

# The Four C's When Approving the school's 3 Year Budget Plan

# Course Aim

To ensure that Governing bodies have an understanding of their financial responsibilities when:

- Approving the school's 3 Year Plan
- Signing the Schools Financial Value Standard (SFVS) for section B. Setting the Budget



# This session will explore:

- The Role of the Governor
- What the 3 Year Planning report means
- How as governors you challenge the assumptions made for the school's 3 Year Plan
- Whether as governors you are fulfilling your responsibility with regard to the School Financial Value Standard

# Governor Handbook

## Governance handbook

For trustees of academies and multi-academy trusts and governors of maintained schools (November 2015)

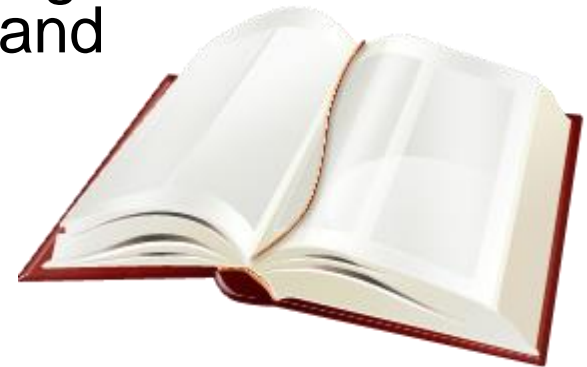
Provides information about the role and legal duties of governing bodies in maintained schools and academies (including free schools)

Available on the GOV.UK Website

Sect. 1 The essentials of effective governance

Sect. 2 -8 Summarises legal duties

Includes signposting to other reading material (Beware of any updates – use Changes to Legislation facility on the website)



# Section 1 The essentials of effective governance

- All boards, whether in the maintained or academy sector and no matter how many schools they are responsible for three **core functions**:
- Ensuring clarity of vision, ethos and strategic direction
- Holding the head teacher to account for the educational performance of the school and its pupils
- Overseeing the financial performance of the school and making sure its money is well spent

# Ofsted Inspection Framework

Four key judgements:

- The achievement of pupils
- The quality of teaching
- The behaviour and safety of pupils
- The quality of leadership and management

Every inspection will comment on the quality of governance as part of the overall judgement.

# Ofsted

Looks with judgement

- That governors are informed and ask challenging questions
- Governors will hold the head teacher to account, for finance they will look at the effective management of financial resources to raise standards
  - **Receive relevant timely and accurate information**
  - **Challenging the information**
  - **Accept only when clear about the response**
  - **Ensure challenge is reported in the minutes**

# Schools Financial Value Standard (SFVS)

- The purpose of SFVS is to help schools manage their finances, to support them in securing value for money across all of their spending, and to give assurance that secure financial management arrangements are in place.
- governors must be confident that their response has a firm grounding
- Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the chair. The form must include a summary of remedial actions with a clear timetable, ensuring that each action has a specified deadline and an agreed owner.
- Governors must monitor the progress of these actions to ensure that all actions are cleared within specified deadlines.



# 3 Year Budget Plan Questions?

## General

1. Does the full governing body receive a report / comments on the budget in a timely manner and are you given sufficient information about the budget setting process?
2. How might a 3 year budget plan assist Senior Leadership and Governors with ensuring that standards are improving?
3. How do you know that the school is making the most efficient use of its financial resources?
4. Looking at year 1 of a budget plan. If the school that you are a governor at had an overall surplus balance at the end of the previous year was there a clear plan for spending it?
5. As a governor what action would you take, if when looking at the 3 year budget plan, you can see that there is a deficit (in year or overall)?

## Specific to the 3 Year Plan issued

1. From the 3 Year Plan presented how do you know what assumptions have been made for income and expenditure? What additional information might you need?
2. What 'challenging' questions would you ask if you were at this school's governing body meeting and presented with the District School's 3 Year Plan?

# SFVS Questions relating to Section B. Setting the Budget

10. Is there a clear and demonstrable link between the school's budgeting and its plan for raising standards and attainment?

11. Does the school make a forward projection of budget, including both revenue and capital funds, for at least three years, using the best available information?

12. Does the school set a well-informed and balanced budget each year (with an agreed and timed plan for eliminating any deficit)?

13. Is end year outturn in line with budget projections, or if not, is the governing body alerted to significant variations in a timely manner, and do they result from explicitly planned changes or from genuinely unforeseeable circumstances?

# So what were the Four C's when approving the school's 3 Year Budget Plan?

- Challenge - Ask questions, don't just accept the figures that you're provided with
- Consult – Ask questions of others including headteacher, finance staff, school leadership team and other governors (share knowledge)
- Compare – Benchmarking template can be found using [www.kelsi.org.uk](http://www.kelsi.org.uk)
- Core – ‘The part of something that is central to its existence’  
The plan is central to facilitating the school's vision; the education of the children
  - ‘The plan has the interest of the children at its core’

# Support

**Schools Financial Services**  
**0300 0415 415**



**Helpdesk is for Governors as well**

**Information available on KELSIS**  
**(Kent Education Learning & Skills**  
**Information) using [www.kelsi.org.uk](http://www.kelsi.org.uk)**