governing bodies in six areas of resource management to provide assurance that the school is managing its resources effectively. This can be used to identify possible areas for change to ensure that resources are being used to support high-quality teaching and the best education outcomes for pupils.

The checklist was formerly part of a tool that also contained a dashboard. This is now available on the schools financial benchmarking website. It shows how a school's data compares to thresholds on a range of statistics that have been identified as indicators for good resource management and outcomes, which will help you to complete your checklist.

<b>School name:</b>	<b>Icollege Alternative Education</b>
<b>School LAEstab number:</b>	<b>8691111</b>

## A. Governance

1	In the view of the governing body and senior staff, does the governing body have adequate and up-to-date financial skills among its members to fulfil its role of challenge and support in the field of budget management and value for money? Is there a plan in place to address any gaps?	<a href="#">Q1 guidance</a>	In part	A skills audit of Governors is carried out annually. Following the resignation of the outgoing Chair of Finance in December 2021, a new Chair of Finance has been appointed. The new Chair of Finance has industry experience, but is new to school finance, however he has completed training in school finance. The Chair of Governors has extensive experience of managing large school budgets, and has undertaken related training. The skills audit has highlighted training requirements for other governors. Options to provide that training are being explored, but it is thought that a bespoke training session for governors may be most useful. Materials are being gathered towards providing that bespoke training.
2	Does the governing body have a finance committee, or equivalent, with clear terms of reference and a knowledgeable and experienced chair?	<a href="#">Q2 guidance</a>	Yes	The school has a Finance Committee (FC) (combined with H&S, premises and IT). The terms of reference are reviewed annually and include responsibility for overseeing the budget setting and budget monitoring.
3	Does the governing body receive clear and concise monitoring reports of the school's budget position at least 6 times a year?	<a href="#">Q3 guidance</a>	In part	A budget monitoring report is brought to each monthly finance committee, and is usually the main focus of the agenda, however, there are some issues with the nature of these reports, how well they are understood by Governors, and the nature of the issues reported. Finance Chair meets regularly with the SBM to discuss the monthly BMR's, and revisions to the

					reporting process are under active discussion.
4	Are business interests of governing body members and staff properly registered and taken into account so as to avoid conflicts of interest?	<a href="#">Q4 guidance</a>		<b>Yes</b>	Register of business interests is updated regularly. During the pandemic, declarations have been completed electronically on Governor Hub. Declarations of Interest are always the first agenda item at committee meetings .
5	Does the school have access to an adequate level of financial expertise, including when specialist finance staff are absent, for example, on sick leave?	<a href="#">Q5 guidance</a>		<b>In part</b>	The School Business Manager (SBM) deals with finance amongst other business requirements for the school. In addition, the school buys into the LA Finance service where expertise is available on request (subject to availability). This service has been used during the last year to support the SBM with budget monitoring and the budget preparation and for some bespoke training.

## B. School Strategy

6	Does the school have a realistic, sustainable and flexible financial strategy in place for at least 3 years, based on realistic assumptions about future funding, pupil numbers and pressures?	<a href="#">Q6 guidance</a>		<b>In part</b>	The basic challenge iCollege faces, as an Alternative Provision (AP) school, relates to uncertainties in the number of pupils who are placed each year, the variation of the number of pupils on-roll within each term (which can be as high as +/- 10 during a single term), and the nature of the needs that pupils require (i.e. assigned banding). It is understood that there is an aspiration within the LA to see the number of pupil placements reduce by about 2 each year, but
---	--	-----------------------------	--	----------------	--

				<p>where the actual uncertainty in pupil numbers, and their needs, is so high, it is very challenging to put in place a definitive three-year plan based on LA proposed trends in pupil numbers. Consequently, there is a need for iCollege to develop a robust budget based on anticipated demand, but ensure that it is “stress tested” (i.e. flexible enough) to ensure that iCollege has the ability to manage demands through flexible resourcing strategies. The phasing of funding payments from the LA is also an important consideration, as is the need for a robust budget-reconciliation process between iCollege and the LA at key times during the year.</p> <p>At present base-case budget proposals indicate an in-year deficit. Consequently, expenditure reduction strategies are being explored. The challenge is how to achieve appropriate reductions and yet still maintain capacity to respond to demands placed on iCollege.</p>
7	Is the financial strategy integrated with the school’s strategy for raising standards and attainment, through integrated curriculum and financial planning?	<a href="#">Q7 guidance</a>	<b>Yes</b>	<p>There is an ongoing programme where staff and governors are working together to develop the iCollege strategy, including the financial strategy.</p> <p>The budget strategy recognises the quality of service the school needs and wishes to provide for students, so they can achieve the best they can. It seeks to support the delivery of bespoke programmes for learners that offer an appropriate mix of curriculum activities, qualifications and experience to meet the needs of each pupil.</p>

