

School Finance Governance

Monitoring against the Key Priorities
and Self-Evaluation
(Schools Financial Value Standard)



**achieving
for children**

One of the core roles of school governance is

Ensuring the sound, proper and effective use
of the school's financial resources

[Maintained Schools Governance Guide](#) (March 24)

Maintaining effective financial management

[Academy Trust Governance Guide](#) (March 24)



Financial performance of the school

- Schools / trusts must be able to evidence - to their stakeholders and to the regulators - that they are spending their funds and deploying their resources to achieve the **best possible outcomes for the children**, and that they are achieving value for money.
- Every school has a delegated budget, to cover staff costs, running costs, maintenance and equipment.

Managing this budget is the Governing Board's* responsibility.

**Academies – check your trust's scheme of delegation*

The GB's core role in respect of finance

- It is strongly recommended (for maintained schools) / mandatory (for academy trusts) that the governing board has a finance committee (can be called something else).
- This committee must have clear **Terms of Reference**
- A statutory annual self-evaluation is required from both maintained schools and from academy trusts, these are:
- the [Schools financial value standard](#) (SFVS) for maintained schools; and
- the [School resource management self-assessment checklist](#) for academy trusts.

Breaking it down - the core role includes

- **Budget planning** – which must be aligned with the key priorities as set out in the school development plan.
- **Strategic planning for any significant changes** – eg if there are rising or falling pupil numbers.
- **Monitoring the year-to-date figures** against the budget plan; and using the year-end forecast to inform forward planning.
- **Assessing & approving certain levels of expenditure** in line with the GB's delegated financial authority levels.
- **Evaluating the effectiveness** of spending decisions.
- **Ensuring effective** internal financial control and risk management.
- **Oversight of capital** expenditure & projects

The school's total revenue income

- **The School's Budget Share** for pupils aged 3-16
 - Allocated by the local authority to each school (via formulae)
 - Separate funding formula for 16-19 funding
- **Other government grants**

Allocated to support specific initiatives and strategies e.g. [Pupil Premium Grant](#), [Early Years Pupil Premium](#), [Service Pupil Premium](#), [PE & Sport Premium](#), [UIFSM](#) etc

For 24-25: Teachers' pay additional grant (TPAG), Teachers' Pension employer contribution grant (TPECG) & Core school budget grant (CSBG)
- **Self-generated income**

Eg from letting premises, wrap-around care and breakfast clubs, donations from charities, obtaining grants for specific projects, maybe parental voluntary contributions, PTA fundraising...

School funding and pupil numbers

For primary and secondary - the October census data drives the budget allocation for the next financial year.

Headcount of children (NOR @ school census)

X

Amount £ per child

+

Additional factors (as per the formula)

