

**Cheshire West and Chester
Schools Forum
8 October 2019**

Agenda item 8 – Tabled

Schools Financial Value Standard 2019-2020
Briefing note - New SFVS framework for 2019-20

To be submitted by Governing Bodies of all maintained schools by 31 March 2020

Changes from 2018-19

Increase from 25 to 29 questions

7 new questions

- 10 Does the budget setting process allow sufficient time for the governing body to scrutinise and challenge the information provided?
- 11 Is the governing body realistic in its pupil number projections and can it move quickly to recast the budget if the projections and the reality are materially different?
- 16 Does the school benchmark the size of its senior leadership team annually against that of similar schools?
- 19 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?
- 21 Do you compare your non-staff expenditure against the DfE recommended national deals to ensure you are achieving best value?
- 24 Are there adequate arrangements in place to manage conflicts of interest or any related party transactions?
- 29 Have the results of the dashboard been carefully considered and potential follow-up actions identified?

3 questions removed

3. Is there a clear definition of the relative responsibilities of the governing body and the school staff in the financial field?
8. Have your pay decisions been reached in accordance with a pay policy reflecting clear performance criteria?
19. Can the school give examples of where it has improved the use of resources during the past year?

Reworded questions

- 6 Does the school have a realistic, sustainable and flexible financial strategy in place for at least the next 3 years, based on realistic assumptions about future funding, pupil numbers and pressures?
- 7 Is the financial strategy integrated with the school's strategy for raising standards and attainment?
- 14 Does the school review and challenge its staffing structure regularly to ensure it is the best structure to meet the needs of the school whilst maintaining financial integrity?
- 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 outcomes and sound financial management?
- 22 Does the school maintain its premises and other assets to an adequate standard and make best use of capital monies for this purpose?

New dashboard

The dashboard shows how a school's data compares to thresholds on a range of statistics that have been identified by the department as indicators for good resource management and outcomes.

The dashboard provides ratings against a school's data that indicate how its spend and characteristics compare with similar schools or nationally recognised bandings and recommendations.

- a red rating shows the school's data is significantly out of line with schools with similar characteristics or recognised standards - it does not mean that there is definitely a problem, but that there may be scope for change
- an amber rating shows that the school's data is considerably out of line with the majority of similar schools or recognised standards
- a light green rating shows that the school's data is in line with the majority of other schools or recognised standards - it does not necessarily mean that there is no scope for changes
- a dark green rating shows that the school's data is close to the middle of similar schools or better than recognised standards - not all indicators will generate a dark green rating

Schools should carefully consider the results for each of the indicators in the dashboard, for example:

- reasons why the rating against the threshold is as it is

- if the school is an outlier, what the scope for follow-up actions, like further investigation or other changes, is
- the scope for using the schools financial benchmarking service or school performance service to identify schools, contact and learn from them

Proposed changes and communication for Cheshire West and Chester schools

- Schools Finance Team have pre-populated the dashboard using the latest Consistent Financial Reporting return (2018-19) and workforce census. This will be made available to schools next week to allow the dashboard to be populated.
- Some internal audit findings need to be addressed across all schools, rather than those selected for audit. Despite the circulation of audit findings, many of the same themes recur.
- We want to ensure that schools are operating key controls and policies - those that were added by the supplementary questions. We therefore plan to expand each of the 29 questions to include the key points for the GB to address, rather than leave the comments section open ended. The supplementary questions will become part of the return.

Below is an example for Q4 Are business interests of governing body members and staff properly registered and taken into account so as to avoid conflicts of interest?

Yes/No/date actioned - Have all staff completed the register of business interests?

Yes/No/date actioned - Have all governors completed the register of business interests

Yes/No/date actioned - Is this a standing agenda item for each Governing Body meeting?

Yes/No/date actioned - Have any conflicts of interest been identified?

Yes/No/date actioned - Have nil returns been minuted?

- Engagement with Heads and Governors Associations
- Need to improve evidence and minuting of the key controls being actioned.
- Need for Governing Bodies to review the timing of meetings to ensure that key documents can be reviewed. For example – new requirement for budget monitoring to be reviewed by GB 6 times a year.
- A number of key policies and proformas are to be provided to aid completion

- skills matrix governors
 - skills matrix staff
 - finance committee terms of reference
 - budget monitoring report
 - register of business interests staff
 - register of business interests governors
 - 3-5 year plan
 - business continuity plan
 - whistle blowing policy
 - school fund terms of reference
 - school fund audit template
- Briefing session to be held after half term led by Schools Finance Manager , Fraud Manager and Internal Audit. Sessions will be free of charge, one place per school, bookable via ecwip.co.uk
 - 11 November Civic Suite Ellesmere Port 4.30 to 6.30pm
 - 4 and/or 14 November Winsford (venue TBC) 4.30 to 6.30pm