**Communication from School Funding Team July 2020**

**Summary of Financial Transparency - What it means for Maintained Schools?**

The DfE has completed its consultation on changes aimed at improving the transparency of financial arrangements in maintained schools.

The outcomes of this consultation have now been published here:

<https://www.gov.uk/government/consultations/financial-transparency-of-la-maintained-schools-and-academy-trusts>

There are new actions for both schools and for the Local Authority.

**The two new actions that are required by our maintained schools are summarised below**.

We will publish further guidance through BSO where required and we will also signal any additional guidance provided by the DfE.

Please be aware that there are certain actions that are ‘formalised’ in the DfE’s outcomes that our maintained schools already complete, including submitting 3 year budget forecasts to the Authority and being required to agree deficit repayment plans. As such, these are not listed as new actions below.

Maintained schools must continue to submit their returns to the Authority by the deadlines we set to enable us to continue to submit our Authority-level statutory returns, such as CFR and SFVS assurance, by the DfE’s set deadlines. The DfE will now ‘name and shame’ authorities that are late in submitting returns.

**NEW ACTIONS**

* Firstly, and **for immediate planning,** maintained schools by **1st Jan 2021 (and annually thereafter)** will be required to publish on their websites:
  1. The number of individuals (if any) earning over £100K per annum in £10K bandings.
  2. A link to the schools’ financial benchmarking website, where the school’s Consistent Financial Reporting (CFR) statement of income, expenditure and balances are published.

<https://schools-financial-benchmarking.service.gov.uk/>

We will provide shortly a standard format / form of words for schools to use on their websites for both a. and b.

* Secondly, **during 2021/22 and by 31 March 2022 (and then annually thereafter**), maintained schools will be required to append a Related Party Transactions (RPTs) list to their SFVS return. This will declare to the Authority their RPTs and how the school has appropriately managed these. Schools should then expect the Authority to follow up this information, including this forming part of the Authority’s annual audit arrangements. There is a longer lead in time for this change, and we are expecting the DfE to provide some more guidance, which will inform our further guidance to school. But this is a quite significant new action, which schools must begin to plan.

To discuss further please do not hesitate to contact a member at [schoolfundingteam@bradford.gov.uk](mailto:schoolfundingteam@bradford.gov.uk)

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Please also continue to regularly check [Bradford Schools Online](https://bso.bradford.gov.uk/content/latest-news-and-updates-from-school-funding-team) for updates.