=

Budget Share Total

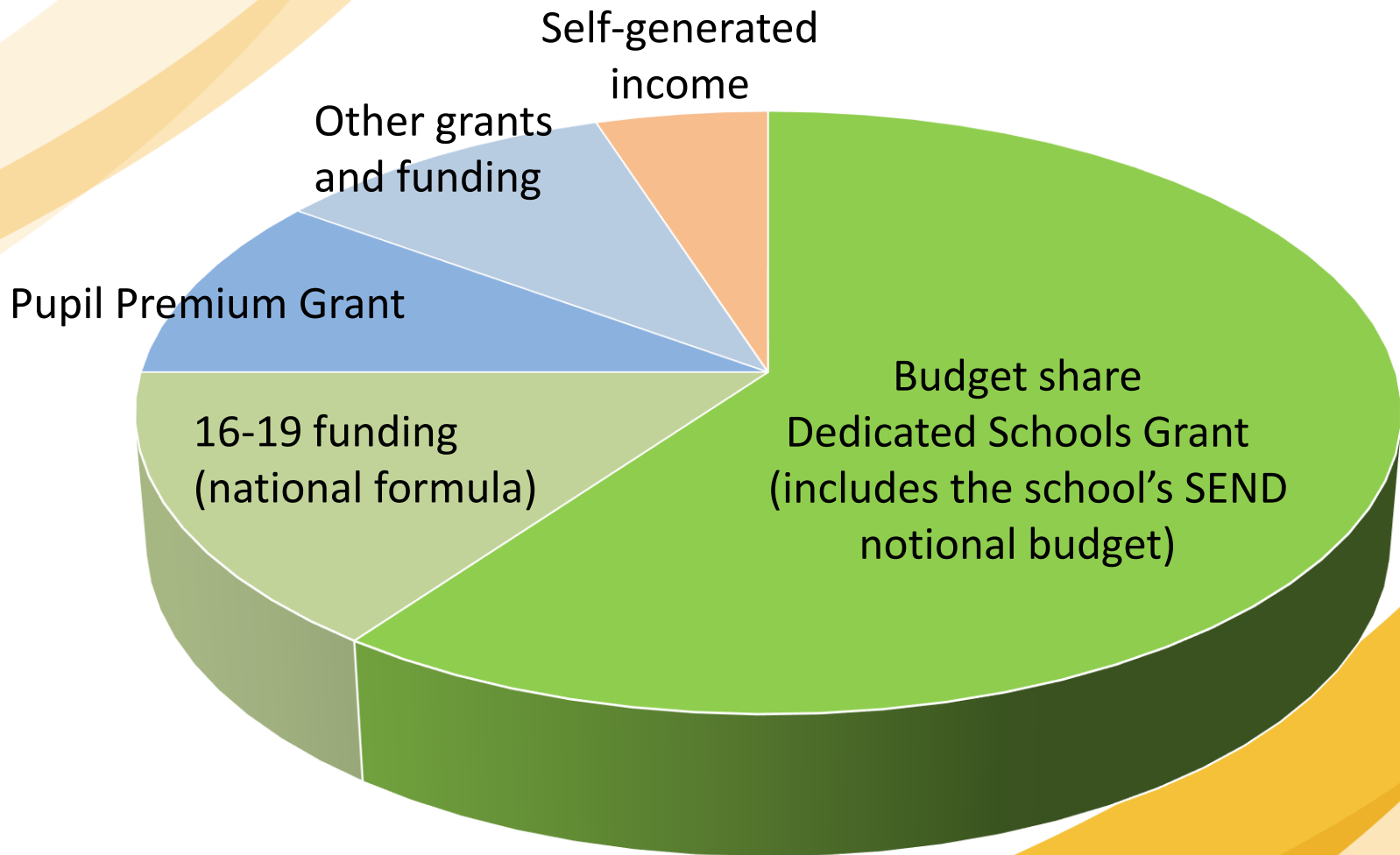
+

Headcount of pupil-premium-eligible children
Headcount of service-premium-eligible children

X

Amounts £ per child

Total revenue income breakdown (an example)