8	Does the school have an appropriate business continuity or disaster recovery plan, including an up-to-date asset register and adequate insurance?	<a href="#">Q8 guidance</a>		<b>In part</b>	<p>Critical Incident Plans, Asset Registers and Inventories are maintained by the H&amp;S/IT Coordinator for both IT and other equipment. iCollege also buys into the LA insurance scheme.</p> <p>The Covid risk register has been reviewed often as the situation and guidance has changed, but the main risk register has been reviewed by governors less often during the pandemic, Furthermore, due to the pandemic, the annual review of Inventories due to the difficulties moving between “bubbles” to undertake checks, and spot checks undertaken by the former Health &amp; Safety Governor were suspended due to not being able to visit units during the pandemic.</p> <p>Now that restrictions have eased Health &amp; Safety meetings with the H&amp;S/IT Coordinator, and spot-checks, will resume. A review of critical incident plans and asset registers and inventories will also be reviewed.</p>

### C. Setting the annual budget

9	Does the school set a well-informed and balanced 3-year budget and has this been submitted to the local authority?	<a href="#">Q9 guidance</a>		<b>In part</b>	<p>At present base-case budget proposals indicate an in-year deficit, based on modest-overspends that are below a +/- 10% threshold. Expenditure reduction strategies are being explored. As noted in the response to question 6, the challenges are how to</p>
---	--	-----------------------------	--	----------------	---

					(ideally) deliver a balanced budget at the start of the year and yet still maintain flexibility to respond to demands that can change significantly even on a termly basis.
10	Does the budget setting process allow sufficient time for the governing body to scrutinise and challenge the information provided?	<a href="#">Q10 guidance</a>		<b>In part</b>	The budget setting process for 2022/23 is in progress. The Heads Funding Group have been undertaking a review of icollege which included how it would be funded. The completion of the Schools' Forum review and approval process (completed on 15/03/22) has caused some delays to the budgeting process but discussions with governors have continued throughout.
11	Is the school realistic in its pupil number projections and can it move quickly to recast the budget if the projections and the reality are materially different?	<a href="#">Q11 guidance</a>		<b>In part</b>	Unlike a mainstream school, as an Alternative Provision school, pupil numbers are less well-defined from a planning perspective. Monitoring pupil numbers and related needs is very important, as is being flexible in being able to respond to potential variations. The school is realistic in recognising this challenge, and there is a need to find ways to articulate these challenges to other stakeholders, and we are exploring ways in which this can be done.
12	Is end year outturn in line with budget projections, or if not, is the governing body alerted to significant variations in a timely manner, and do they result from explicitly planned changes or from genuinely unforeseeable circumstances?	<a href="#">Q12 guidance</a>		<b>In part</b>	The projected outturns for 2021/22 have been adversely impacted by Covid-19; causing a reduced income from the LA due to pupil attendance, teachers becoming ill and consequently a greater pull on bought in professional services (curriculum) to compensate and ensure that the needs of pupils are met as a priority.

13	Are balances at a reasonable level and does the school have a clear plan for using the money it plans to hold in balance at the end of each year?	<a href="#">Q13 guidance</a>	In part	The 2021/22 financial year, taking into account all resources, ends with a surplus of £324K. It is important to seek to maintain a significant surplus to ensure iCollege can flexibly respond to changes in demand (i.e. pupil numbers and needs). However, the currently proposed three-year budget results in a situation where this surplus becomes a £200K+ deficit by 2024/25. That said, iCollege does not have a set annual income, rather that income changes with the number of pupils on-roll. There is consequently, considerable uncertainty in making three-year financial predictions.
----	---	------------------------------	---------	---

## D. Staffing

14	Does the school review its staffing structure regularly to ensure it is the best structure to meet the needs of the school whilst maintaining financial integrity?	<a href="#">Q14 guidance</a>	In part	<p>Managing the impact of the Covid pandemic on pupils has demanded a great deal of flexibility by staff, who have had to deal with highly variable pupil needs and short-term emergencies. Securing appropriate staff has also been very challenging, due to the size of the recruitment tool, the skills needed, and the particular demands placed on staff in supporting pupil needs.</p> <p>Recent changes in staff has prompted a review of staffing structure, and is part of the current budgeting process. In addition, a Pay Committee has been established to review the schools Group size.</p>
15	Has the use of professional independent advice informed part of the pay decision process in relation to the head teacher and is it tightly correlated to strong educational	<a href="#">Q15 guidance</a>	Yes	The Performance Appraisal Panel met in the Autumn Term and included the support of the School Improvement Adviser. Strong



	outcomes and sound financial management?				student outcomes and issues relating to financial management are significant factors which were central to the process.
16	Has the school published on its website the number of employees (if any) whose gross salary exceeded £100k?	<a href="#">Q16 guidance</a>		<b>Yes</b>	Not applicable. iCollege does not have any employees whose gross salary is above £100k.
17	Does the school benchmark the size of its senior leadership team annually against that of similar schools?	<a href="#">Q17 guidance</a>		<b>No</b>	There are few similar schools to benchmark against being an AP school, though this should not prevent this benchmarking now being carried out, and will be completed in Autumn 2022.

