

Schools financial value standard

Guidance for governing boards

The [schools financial value standard](#) (SFVS) provides assurance to governing boards and school leaders that their school is meeting the basic standards for good financial health and resource management.

Maintained schools must complete and submit the SFVS to their local authority (LA) annually. The deadline for 2024/25 submission is 31 March 2025.

1. What is the SFVS?

The SFVS is a checklist of questions for governing boards, separated into six areas:

- A. Governance
- B. School strategy
- C. Setting the annual budget
- D. Staffing
- E. Value for money
- F. Protecting public money

The questions are answered with either 'yes', 'no', or 'in part'. Space is provided for comments, evidence and proposed actions.

The form also includes a 'summary of agreed actions and timetable for reporting back', where each action should be given a specified deadline and owner.

		Answer	Comments, evidence and proposed actions
A. Governance			
+	1	Does the governing body have adequate and up-to-date financial skills among its members to fulfil its role of challenge and support in the field of budget management and value for money? Is there a plan in place to address any gaps?	Q1 guidance
	2	Does the governing body have a finance committee, or equivalent, with clear terms of reference and a knowledgeable and experienced chair?	Q2 guidance
	3	Does the governing body receive clear and concise monitoring reports of the school's budget	Q3

2. The purpose of the SFVS

Together with the DfE's [checklist guidance](#), the SFVS:

- helps to identify changes that need to be made to use resources more efficiently
- provides examples of good practice
- signposts support available to assist schools in addressing specific issues

The LA reviews information schools provide in the SFVS and uses this to assess financial risk and inform their programme of financial assessment and audit.

3. Using the SFVS as resource management tool

Boards can use the SFVS throughout the year to help ensure effective oversight and management of resources. While the completed SFVS will reflect the school at that point in time, it should also be a means to continually improve and influence decision making. In practice, governing boards may use the SFVS to:

- **Develop an action plan** – the proposed actions detailed in the SFVS can be used to create a plan with ongoing actions and appropriate deadlines.
- **Shape meeting agendas** – we recommend that the governing board or relevant committee refers to the SFVS at key decision-making points to review progress and collect evidence that can be used when it is next completed.
- **Inform discussions on finance and workforce planning** – governors should refer to the SFVS during conversations in governing board or committee meetings on topics such as [integrated curriculum and financial planning](#) (ICFP), benchmarking, [budget setting](#), and three-year financial planning.

4. How to use benchmarking data

Governing boards must benchmark financial and other relevant data at least annually and will need to refer to this when completing the SFVS. The SFVS checklist previously contained a self-assessment dashboard. This has now been replaced with the DfE's [Financial Benchmarking and Insights Tool](#). The tool shows how a school's data compares to thresholds on a range of statistics that have been identified as indicators for good resource management and outcomes, which will help with completing the checklist.

The tool also identifies potential spending priorities for the school and where data is significantly out of line with schools or academies with similar characteristics or recognised standards. **It does not mean that there is definitely a problem, but that there may be scope for change.**

The full board, or relevant committee, should carefully consider benchmarking data, exploring:

- reasons why the rating against the threshold is as it is
- if the school is an outlier, the scope for follow-up actions or further investigation

The minutes of any meetings discussing benchmarking can be used as evidence in the SFVS.

5. How to complete the SFVS

When completing the checklist, there should be a shared understanding of the roles and expectations of governors and the school business professional (SBP).

The role of governors

The governing board as a whole is responsible for providing financial oversight and for completing the SFVS – chairs must sign the SFVS to signify the full board’s approval of it. We recommend that boards delegate detailed oversight work to a committee or small group of governors (a working group). The board should also work with their SBP and make best use of the advice and support they are able to provide throughout the process.

The role of school business professionals

SBPs (often the school business manager) make a significant contribution to the effective leadership and financial governance of schools. In smaller schools, another member of staff such as the headteacher may take on this responsibility. The nature of the role varies, and so it is important that governing boards understand the remit of their SBP’s role and what support they can offer, considering the school’s particular circumstances. The SBP will usually undertake the preparatory work necessary for completing the SFVS, however, this should be done in consultation and collaboration with the governing board.

6. Suggested process

Below is an outline of the process that we recommend governing boards follow when completing the SFVS. Boards may approach this differently; what works best will vary according to context.

Step 1: Governing board planning

Early in the autumn term (or the preceding summer term, depending on when the board plans its agenda for the academic year), the full governing board should confirm:

- the governors that will take the lead on completing the SFVS
- the meetings required to do so, with the support of the board’s governance professional

The finance committee (or a working group of the committee) usually takes the lead on the SFVS. The committee chair may also manage the process directly with the SBP in the preliminary stages.

The committee should collect evidence and data throughout the year in preparation for completing the SFVS. For example, the progress made on their action plan, or relevant information as it arises from committee business.

Step 2: Preparatory work

By **early in the spring term**, the SBP will:

- collect relevant evidence and data for each question
- draft responses to most of the questions ('section a' responses will likely be left for governors' input)

We recommend that the questions are answered afresh each year. This can help to ensure a thorough understanding of the school's current financial position and ensure the responses are robust. However, new governors or SBPs can review the previous year's responses to better understand progress made on the identified actions.

The SBP and committee chair could meet to identify areas of concern (the questions given a 'no' or 'in part' answer) in advance of the next meeting to ensure those matters are given sufficient focus.

Step 3: Detailed review

Later in the spring term, the committee will meet for detailed discussion and scrutiny of the SFVS. The meeting will be used to reach agreement on the school's responses, ensuring all parties are satisfied in their accuracy and robustness.

In preparation for the meeting, governors should review and ensure they are familiar with:

- the draft responses
- benchmarking data
- any additional information from the SBP or the committee members themselves
- the DfE's [checklist guidance](#), which provides information on what each question means, good practice, and what to do if things are not right in your school

Governors need to engage in discussion with the SBP to seek clarification, provide effective scrutiny and challenge, and make use of the SBP's knowledge and expertise – **we therefore strongly recommend that the SBP attends this meeting.**

The board should ensure the comment boxes are completed with all the evidence and actions relevant to each question, so that the board demonstrates its compliance with the SFVS and provides the LA with enough detail and context.

Step 4: Governing board approval

At the **next full board meeting**, governors will approve the SFVS. The committee should provide a report of the scrutiny that has already taken place, highlighting areas for improvement and agreed actions.

When the board is in agreement, the chair will sign the completed SFVS. The school must then ensure it is sent to the LA before the deadline.

The full board do not need to repeat committee level scrutiny. This is an opportunity for all governors to seek assurance that the SFVS has been sufficiently scrutinised and to ask any questions necessary to ensure that this is the case.