Budget Planning

THREE YEAR BUDGET PLAN 2024/27						SCHOOL:		Test School		Cost Centre:		FGH			
INPUT DATA IN YELLOW COLOURED CELLS ONLY.						Prior Year (actual)		Projected gr end		Year 2		Year 3		Notes (re assumptions and changes between years)	
						2022/23		2023/24		2024/25		2025/26		2026/27	
NOR - Main School (Oct 21/22/23/24						420		420		420		421		422	
6th Form														[Comments on significant changes]	
														[Comments on significant changes]	
CFR Ref	EXPENDITURE	Account	Cat	2023/24 ACTUAL (£)	2024/25 BUDGET (£)										
	Employee Costs	Code	Code												
E01	Teaching Staff					ding (3y's, 364 y's Unit Place Funding	1,637,340	1,761,040	1,621,625		1,625,625	1,626,160	23/24 onwards does not include rates funding.		
	Teachers - Basic pay	AA1	1000	682,719	710,049	Pension Grants	76,339	0	0	0	0	0	Up to 20/21 only. Special Schls and Nurseries up to 22/23 only. Special schls up to 23/24 only.		
	Teachers - Overtime	AA2	1000			Grant 22/23, 23/24	46,557	52,360	0	0	0	0	Up to 22/23 only. Nurseries up to 23/24 only.		
	Teachers - Other	AA3	1000	3,119		24/25 (Teachers P on Grant	0	54,000	0	0	0	0	Up to 23/24 only.		
	Teachers - National Insurance	AA7	1000	74,715	82,006	2 Annex 2 HR Fund ing & Pension Func or Sixth Form	0	0	0	0	0	0	Up to 24/25 only.		
	Teachers - Superannuation	AA9	1000	156,237	168,139	ent Grants	33,000	43,000	62,000		62,000	62,000	Post 16 only.		
	Teaching Staff Total				916,730	960,194		31,000	38,000	52,000		52,000	52,000	Special Schools only.	
E02	Supply Staff					ers Premium	1,700	2,000	300		0	0	Up to Aug 2024 only.		
	Supply Teachers - Basic Pay	AA1	1001	16,343	3,487	illed Tutoring	1,600	(14,000)	0		0	0	Up to Aug 2024 only.		
	Supply Teachers - Other	AA3	1001			Sports Grant	19,000	21,000	21,000		21,000	21,000			
	Supply Teachers - National Insurance	AA7	1001	1,340	186		43,000	55,000	57,000		57,000	57,000			
	Supply Teachers - Superannuation	AA9	1001	3,870	745	istoric	1,000	1,000	0		0	0			
	Teacher Supply Basic - Specific Grant	AA1	1053			g ome	1,904,536	2,081,122	2,015,725	0	2,018,825	2,019,160			
	Teacher Supply Other - Specific Grant	AA3	1053				5,000	33,000	33,000		33,000	33,000			
	Teacher Supply National Insurance - Specific Grant	AA7	1053			ss	10,000	20,000	21,000		21,000	21,000			
	Teacher Supply Superannuation - Specific Grant	AA9	1053												
	Grant Funded Teachers - Basic Pay	AA1	1059			ists, etc ary Funds	7,000	5,000	24,000		24,000	24,000			
	Grant Funded Teachers - Other	AA3	1059			ad Income	25,000	61,000	85,000	0	81,000	78,000			
	Grant Funded Teachers - National Insurance	AA7	1059			Income (TR)	1,929,536	2,142,122	2,103,725	0	2,029,825	2,027,160			
	Grant Funded Teachers - Superannuation	AA9	1059				635,762	316,730	330,134		1,053,311	1,060,553			
Education Support Staff				21,553	4,419		26,053	21,553	4,418		0	0			
Language Assistant - Basic Pay	AA1	1002	4,568	4,033		407,105	450,838	450,431		433,186	455,000				
Language Assistant - Other	AA3	1002				21,748	20,876	23,436		23,735	30,108				
Language Assistant - National Insurance	AA7	1002			erical Staff	36,433	102,368	107,433		110,273	114,531				
Language Assistant - Superannuation	AA8	1002				61,684	63,057	17,334		58,294	58,310				
Education Support Staff - Basic Pay	AA1	1003	4,734	4,923	Costs	20,254	29,317	29,378		25,127	27,812				
Education Support Staff - Other	AA3	1003				1,535,713	1,611,201	1,633,066	0	1,782,505	1,756,381				
Education Support Staff - National Insurance	AA7	1003				87,736	31,563	120,000		120,000	120,000				
						19,324	22,343	26,000		28,000	30,000				
						19,324	0	0		0	0				
						23,200	43,025	63,000		63,000	63,000				
						19,127	32,003	28,663		27,511	27,856				
						21,172	18,802	20,000		20,000	20,000				
						10,461	13,238	15,000		15,000	15,000				
						45,312	70,517	75,000		75,000	75,000				
							249	2,000		17,000	17,000				
							19,074	17,340		32,000	32,000				
							34,030	30,242							
							100,000	30,000							
							392,021	436,031	336,663	0	395,511	397,856			
							1,927,734	2,047,298	2,095,729	0	2,179,016	2,154,837			

Budget Planning

There should be a clear link in the budget to the key educational priorities of the school.

For example, how might this impact on

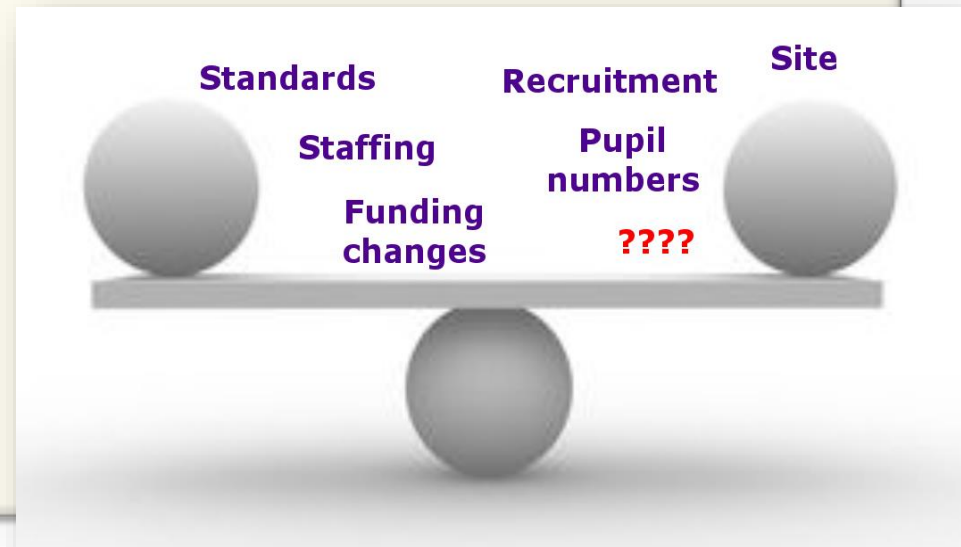
- staffing budget lines?
- staff training costs?
- educational resources budget lines?

