

ANNEXURE B: SUMMARY/LIST OF PROPOSED CHANGES BETWEEN 2017 AND 2021			
Section	Description/Wording	Mandated/ Discretion	Comment
1.1.4	Proposed revisions to the scheme will be the subject of consultation with the governing body and the headteacher of every school maintained by the authority before they are submitted to the Schools Forum for their approval.	Mandated	
1.5.4	It is also possible for the Secretary of State to make directed revisions to the scheme after consultation. Such revisions will become part of the scheme from the date of the direction.	Mandated	
2.2.2	Unless the LA has notified a school otherwise (e.g. new school or school in financial difficulty), schools will be required to submit to the LA (in a form specified by the LA) an estimated (forecast) outturn (budget monitor) quarterly each financial year in accordance with the timescales prescribed by the LA. There may be request for more frequent information in respect of tax and banking matters and also for Schools in financial difficulty. Please refer to the "Support process for schools with financial deficits" document for further information.	Discretion	To align with current practice.
2.2.3	Reports, referred to above, will cover all income and expenditure for both revenue and capital budgets and also voluntary contributions.	Discretion	To align with current practice.
2.3.2	Schools that operate their own bank accounts outside of the LA managed pooled arrangement, will have a separate procedure from those within the pool arrangement. These are set out in the Financial Regulations for Schools with Delegated Budget.	Discretion	To strengthen financial management within schools operating own bank account.
2.4.1	Schools must maintain an inventory of all moveable assets, which must be kept up to date and be in a form to be determined by the LA and setting out the basic authorisation procedures for disposal of assets. Inventory list shall be reported annually to the governing body (or the finance committee).	Discretion	Minor change from 2017. To clarify the role of the LA.
2.4.2	Schools must ensure all assets that are portable and attractive (e.g. a camera) are registered and included in the asset inventory.	Discretion	To help school strengthen their control procedures.
2.4.3	All assets procured by school should be included in the inventory and school must ensure that they record the date of purchase, the purchase value and the serial number as a minimum.	Discretion	To help school strengthen their control procedures.
2.8.2	The approved budget plan (in 2.8.1 above) as well as financial forecast of income and expenditure for the following 2 years (making 3-year financial information) shall be submitted to the LA before 31 May of that year.	Mandated	To confirm schools are undertaking effective financial planning.

2.8.6	This information may be used not only to confirm whether schools are undertaking effective financial planning or not, but also as evidence to support the local authority's assessment of schools' financial value standards or used in support of the authority's balance control mechanism.	Mandated	The rationale for the new 2.8.2 above.
2.9	School Resource Management	Mandated	Changed title from "Efficiency and Value for Money"
2.9.3	It is important for schools to review their current expenditure, compare it to other schools and consider how to make improvements that will maximise pupil outcomes.	Mandated	To encourage Schools to undertake benchmarking.
2.11.5	Governing bodies shall make arrangements for internal (and other similar) audit reports to be considered by the Finance Committee (or other member(s) nominated by the governing body), who shall bring any relevant recommendation to the attention of the governing body.	Discretion	Previous version only mentioned "one nominated Governor"
2.13.2	A school refusing to provide audit certificates to the council's Internal Audit Service as required by the scheme is in breach of the scheme and the authority can take action on that basis.	Mandated	This in addition to "other" requirement on those funds
2.14.1	Governing Bodies shall establish a register which lists for each member of the governing body, the head teacher and any member of staff responsible for expenditure, the following: <ul style="list-style-type: none"> • any business interests they or any member of their immediate family have. • details of any other educational establishments that they govern. • any relationships between school staff and members of the governing body. 	Mandated	
2.14.3	Such a register shall be made available for inspection by the LA, governors, staff and parents and published on the school's website.	Mandated	DfE added publication on school's website.
2.16.1	Schools may opt out of contracts arranged by the LA for the supply of goods and services.	Mandated	References to 1 st April 1999 were removed.
2.16.2	Although governing bodies are empowered under paragraph 3 of schedule 1 to the Education Act 2002 to enter into contracts, in most cases they do so on behalf of the local authority as maintainer of the school and the owner of the funds in the budget share.	Mandated	
2.16.3	Other contracts may be made solely on behalf of the governing body, when the governing body has clear statutory obligations; for example, contracts made by voluntary aided or foundation schools for the employment of staff.	Mandated	