## E. Value for money

18	Does the school benchmark its income and expenditure and investigate further where any category appears to be out of line?	<a href="#">Q18 guidance</a>		<b>In part</b>	Where possible. That said, it is difficult to find similar provisions to compare against. From the data obtained so far, it has not been robust enough to investigate further. This is something we are seeking to improve upon.
19	Has the school leadership team considered the results of the self-assessment dashboard or other DfE benchmarking tools?	<a href="#">Q19 guidance</a>		<b>In part</b>	<p>iCollege seeks to make use of the self-assessment dashboard and other DfE benchmarks (e.g. Gatsby Career Benchmarks), to evaluate performance and identify areas for improvement.</p> <p>Using the self-assessment dashboard, iCollege is low-risk with respect to Reserves &amp; Balance. It is also in broadly in line with other similar schools regarding expenditure on: supply staff, education support staff, administrative and clerical staff, premises costs and energy costs. However,</p>

				<p>expenditure on teaching staff costs are in the highest 20% of similar schools, whilst expenditure on educational supplies is in the lowest 10% of similar schools. That said, iCollege is not believed to be over-staffed as the pupil-teacher &amp; pupil-adult ratios are the lowest 10% of similar schools., and the average teacher costs are in the middle of those of 20% of similar schools</p> <p>iCollege also compares very favourably with respect to published information regarding the performance of Alternative Provision schools (e.g. grades, outcomes etc).</p>
20	Does the school have procedures for purchasing goods and services that both meet legal requirements and secure value for money?	<a href="#">Q20 guidance</a>	<b>In part</b>	<p>iCollege follows the Financial Management and Procedures Policy which includes the scheme of delegation. No member of staff has procurement qualifications, but could carry out the on-line best practice procurement training for schools to improve staff purchasing skills.</p>
21	Is the governing body given the opportunity to challenge the school's plans for replacing contracts for goods and services that are due to expire shortly?	<a href="#">Q21 guidance</a>	<b>In part</b>	<p>iCollege benefits from Service Level Agreements (SLAs) to obtain support from the LA, additional contracts (over a given value) are reviewed with Governors. That said, not all aspects of iCollege services are covered by contracts (e.g. Outdoor Academy). Expenditure in this area is being reviewed.</p>
22	Does the school consider collaboration with others, for example, on sharing staff or joint purchasing, where that would improve value for money?	<a href="#">Q22 guidance</a>	<b>In part</b>	<p>The school operates from four different sites and some staff sharing and joint purchasing takes place between them, but not with any other schools. This is the only AP provision in the LA, though this should not prevent</p>

					collaboration with non AP schools, and this could be explored with some local schools.
23	Do you compare your non-staff expenditure against the DfE recommended national deals to ensure you are achieving best value?	<a href="#">Q23 guidance</a>		<b>Yes</b>	iCollege is aware of the “Deals for Schools” programme, and does make use of national deals where appropriate.
24	Does the school maintain its premises and other assets to an adequate standard and make best use of capital monies for this purpose?	<a href="#">Q24 guidance</a>		<b>Yes</b>	The LA owns the buildings and is responsible for upgrades. The Asset Management Plan informs the budget for buildings maintenance and up-keep. For any changes/improvements to buildings, a SPAR form has to be completed and submitted to the LA for review and permission. Capital money was used for the fitting out of the POD and new build project.

## F. Protecting public money

25	Is the governing body sure that there are no outstanding matters from audit reports or from previous consideration of weaknesses by the governing body?	<a href="#">Q25 guidance</a>		<b>In part</b>	We are waiting on the follow up of the LA audit of iCollege which took place in 2020/21. The initial audit suggested that some financial controls were weak, this was contested in places, and an agreed action plan was developed. Progress with the follow-up process was hampered by the pandemic, but the follow-up report is to be issued shortly and will confirm whether or not those actions have satisfactorily addressed the concerns raised.
----	---	------------------------------	--	----------------	---

26	Are there adequate arrangements in place to manage conflicts of interest?	<a href="#">Q26 guidance</a>		<b>Yes</b>		Covered by declarations of business interests, and all Governors/staff are required to make a declaration as and when circumstances change.
27	Are there adequate arrangements in place to guard against fraud and theft by staff, contractors and suppliers?	<a href="#">Q27 guidance</a>		<b>Yes</b>		Financial controls are in place as set out in the Financial Management and Procedures Policy. No instances in the last 12 months of fraud or theft.
28	Are all staff aware of the school's whistleblowing arrangements and to whom they should report concerns?	<a href="#">Q28 guidance</a>		<b>Yes</b>		Whistleblowing Policy is based on the WBC Model Policy and is in place and published on website. Updated by Management Committee 7/5/19 with latest contact details. Scheduled for review in September 2022
29	Does the school have an accounting system that is adequate and properly run and delivers accurate reports, including the consistent financial reporting return?	<a href="#">Q29 guidance</a>		<b>Yes</b>		The school uses FMS which is reconciled to the LA's financial system Agresso and is CFR compliant.
30	Does the school have adequate arrangements for audit of voluntary funds?	<a href="#">Q30 guidance</a>		<b>N/A</b>		Not applicable - the school does not have a private fund