Further training on budget planning will take place in March 2025

Forward planning

- Projected pupil numbers and characteristics
- Staffing to meet key priorities (ICFP)
- Long term commitments
- Upcoming projects
- The School's Vision

The three year budget plan needs to be updated regularly.



Monitoring the year-to-date figures

F92

<

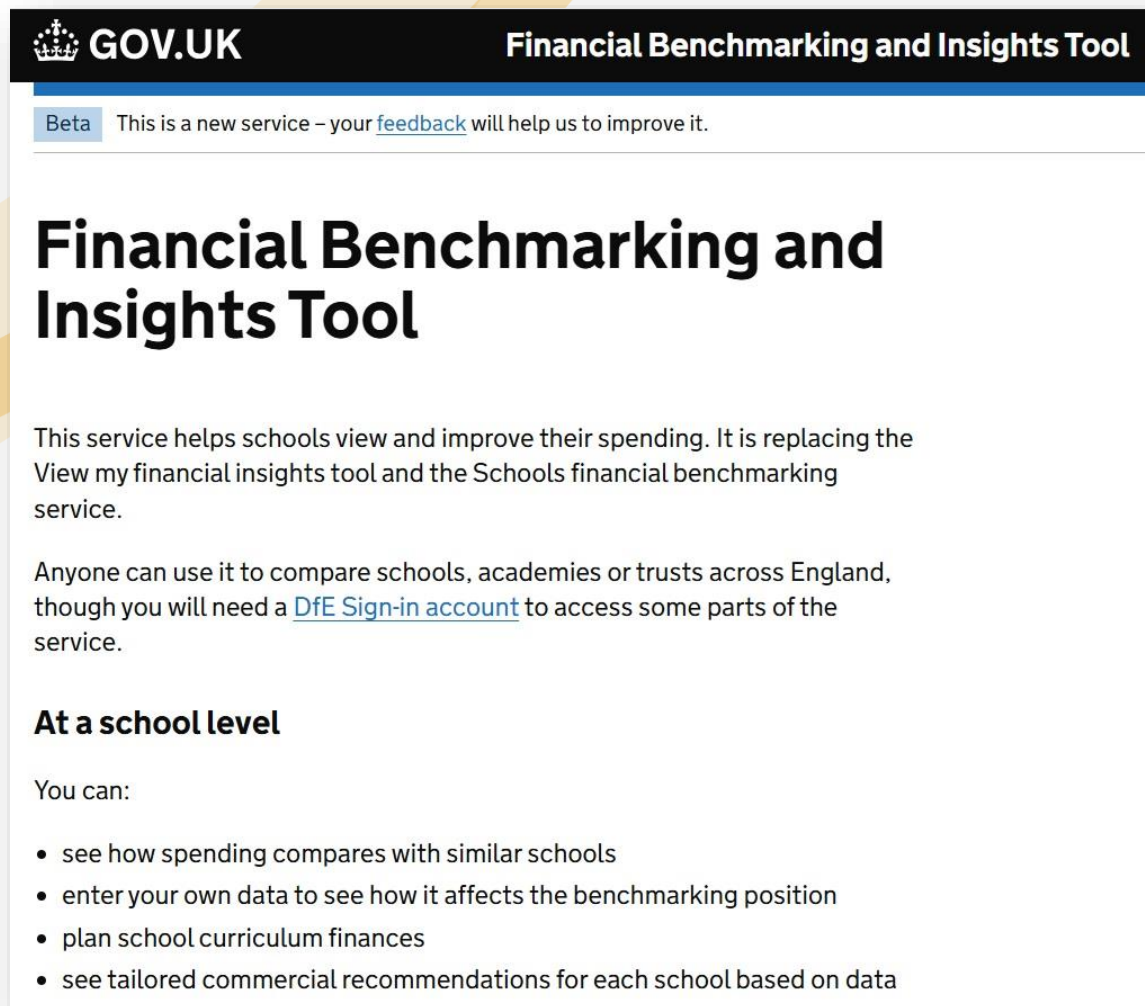
Monitoring the year-to-date figures

Top tips

- Read the notes and ask for clarification.
- Focus on the year-end forecast figures.
- Focus on the budget areas which will most strongly impact the school's forward planning

Are we looking at the metrics?

Financial Benchmarking Tool on .gov.uk



The screenshot shows the GOV.UK website header with the title 'Financial Benchmarking and Insights Tool'. Below the header, a 'Beta' badge is followed by the text: 'This is a new service – your [feedback](#) will help us to improve it.' The main heading is 'Financial Benchmarking and Insights Tool'. The introductory text states: 'This service helps schools view and improve their spending. It is replacing the View my financial insights tool and the Schools financial benchmarking service.' It then explains: 'Anyone can use it to compare schools, academies or trusts across England, though you will need a [DfE Sign-in account](#) to access some parts of the service.' A section titled 'At a school level' lists the following capabilities: 'You can: • see how spending compares with similar schools • enter your own data to see how it affects the benchmarking position • plan school curriculum finances • see tailored commercial recommendations for each school based on data'.

