

The Department for Education undertook a consultation on the 'Financial Transparency of Local Authority Maintained Schools and Academy Trusts,' which ran from 17 July 2019 to 30 September 2019 with the response published in July 2020.

The consultation outlined the current financial transparency arrangements for academy trusts and Local Authority maintained schools and considered possible changes. The department explored ways to improve transparency of Local Authority maintained schools, for example, measures currently used in the academy trust sector that could be adapted for Local Authority-maintained schools.

The Local Authority school finance team have established the following guide, which includes the current implementation dates:

Theme	Detail	Timeframe	Action
Three-year budget forecasts	Maintained schools to provide LAs with 3-year budget forecasts	March 2024	No action necessary – the school purchases the LA finance & bursary support on an annual basis & the 5-year forecast is completed & updated as part of the 3 financial review meetings every year.
Strengthening Related Party Transaction arrangements (Related Party Transaction means any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which (i) the Company or any of its subsidiaries is or will be a participant, & (ii) any Related Party has or will have a direct or indirect interest.)	<ol style="list-style-type: none"> Schools append a list of Related Party Transactions (RPTs) to their response to the question in the Schools Financial Value Standard (SFVS) The Chief Financial Officer (CFO) Assurance Statement to include the number of RPTs & value for each 	March 2024	School will append a list of any RPTs to the SFVS & the value for each on an annual basis, if relevant.
Strengthening arrangements to help schools that are in financial difficulty	<ol style="list-style-type: none"> Schools to submit a recovery plan to their maintaining authority when their deficit rises above 5%. Collect information on the number of recovery plans in each LA through the Dedicated Schools Grant (DSG) annual assurance return from the CFO Request for high level action plans from some LAs. 	March 2024	<p>The school has only been in deficit once in the last 10 years, but this was due to a miscoding error that was rectified immediately after the financial year end. The current 5-year financial forecast illustrates positive estimated balances.</p> <p>See financial reporting & minutes of the Personnel & Finance Committee (termly)</p>
Pay transparency for high paid school staff	LA maintained schools should be required to publish annually on their websites the number of individuals earning over £100K in £10K bandings	March 2024	No staff have individual earnings of over £100k.
Transparency when reporting	Schools will be required to publish a link from their own		

Theme	Detail	Timeframe	Action
income and expenditure	websites to the benchmarking website, where the (Consistent Financial Reporting) CFR is published	March 2024	A link is available on the school website to the benchmarking website for all external parties to access as required.