

Report to:	SCHOOLS' FORUM
Date:	26 September 2023
Reporting Officer:	Gemma McNamara, Interim Assistant Director of Finance Jane Sowerby, Assistant Director of Education
Subject:	SCHOOLS FINANCIAL VALUE STANDARD (SFVS)
Report Summary:	To provide an update on the requirement for schools to complete the self-assessment process against the Schools Financial Value Standard by 31st March 2023.
Recommendations:	Schools' Forum members note the contents of the report
Corporate Plan:	Education finances significantly support the Starting Well agenda to provide the very best start in life where children are ready to learn and encouraged to thrive and develop and supporting aspiration and hope through learning and moving with confidence from childhood to adulthood.
Policy Implications:	Schools spending must be in line with financial policies and financial regulations. Overall effective use of resources across Tameside schools is a key component in the Authority's Annual Use of Resources Statement.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	The SFVS returns are a self-assessment of how well school governors are equipped to carry out their financial safeguarding duties. Their completion ensures a robust mechanism is in place to support schools in recognising and addressing any weaknesses in their financial management and enables the Internal Audit Team to use the information to support the internal audit programme.
Legal Implications: (Authorised by the Borough Solicitor)	There are no immediate legal implications arising from this report.
Risk Management:	There are no direct risks as a result of this report. Any areas of concern or risk identified in the returns will be reported to Internal Audit to use in their assessment of schools on a rolling audit programme
Access to Information:	Non-Confidential This report does not contain information, which warrants its consideration in the absence of the Press or members of the public
Background Information:	The background papers relating to this report can be inspected by contacting Jerome Francis



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1. INTRODUCTION

- 1.1 The schools financial value standard (SFVS) is a mandatory requirement for Local Authority (LA) maintained schools. The 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.
- 1.2 Governing bodies of maintained schools or management committees of pupil referral units (PRUs) have formal responsibility for the financial management of their schools, and so the standard is primarily aimed at governors or management committees.
- 1.3 The standard consists of a checklist and a number of questions which governing bodies or management committees should formally discuss annually with the headteacher and senior staff. It concentrates on the key elements of financial management and efficiency and is aimed mainly at governors as they have a statutory responsibility for financial management in schools. In doing so, governors manage a considerable amount of public money and carrying out the SFVS assessment will assist in this task and give assurance to the Local Authority that schools have sound financial management in place.
- 1.4 The results of the assessment can be used to identify possible areas for change to ensure resources are being used to support high quality teaching and the best education outcomes for pupils. The checklist focuses on the following areas:
 - A. Governance
 - B. Schools Strategy
 - C. Setting the School Budget
 - D. Staffing
 - E. Value for Money
 - F. Protecting Public Money
- 1.5 The standard requires schools to carry out benchmarking and a SFVS self-assessment dashboard is available for each school on the DfE's school financial benchmarking website ([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.
- 1.6 Schools are also required to complete a template recording any Related Party Transactions to demonstrate they have adequate arrangements in place to manage any contract or agreement between the school and a person or entity that's has close links to the person awarding the contract.

2. THE ROLE OF THE LOCAL AUTHORITY (LA)

- 2.1 All schools must submit a governor approved copy of their assessment to the LA by the 31 March.
- 2.2 LA's should consider any Related Party Transactions submitted by schools, paying particular attention to any over £20,000 and ensure they are satisfied with the financial controls in place related to these transactions.
- 2.3 Local authorities will use schools' SFVS returns to inform their programme of financial assessment and audit. The SFVS will not be externally assessed. The local authority and other auditors will have access to the standard, and when they conduct an audit can check whether the self-assessment is in line with their own judgement. Auditors should make the governing body, the management committee and the local authority aware of any major discrepancies in judgments. Auditors should also ensure that all actions have been addressed before a SFVS review takes place for another year.

3. POSITION OF TAMESIDE SCHOOLS

3.1 **Table 1** shows the 2023 position for Tameside Schools. There was a total of 58 schools open at the start of the financial year and 55 submitted a return to the LA.

3.2 The 3 schools that didn't submit were eligible for an exemption; 2 schools closed in the financial year and a further school had an Academy Order in place. If the school hasn't converted by the end of the next financial year, it becomes eligible to complete the SFSV return again.

3.3 No schools returned a Related Party Transaction above £20,000.

3.4 **TABLE 1: SFVS returns submitted to LA.**

	Primary	Secondary	Special	PRU	Total
Total number of eligible schools in LA	47	6	4	1	58
Number of eligible schools that submitted the SFSV return	45	6	3	1	55
Number of Schools that did not submit the SFSV (non-compliant, with exemptions)	0	0	0	0	0
Number of Schools that did not submit the SFSV (with exemptions)	2		1		3

4. ASSURANCE STATEMENT

4.1 The LA was required to submit an assurance statement signed by the Chief Financial Officer detailing which schools completed the SFVS to the DfE by 31 May 2023. This statement was signed and sent to the EFSA by the deadline as required.

5. RECOMMENDATIONS

5.1 As set out at the front of the report.