GOV.UK Financial Benchmarking and Insights Tool

Beta This is a new service – your [feedback](#) will help us to improve it.

Financial Benchmarking and Insights Tool

This service helps schools view and improve their spending. It is replacing the View my financial insights tool and the Schools financial benchmarking service.

Anyone can use it to compare schools, academies or trusts across England, though you will need a [DfE Sign-in account](#) to access some parts of the service.

At a school level

You can:

- see how spending compares with similar schools
- enter your own data to see how it affects the benchmarking position
- plan school curriculum finances
- see tailored commercial recommendations for each school based on data

- New: November 2024
- Some information is open-access (.gov.uk)
- Some parts of the service are accessible to the school via its DfE Sign-in account.

<https://financial-benchmarking-and-insights-tool.education.gov.uk/>

Financial Benchmarking Tool on .gov.uk



GOV.UK

Financial Benchmarking and Insights Tool

Beta

This is a new service – your [feedback](#) will help us to improve it.

Find a school, trust or local authority

What are you looking for?



School or academy

Name, address, postcode or unique reference number (URN)



Trust



Local authority

Continue

Top page result (random example)

[Change school](#)

This school's data covers the financial year April 2023 to March 2024 consistent financial reporting return (CFR).

In year balance

£2,728

Revenue reserve

£22,901

Ofsted rating

Good

School phase

Primary

Spending priorities for this school

Top spending priorities

Educational supplies

High priority Spends **£297** per pupil — Spending is higher than **90%** of similar schools.

Utilities

High priority Spends **£28** per square metre — Spending is higher than **90%** of similar schools.

Red, amber and green (RAG) priority ratings are shown to give an indication of the spending compared to similar schools.

The rating is not an indication of performance. It is used to display if spending is significantly more or less than similar schools. This does not consider any individual spending strategies which might apply.

The ratings are intended for schools and trusts to identify potential areas to help them make informed spending decisions.

Further benchmarking and resources

Benchmarking and planning tools



[Benchmark spending](#)

Benchmark spending against similar schools or other schools of your choice.



[Curriculum and financial planning](#)

Measure expected curriculum spending and staffing structure.

Requires login



[Benchmark pupil and workforce data](#)

Benchmark pupil and workforce data against other schools.

Resources

[Find ways to spend less](#)

Use these resources to help reduce your spending.

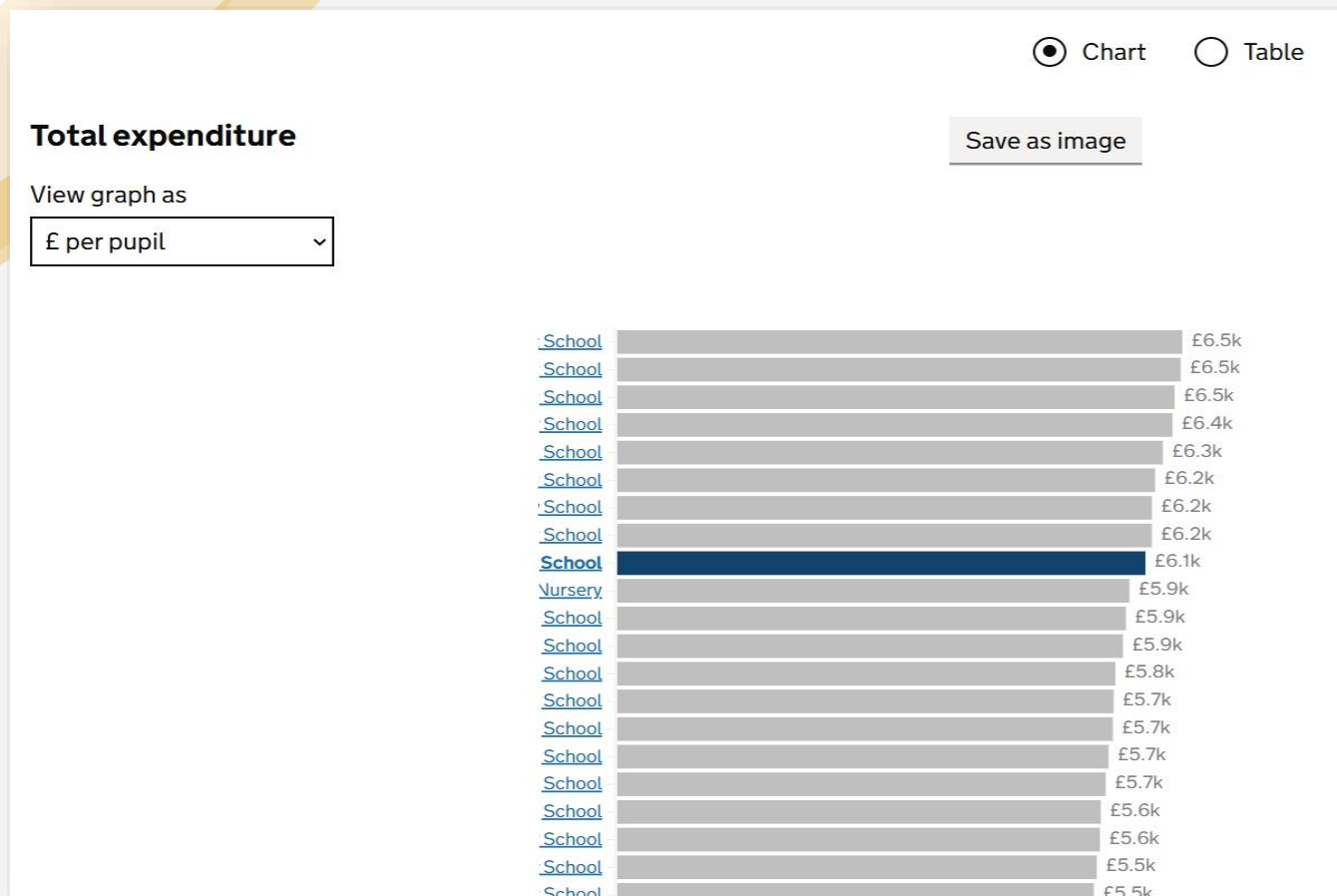
[View historic data](#)

