



Schools Financial Benchmarking - the role of governance

4th March 2021



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The aims of today's session:



to clarify where financial benchmarking sits within the role and responsibilities of governance in schools and trusts;



to explore the various Department for Education sources of benchmarking data;



to reflect on how benchmarking fuels questions and provides assurance to governance.



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Core functions of governance:

- ensuring that the vision, ethos and strategic direction of the school are clearly defined;
- ensuring that the head teacher performs his or her responsibilities for the educational performance of the school; and
- ensuring the sound, proper and effective use of the school's financial resources.

DfE Guidance



Governance handbook

Academy trusts and maintained schools

October 2020



A Competency Framework for Governance

The knowledge, skills and behaviours needed for effective governance in maintained schools, academies and multi-academy trusts

January 2017



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Where does benchmarking fit?



A Competency Framework for Governance

The knowledge, skills and behaviours needed for effective governance in maintained schools, academies and multi-academy trusts

January 2017

Everyone on the board

- has confidence in the arrangements for the provision of accurate and timely financial information, and the financial systems used to generate such information
- interprets budget monitoring information and communicate this clearly to others
- participates in the organisation's self-evaluation of activities relating to financial performance, efficiency and control
- is rigorous in their questioning to understand whether enough being done to drive financial efficiency and align budgets to priorities

Someone on the board

Knowledge

- the organisations' current financial health and efficiency and how this compares with similar organisations both locally and nationally

Skills and effective behaviours

- uses their detailed financial knowledge and experience, which is appropriate for the scale of the organisation, to provide advice and guidance to the board

The chair

Skills and effective behaviours

- ensures the board holds executive leaders to account for financial and business management, as much as educational outcomes
- leads the board to identify when specialist skills and experience in audit, fraud or human resources is required either to undertake a specific task or more regularly to lead committees of the board



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Benchmarking

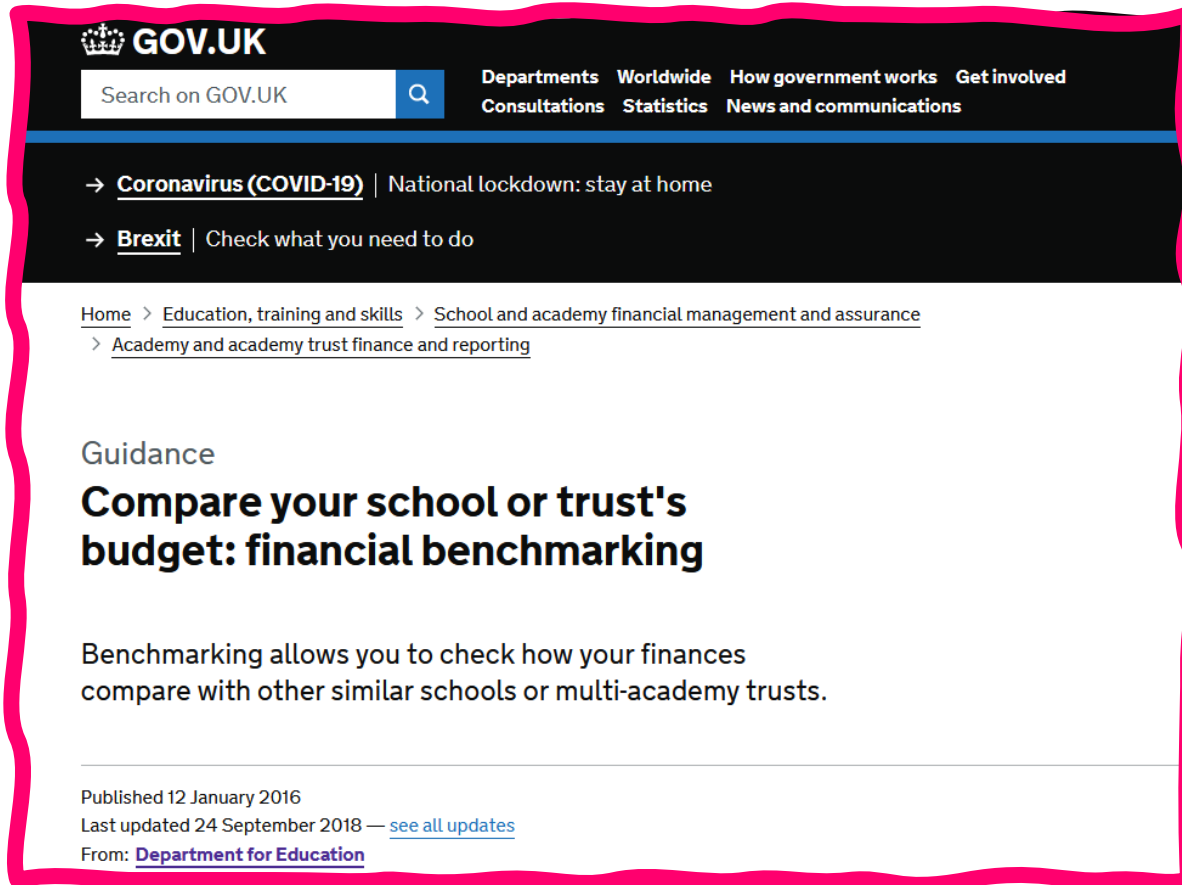
- is a process of measuring and comparing;
- compare with schools and trusts with similar context;
- helps planning (DfE);
- helps make changes (DfE)
- has limitations (DfE)

Benchmarking does not provide answers – it generates questions!



