

Finance Improvement Group (FIG) Terms of Reference (ToR)

Cambridgeshire Local Authority acts as a champion of high financial standards across all its maintained schools and will audit provision to ensure schools seek effective management of their resources and value for money intervening according to their policy, at stage 3 and 4, to monitor and support where there are financial concerns or a budget deficit.

(Ref: DFE Schemes for Financing local authority maintained schools 2025 – 2026, March 2025)

The School Deficit Monitoring Group (SDMG) will consider all deficits in Cambridgeshire maintained schools and will agree the appropriate level of intervention. Cambridgeshire maintained schools with a cumulative financial deficit >5% with no robust deficit recovery plan (DRP) in place will be supported by a Finance Improvement Group (FIG). The Terms of Reference will apply to all maintained schools in a FIG and outlines the process in which schools are to report on the repayment of their cumulative financial deficit.

Purpose

The purpose of these meetings is to monitor, review and support schools in deficit, ensuring the necessary actions to eliminate cumulative deficits are taken within the specified timeframe set out in the Scheme for Financing Schools; whilst maintaining the delivery of a good quality of education.

Membership

The Finance Improvement Group (FIG) will consist of the following members:

- Chair: Assistant Director: Education
- School: Executive Headteacher or Headteacher
- School: Chair of Governors
- School: School Business Manager
- LA Officer: Senior Finance Business Partner
- LA Officer: School Governance (as required)
- LA Officer: Assistant Director Inclusion (as required)

- LA Officer: Head of Early Years, Childcare and School Readiness Service (as required)
- LA Officer: HR Business Partner (as required)
- LA Officer: Clerk to the meeting

Frequency of meetings

The group will meet twice a term but may be increased, at the discretion of the Chair, should insufficient progress be made to address the financial deficit of the school.

Meetings will follow a set agenda with papers to be circulated to members 5 working days in advance of the meeting.

Wherever possible FIG meetings will be held in person.

Terms of reference

- To ensure transparency, accountability, and effective management of financial resources within schools, and to facilitate the local authority's oversight and support role.
- To discuss the financial deficit of the school and review the school's DRP and ability to repay within the timeframe set out in the Scheme for Financing Schools
- To ensure that the Schools Governing Body complies with its statutory requirements to ensure the sound, proper and effective use of schools financial resources. The School Governance [\(Roles, Procedures and Allowances\) \(England\) Regulations 2013](#)
- Schools are to provide an updated Deficit Recovery Plan to each Finance Improvement Group which outlines progress to achieve a balanced budget. This should also include potential risks detailing failure to meet repayment schedules and further financial difficulties. These will be managed through regular monitoring and support from the local authority.
- Schools are to report monthly on their projected outturn for the year as per corporate deadlines.
- Schools must demonstrate the use of DfE benchmarking data, e.g. - [Home - Financial Benchmarking and Insights Tool - GOV.UK](#)
- Where school organisational changes are required to achieve a balanced budget, these must be planned to ensure the terms and conditions of employment are met and affected staff have the maximum opportunity to seek alternative employment
- The school must be able to demonstrate that future year's budget forecasts are based on pupil numbers which are in accordance with the Local Authority's projections and local knowledge

- The school must show value for money has been achieved when entering new contracts with 3rd parties
- The Local Authority will review the latest internal audit report to determine effective use of public funds within the school; ensuring governors have appropriate oversight in affecting change where necessary
- The school must consider and report on the impact on the quality of teaching and learning when addressing the deficit; providing solutions
- Where finance training needs are identified, schools should seek to attend the next available session or explore options for additional training with the Schools Finance team.
- The Chair will summarise the actions to be taken ahead of the next meeting and, where insufficient progress has been made, will outline the Local Authorities options to move to the next stage of the deficit management escalation process
- Minutes will be circulated within 10 working days of the meeting; to include actions agreed
- The Terms of Reference will be reviewed annually to ensure it remains fit for purpose