View data from previous financial years for this school.

[School contact details](#)

View contact details for this school.

An example graph from the open-access part



There are a range of charts / tables available to benchmark the school selected in relation to statistically-similar schools

Interpreting the benchmarking data

Benchmarking is most appropriately used **as a starting point** for analysis— no two schools will be exactly alike!

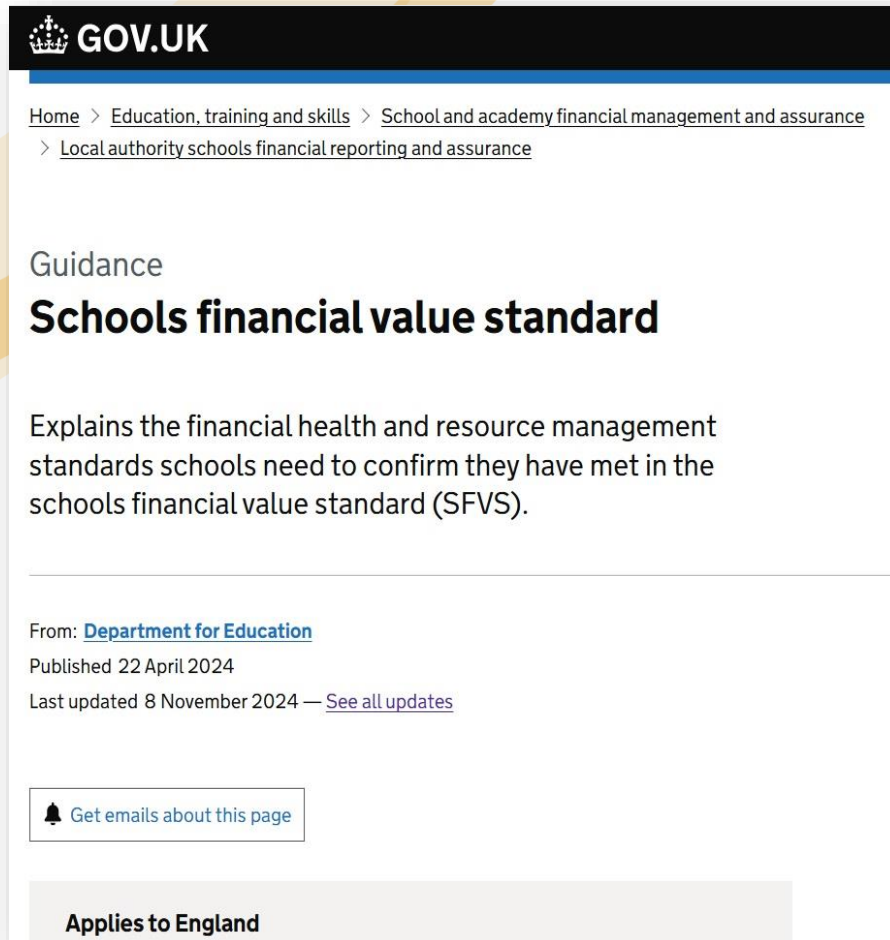
The [DfE's SFVS checklist guidance](#) (for Q18) advises...

