

Report to Hartlepool Schools' Forum 21 June 2019
From Sally Robinson – Director, Children's and Joint Commissioning Services

Agenda Item 10 – Schools financial value standard (SFVS)

1. Purpose of Report

The purpose of the report is to inform Schools' Forum of changes that have been made to the Schools Financial Value Standard (SFVS) from 2019/20 onwards that will need to be reflected when completing the SFVS checklist and dashboard following the end of the 2019/20 financial year in May 2020.

2. Background

- 2.1 The authority's Chief Finance Officer is required to sign and submit an SFVS assurance statement each financial year to the ESFA Information Exchange by 31 May using completed SFVS standard assessment forms.
- 2.2 It is a statutory duty (section 2.1.6 in the Schemes for financing schools statutory guidance for local authorities) for maintained schools to complete the SFVS standard assessment form each year, signed by their Chair of Governors. Although the statutory date for submission is 31 May each year, Schools' Forum previously agreed to submit their returns by 1 May.
- 2.3 The SFVS is intended to help schools and local authorities meet basic standards for good financial health and resource management.
- 2.4 The standard is primarily aimed at governors or management committees that have a formal responsibility for the financial management of their schools.
- 2.5 The authority uses SFVS assessment forms to determine the programme of financial assessment and audit. Audit can check whether the self-assessment completed by governors is in line with their own judgement and can ensure that all actions have been addressed before the SFVS review takes place for another year.

3. Recap of Requirements for 2018/19 SFVS Standard Assessment

- 3.1 Forum members are aware that governing bodies or management committees were required to complete a standard assessment form with 25 questions covering four sections - Governance, Setting the annual budget, Value for Money and Protecting Public Money. They were required to answer questions 'Yes' or 'No' following discussion with the Headteacher and senior staff.
 - If the answer is Yes, the comments column can be used to indicate the main evidence on which the governing body based its answer.
 - If the answer is No or In Part, the column should contain a very brief summary of the position and proposed remedial action.

3.2 In section E, Outcome of self-assessment, following completion of the 25 questions, governors or management committees were required to summarise remedial actions and the timetable for reporting back.

4. New requirements for 2019/20

4.1 As well as schools being required to complete a checklist (previously known as the standard assessment form and outlined at section 3 above), a dashboard also needs to be completed. The tool (checklist and dashboard) can be completed using Microsoft Excel. It will identify possible areas for change.

4.2 The checklist comprises 28 questions in six areas of resource management (including two new areas – Strategy and Staffing) to provide assurance that the school is managing its resources effectively. This is then followed by one further question asking whether the results of the dashboard have been considered. There are questions that were included in the 2018/19 assessment form that are not in the 2019/20 checklist and vice versa. Please refer to appendix A for a list of 2019/20 questions.

5. 2019/20 SFVS Dashboard

5.1 The new dashboard is intended to show how a school's data compares to thresholds on a range of statistics that have been identified by the Department for Education (DfE) as indicators for good resource management and outcomes.

5.2 The data for each school is only compared to schools with similar characteristics, for example – those in the same phase and with a similar percentage of pupils eligible for free school meals and a similar overall number of pupils.

5.3 School figures can be input separately for each question in the dashboard, however instead it is advisable to complete the worksheet labelled 'Optional – input raw data'. The raw data form can be used to input raw spend and characteristics information which is then used to calculate ratios and percentages required in the dashboard. The school must use the most up to date information available to them and refer to the same financial year, in this case 2019/20.

5.4 The raw spend data to be input covers 32 types of expenditure E01 to E32 which are in line with how data is presented on the schools financial benchmarking service.

5.5 Once data is input, RAG ratings will appear for each indicator in the dashboard.

6. Interpretation of the dashboard RAG ratings

6.1 The RAG ratings appearing against each indicator in the dashboard are based on the following definitions:

- 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.

7.1 **Recommendations**

7.1 Schools Forum are asked to note the content of the report.