2.17.3	Such earmarked funding from centrally retained funds must only be spent on the purposes for which it is given,	Mandated	
2.19.3	The reason for these provisions is to help meet responsibilities with the School Premises (England) Regulations 2012 ¹ , the Workplace (Health, Safety and Welfare) Regulations 1992 ² , the Regulatory Reform (Fire Safety) Order 2005 ³ , the Equality Act 2010 ⁴ , and the Building Regulations 2010 ⁵ .	Mandated	To clarify the reason for Section 2.19.2
2.21.1	<p>The SFVS is a DfE requirement which helps schools and local authorities meet basic standards for good financial health and resource management. The standard consists of a self-assessment checklist and a dashboard:</p> <ul style="list-style-type: none"> • The checklist asks questions of governing bodies in six areas of resource management. It provides clarification for each question, examples of good practice, and details of further support available to assist schools in addressing specific issues • The dashboard shows how a school's data compares to thresholds on a range of statistics identified by the DfE as indicators of good resource management and outcomes. It provides explanations of each of the indicators and helps schools to fill in their data and understand the results. 	Discretion	To conform with latest requirement from Internal Audit as regards SFVS
2.21.2	All LA maintained schools (including nursery schools and Pupil Referral Units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. Schools must carefully consider the results of the self-assessment checklist and dashboard and identify potential follow-up actions. It is for the school to determine at what time in the year they wish to complete the form.	Discretion	To conform with latest requirement from Internal Audit as regards SFVS
2.21.3	The SFVS must be presented annually to the governing body or finance committee and signed by the chair of governors before being submitted to the LA. The timescale for the local authority to submit the SFVS assurance statement is determined annually by the DfE. The local authority will therefore inform schools each year of the date when schools must submit their SFVS.	Discretion	To conform with latest requirement from Internal Audit as regards SFVS

¹ [The School Premises \(England\) Regulations 2012 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

² [The Workplace \(Health, Safety and Welfare\) Regulations 1992 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

³ [The Regulatory Reform \(Fire Safety\) Order 2005 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

⁴ [Equality Act 2010 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

⁵ [The Building Regulations 2010 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

2.21.4	The LA use the SFVS information to inform their programme of financial assessment and audit.	Discretion	To conform with latest requirement from Internal Audit as regards SFVS
2.21.5	Where the SFVS shows (or the LA has informed a school of) the need to improve, 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 specific deadlines	Discretion	To conform with latest requirement from Internal Audit as regards SFVS
2.22.2	The school's Head Teacher, Senior Leadership Team and Governors must: <ul style="list-style-type: none"> • Ensure the school has a fraud policy or has adopted the Council's fraud policy and this information must also be included in induction for new school staff and governors. • Ensure that they, and their colleagues, understand the fraud risks faced by schools by developing and maintaining a fraud risk assessment. • Implement and maintain an effective control environment to prevent fraud. • Create an environment in which colleagues feel able to report concerns of suspected fraud. • Inform the Council's Internal Audit of any cases of suspected fraud and carry out or assist in the investigation (as required). • Advise the Council's Internal Audit of the outcome of any cases of suspected fraud investigated by the school. • Consider the risk of fraud in any new processes and any changes to system processes. 	Discretion	To conform with latest requirement from Internal Audit as regards Fraud
2.22.3	All those working in school including any volunteers must: <ul style="list-style-type: none"> • Be aware of the possibility that fraud, bribery, corruption and theft may exist in the workplace and report it when they suspect the school is being targeted. • Avoid situations where there is a potential for a conflict of interest • Comply with the Council's employee Code of Conduct. 	Discretion	To conform with latest requirement from Internal Audit as regards Fraud
3.6.5	All bank account opened by schools where budget share are paid should include a mandate that the funds are owned by the LA and the LA is entitled to receive bank statements, and can take control of the account if the schools' right to a delegated budget is suspended by the LA.	Mandated	