Care should be taken when interpreting comparative income and expenditure data. This information describes the position of a school relative to others – it does not explain why a school is in this position or indicate whether it should be. There may be good reasons for a school to have relatively high or low figures. What is important is to review the differences, investigate the reasons for them and aim to make changes where there are not adequate reasons for spending being out of line in a particular category.

Discharging our accountability

- Minutes of governor meetings
- Finance committee reports at FGB meetings
- Other governor reports – e.g. the SEND governor may report on expenditure relating to resourcing strategies & interventions.
- Our school's Pupil Premium Strategy statement
 - *2024-25 to published by 31st December*
- Maintained schools in RBWM to submit
 - 6 month year-to-date report (by second Friday of October)
 - 9 month year-to-date report and SFVS (by end of January)
 - Budget plan and 3 year plan (by 31st May)
- Academy trusts – see the [Academy Trust Handbook](#)

Schools Financial Value Standard



The screenshot shows the GOV.UK website interface. At the top is the GOV.UK logo. Below it is a breadcrumb trail: Home > Education, training and skills > School and academy financial management and assurance > Local authority schools financial reporting and assurance. The main heading is 'Guidance' followed by 'Schools financial value standard' in a larger, bold font. Below this is a paragraph explaining that the guidance covers financial health and resource management standards. It also includes the source (Department for Education), publication date (22 April 2024), and last update date (8 November 2024) with a link to see all updates. At the bottom, there is a button to get emails about the page and a note that the guidance applies to England.

GOV.UK


Home > Education, training and skills > School and academy financial management and assurance
> Local authority schools financial reporting and assurance

Guidance

Schools financial value standard

Explains the financial health and resource management standards schools need to confirm they have met in the schools financial value standard (SFVS).

From: [Department for Education](#)
Published 22 April 2024
Last updated 8 November 2024 — [See all updates](#)

 [Get emails about this page](#)

Applies to England

Local authority-maintained schools must submit the SFVS checklist to their local authority annually.

This checklist helps provide assurance that the school is meeting the basic standards necessary to achieve a good level of financial health and resource management.

Local authorities use this information to submit an assurance statement.

<https://www.gov.uk/government/publications/schools-financial-value-standard-sfvs>

SFVS checklist and resources

- SFVS checklist (to complete)
- SFVS checklist guidance
- Additional resources - includes the skills matrix
- Template for recording related party transactions

As part of the completion of the SFVS, the school leadership team needs to conduct a benchmarking consideration exercise (question 19)

SFVS checklist and resources

The questions are across **six areas of resource management:**

- A: Governance
- B: School strategy
- C: Setting the annual budget
- D: Staffing
- E: Value for money
- F: Protecting public money

A. Governance			
1	In the view of the governing body and senior staff, does the governing body have adequate and up-to-date financial skills among its members to fulfil its role of challenge and support in the field of budget management and value for money? Is there a plan in place to address any gaps?	Q1 guidance	Choose an item.
2	Does the governing body have a finance committee, or equivalent, with clear terms of reference and a knowledgeable and experienced chair?	Q2 guidance	Choose an item.
3	Does the governing body receive clear and concise monitoring reports of the school's budget position at least 6	Q3 guidance	Choose an item.
	times a year?		
4	Are business interests of governing body members and staff properly registered and taken into account so as to avoid conflicts of interest?	Q4 guidance	Choose an item.
5	Does the school have access to an adequate level of financial expertise, including when specialist finance staff are absent, for example, on sick leave?	Q5 guidance	Choose an item.
B. School Strategy			
6	Does the school have a realistic, sustainable and flexible financial strategy in place for at least 3 years, based on realistic assumptions about future funding, pupil numbers and pressures?	Q6 guidance	Choose an item.
7	Is the financial strategy integrated with the school's strategy for raising standards and attainment, through integrated curriculum and financial planning?	Q7 guidance	Choose an item.
8	Does the school have an appropriate business continuity or disaster recovery plan, including an up-to-date asset register and adequate insurance?	Q8 guidance	Choose an item.
C. Setting the annual budget			
9	Does the school set a well-informed and balanced 3-year budget and has this been submitted to the local authority?	Q9 guidance	Choose an item.
10	Does the budget setting process allow sufficient time for the governing body to scrutinise and challenge the information provided?	Q10 guidance	Choose an item.

