

Schools Forum Briefing

1.	Date of meeting:	18th September 2020
2.	Title:	Financial Transparency of Maintained Schools and Academy Trusts
3.	Directorate:	Finance and Customer Services Directorate

1. SUBJECT: FINANCIAL TRANSPARENCY

2. PURPOSE OF REPORT

To inform Schools Forum members of the update to the School Information (England) Regulations 2020

3. RECOMMENDATION (S)

That members note this information and ensure they make school/academies that they represent aware of this information.

4. REASON FOR RECOMMENDATION (S)

To ensure Schools Forum members are aware of the update.

5. BACKGROUND INFORMATION

5.1 In 2019 the Department for Education ran a consultation entitled "[Financial transparency of local authority maintained schools and academy trusts](#)" and has begun implementing the proposals as [per the government response](#).

6. EXECUTIVE SUMMARY

6.1 Further to the consultation, the following proposals will be implemented 1st January 2021.

6.2 The DfE will publish names of LAs on gov.uk if they fail to comply with deadlines for returns to the Department starting from when they have missed 3 deadlines starting from 2020/2021.

6.3 The DfE will collect the number of schools with suspended budgets and notices of financial concern through the existing DSG assurance statement signed by the LA Chief Financial Officer (CFO) at the end of the financial year (due September 2021)

6.4 A new section will be added to the DSG assurance statement that captures the amounts that LAs have recovered from investigating fraud. (September 2021)

- 6.5 A directed revision will be made to LAs' schemes for financing schools to make it a requirement for maintained schools to provide LAs with three-year budget forecasts. (starting in 2021/2022)
- 6.6 Schools will be required to append a list of Related Party Transactions (RPTs) to their response to the question in the Schools Financial Value Standard (SFVS) about their arrangements for managing RPTs. In addition, additional columns will be inserted into the CFO Assurance Statement, so that the number of RPTs and value for each can be disclosed. (by the end of 2021/2022)
- 6.7 There will be a directed revision to LAs' schemes for financing schools, requiring schools to submit a recovery plan to their maintaining authority when their deficit rises above 5%. (measured as at 31st March 2021)
- 6.8 Information will be collected on the number of recovery plans in each LA through the DSG annual assurance return from the CFO. (September 2021)
- 6.9 The DfE will formalise the approach to working with LAs and include a request at any time during the year for high level action plans from some LAs. This will be achieved by:-
- Sharing published data on the school balances in each LA.
 - Using this data and evidence-based requests from LAs to ensure support is focused where it is needed.
 - Requesting high level action plans from LAs in which the number or proportion of school revenue deficits over 5% is above a certain level.
- 6.10 All LA maintained schools will be required to publish annually on their websites the number of individuals (if any) earning over £100K in £10K bandings. (Required from 1st January 2021 when the regulations come into force)
- 6.11 LA maintained schools will be required to publish a link to the schools financial benchmarking website, where the Consistent Financial Reporting (CFR) statement of income, expenditure and balances is already published, instead of requiring them to publish the CFR statement annually on their own website. (Required from 1st January 2021 when the regulations come into force)
- 7 Under the New Burdens policy, the Department will compensate LAs for the additional burden that these changes will impose. For 2021-22, this will be done through a direct grant to each LA, in proportion to the number of maintained schools they have.

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