3.7.2	Schools may use any scheme that the Secretary of State has said is available to schools without specific approval, currently including the Salix scheme, which is designed to support energy saving.	Mandated	
4.7.1	The LA may not write off the deficit balance of any school, except in circumstances set out in 4.8.1.	Discretion	Section 4.4.1 was deleted in the old scheme and moved here.
4.9.3	Where schools are planning a deficit budget position (as prescribed in section 2.8.1) or as a result of its 3-year forecast position (as in sections 2.8.2 and 4.4.1) or its year-end position (as in section 4.5.1), then the school is required to make an application for a licensed deficit and to work with the LA to recover the financial position.	Discretion	Submission of deficit recovery plan is mandated. Paragraph revised to provide clarification on instances.
4.10.5	Loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year.	Mandated	
4.10.6	Loans will not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income.	Mandated	
4.10.7	If loans are made to fund capital items as referred to above and during repayment, the school entered a deficit position, the full amount of the loan shall become payable immediately. The school can then apply for licence deficit in accordance with paragraph 4.9 above. If the school subsequently plans to convert to academy status, the full amount of deficit must be either paid or agreed to be transferred to the Academy school.	Discretion	To protect LA in case school convert to academy status midway through the loan repayment period.
5.1.4	Where land is held by a charitable trust, it will be for the school's trustees to determine the use of any income generated by the land.	Mandated	
5.6.1	It is commonplace for schools to hire out their premises in order to supplement budgets. In these situations, schools must take out Hirers Liability Insurance which is a charge equal to 10% of the hire fee or £20.00 whichever is greater. It is recommended that this cover be provided in respect of all external hires. A form is available from the Council's risk and insurance team to assist in this process.	Discretion	To protect schools against claims/liability when they hire out premises.
5.6.2	The policy referred to above is only to be used for one off, ad-hoc hires. A recognised business or organisation or individual hiring the premises as part of their business, should have their own Public Liability insurance. The minimum level of cover Bristol City Council requires is £5 million. Schools should contact the risk and insurance team if in doubt.	Discretion	To protect schools against claims/liability when they hire out premises.
8.1.2	The LA shall not discriminate in the provision of such services, or the making of such payments, on the basis of categories of schools, except in cases where this would be	Mandated	New paragraph, replacing the old 8.1.2.

	allowable under the school and early years finance regulations or the dedicated schools grant (DSG) conditions of grant.		
8.4.4	Centrally arranged premises and liability insurance are specifically excluded from these requirements as to service supply, as the limitations envisaged may be impracticable for insurance purposes.	Mandated	
10.1.4	The evidence required to demonstrate the parity of cover will be reasonable and will not place an undue burden upon the school, nor act as a barrier to the school exercising their choice of supplier.	Mandated	
10.1.5	Instead of taking out insurance, a school may join the Secretary of State's Risk Protection Arrangement (RPA) for risks that are covered by the RPA. Schools may do this individually when any insurance contract of which they are part expires after 1st April 2022.	Mandated	
10.1.6	All primary and/or secondary maintained schools may join the RPA collectively by agreeing through the School Forum to de-delegate funding.	Mandated	
11.4.2	The costs referred to are those of legal actions, including costs awarded against a local authority; not the cost of legal advice provided.	Mandated	
11.8.1	The school's Head Teacher, Senior Leadership Team and Governors must ensure the school has a whistleblowing policy and procedure or has adopted the Council's whistleblowing policy and procedure.	Discretion	To conform with current BCC Whistleblowing policy as suggested by the Internal Audit services.
11.8.2	All those working in schools including any volunteers should raise any concerns they have regarding: <ul style="list-style-type: none"> • Financial mismanagement, irregularity or impropriety. • Fraud. • Conduct likely to damage the school's financial wellbeing or reputation. • The deliberate concealment of any of the above matters. 	Discretion	To conform with current BCC Whistleblowing policy as suggested by the Internal Audit services.
11.8.3	If it is not appropriate to raise the concern through the school's whistleblowing procedure, or the Chair of Governors, Governors or Head Teacher fail to act on a Whistleblowing referral, the concern should be raised via the Council's whistleblowing procedure, or directly with the Director of Education and Skills or with the Council's Internal Audit.	Discretion	To conform with current BCC Whistleblowing policy as suggested by the Internal Audit services.
13.2.1	Schools are no longer required to consult before establishing community facilities, and there is no longer a requirement of schools to be mindful of the LA's advice under section 27 of the Education Act 2002.	Mandated	

13.2.2	However, as public bodies, they are expected to act reasonably, and this includes consulting those affected by decisions that they make.	Mandated	
13.9.3	Instead of taking out insurance, a school may join the RPA for risks that are covered by the RPA.	Mandated	
Annex 2	(8) Where a person is employed partly for community purposes and partly for other purposes, any payment or costs in respect of that person is to be apportioned between the two purposes; and the preceding provisions of this section shall apply separately to each part of the payment or costs.	Mandated	