Answer Yes / in Part / No - plus comments/evidence column.

SFVS guidance for each question

		Answer	Comments, evidence and proposed actions		
A. Governance					
1	Does the governing body have adequate and up-to-date financial skills among its members to fulfil its role of challenge and support in the field of budget management and value for money? Is there a plan in place to address any gaps?	Q1 guidance	Choose an item.		
2	Does the governing body have a finance committee, or equivalent, with clear terms of reference and a knowledgeable and experienced chair?	Q2 guidance	Choose an item.		
3	Does the governing body receive clear and concise monitoring reports of the school's budget?	Q3	Choose an		

Each question links to **checklist guidance**, which includes:

- What this question means
- Good practice
- What to do if things are not right in your school

Outcome of SFVS (actions)

Introduction to the schools financial value standard (SFVS) checklist

The schools financial value standard (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.

The SFVS checklist asks a number of questions of governing bodies in six areas of resource management to provide assurance that the school is managing its resources effectively. This can be used to identify possible areas for change to ensure that resources are being used to support high-quality teaching and the best education outcomes for pupils.

The checklist was formerly part of a tool that also contained a dashboard. This is now available on the schools financial 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, which will help you to complete your checklist.

Outcome of schools financial value standard (SFVS)

Summary of agreed action and timetable for reporting back:

Signature: (Chair of governing body / management committee)	Click or tap here to enter text.
Full name of signatory:	Click or tap here to enter text.
Date SFVS agreed by full governing body / management committee:	Click or tap here to enter text.
Date SFVS submitted to local authority for review:	Click or tap here to enter text.

The GB must agree a summary of time-bound actions
- and must monitor these until they are complete

Q19 – consideration of benchmarking

- The SFVS checklist guidance (Q19) advises:

On the [Financial Benchmarking and Insights Tool](#) , you can find an automated assessment which shows how a school's data compares to thresholds on a range of statistics that have been identified by the [Department of Education] as indicators of good resource management.

- The mechanism for the school leadership to produce a self-assessment dashboard using the school's 24-25 year-end projections has changed – *once we have more information, we will let your schools know.*

Last year's self assessment dashboard (an example)

(2022-23 actual)

(2023-24 projections)

Spending						
Assessment area	School data	% of exp.	Rating against thresholds	School data	% of exp.	Rating against thresholds
Teaching staff	£916,790.00	46.4%	Broadly in line with similar schools	£1,003,091.00	44.0%	Broadly in line with similar schools
Supply staff	£28,341.00	1.4%	Broadly in line with similar schools	£13,538.00	0.6%	Broadly in line with similar schools
Education support staff	£450,238.00	22.8%	Highest 10% of similar schools	£482,132.00	21.2%	Highest 20% of similar schools
Administrative and clerical staff	£102,368.00	5.2%	Broadly in line with similar schools	£104,811.00	4.6%	Broadly in line with similar schools
Other staff costs	£85,434.00	4.3%	Broadly in line with similar schools	£69,115.00	3.0%	Broadly in line with similar schools
Premises costs	£76,741.00	3.9%	Broadly in line with similar schools	£228,172.00	10.0%	Highest 10% of similar schools
Educational supplies	£81,038.00	4.1%	Broadly in line with similar schools	£113,913.00	5.0%	Middle 20% of similar schools
Energy	£22,343.00	1.1%	Broadly in line with similar schools	£28,823.00	1.3%	Broadly in line with similar schools

Last year's self assessment dashboard (an example)

(2022-23 actual)

(2023-24 projections)

School characteristics					
Assessment area	School data	Rating against thresholds	School data	Rating against thresholds	
Average teacher cost	£55,901.83	Broadly in line with similar schools	£56,353.43	Middle 20% of similar schools	
Senior leaders as a percentage of workforce	7.7%	Broadly in line with similar schools	7.7%	Broadly in line with similar schools	
Pupil to teacher ratio	25.79	Highest 10% of similar schools	23.76	Broadly in line with similar schools	
Pupil to adult ratio	10.92	Broadly in line with similar schools	10.85	Broadly in line with similar schools	
Teacher contact ratio (less than 1)		Not available.	0.79	Broadly in line with recommendations	
Predicted percentage pupil number change in 3 years		Not available.		Not available.	
Average Class size		Not available.	30.00	Broadly in line with similar schools	

Further resources

- School Resource Management website:
<https://www.gov.uk/government/collections/schools-financial-health-and-efficiency>

Top 10 planning checks for governors

<https://www.gov.uk/guidance/school-resource-management-top-10-planning-checks-for-governors>



Any questions?