

**Report to:** Schools Forum

**Date:** 18 September 2020

**Title of Report:** Financial transparency of Local Authority maintained schools and academy trusts

**By:** Sarah Rice, Finance Manager

**Purpose of Report:** For Information

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**Recommendation:**

**Schools' Forum members to note the changes in requirements and raise any issues for discussion.**

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## **1. Background**

1.1 Last summer a government consultation regarding financial transparency in maintained schools and academy trusts was carried out.

1.2 The aim of the consultation was to gather views on proposals to introduce equivalent transparency measures for maintained schools as those currently required for academies.

1.3 The consultation results have now been published along with some new requirements for maintained schools that must be implemented at various points over the next 18 months. The full consultation results proposals and actions can be viewed on the DfE website - [Financial Transparency in Maintained Schools and Academy Trusts](#)

## **2. Proposals to be implemented**

2.1 Most of the measures to be implemented do not require a departure from current practices for East Sussex maintained schools as they are already requirements contained within the local Scheme for Financing Schools. Indeed, in some instances ESCC practices are already more robust than the measures being introduced, confirming the good practice already in place promoting sound financial management in schools. There are, however, some required additional measures that will require action by schools.

2.2 The table in Appendix A outlines all the changes to be implemented, highlighting where the responsibility lies in terms of additional actions in ESCC.

2.2 The majority of actions will sit with the central finance team, however there are 3 requirements that require action by schools directly, namely:

- to identify and submit a list of related party transactions as part of the school's SFVS return. (by March 2022)
- to publish annually on their websites the number of individuals (if any) earning over £100K in £10K bandings. (by January 2021)
- to publish a link to the schools financial benchmarking website, where the Consistent Financial Reporting (CFR) statement of income, expenditure and balances is published. (by January 2021)

### **3 Recommendation**

3.1 Schools Forum members are asked to note the change in requirements.