Poll

Benchmarking –DfE data



The screenshot shows the GOV.UK website interface. At the top, there is a search bar with the text 'Search on GOV.UK' and a magnifying glass icon. To the right of the search bar are navigation links: 'Departments', 'Worldwide', 'How government works', 'Get involved', 'Consultations', 'Statistics', and 'News and communications'. Below the search bar, there are two main navigation items: '→ [Coronavirus \(COVID-19\)](#) | National lockdown: stay at home' and '→ [Brexit](#) | Check what you need to do'. A breadcrumb trail follows: 'Home > [Education, training and skills](#) > [School and academy financial management and assurance](#) > [Academy and academy trust finance and reporting](#)'. The main heading is 'Guidance' followed by 'Compare your school or trust's budget: financial benchmarking'. Below this is a paragraph: 'Benchmarking allows you to check how your finances compare with other similar schools or multi-academy trusts.' At the bottom, it states 'Published 12 January 2016', 'Last updated 24 September 2018 — [see all updates](#)', and 'From: [Department for Education](#)'.

GOV.UK

Search on GOV.UK

Departments Worldwide How government works Get involved
Consultations Statistics News and communications

→ [Coronavirus \(COVID-19\)](#) | National lockdown: stay at home

→ [Brexit](#) | Check what you need to do

[Home](#) > [Education, training and skills](#) > [School and academy financial management and assurance](#)
> [Academy and academy trust finance and reporting](#)

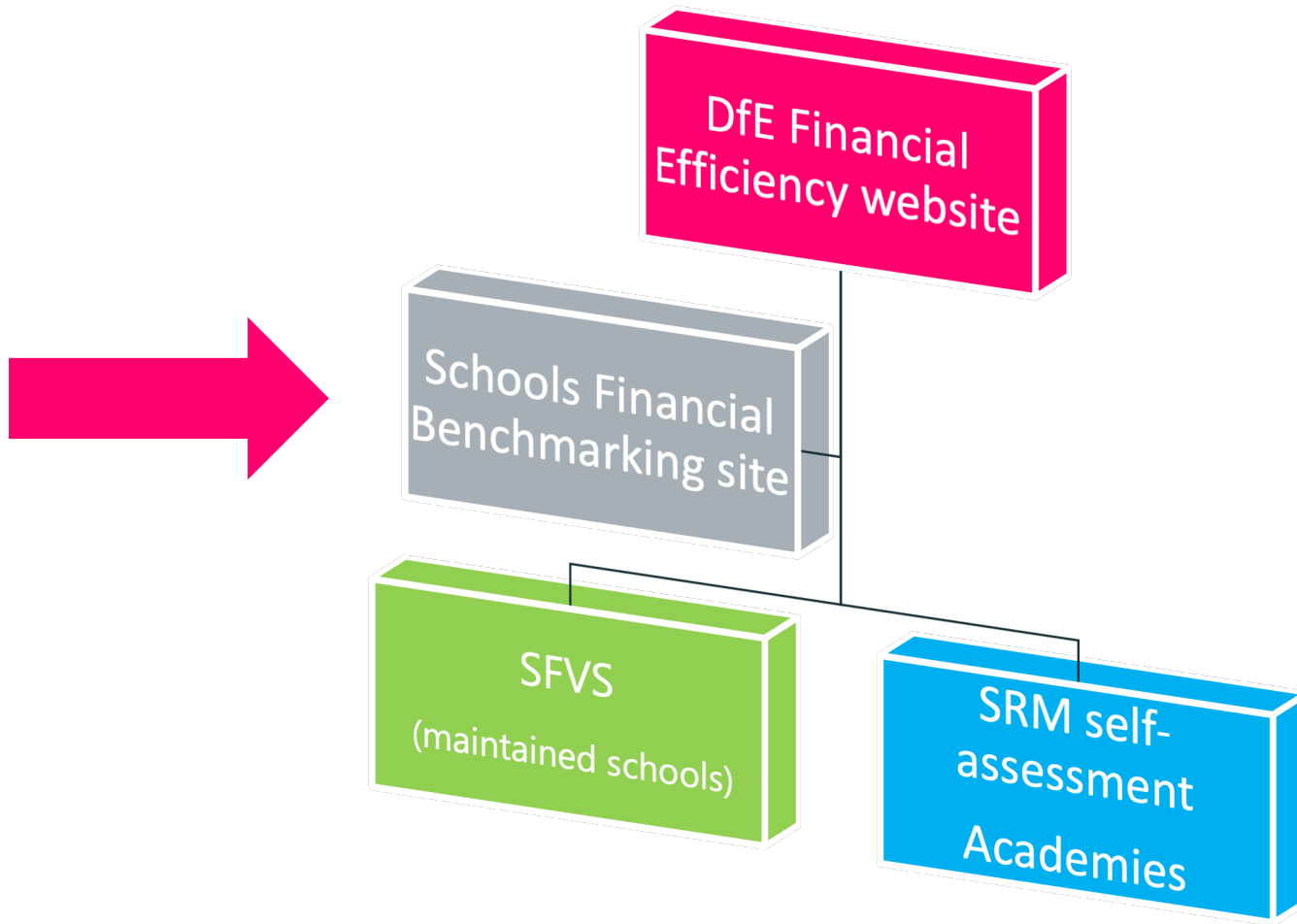
Guidance

Compare your school or trust's budget: financial benchmarking

Benchmarking allows you to check how your finances compare with other similar schools or multi-academy trusts.

Published 12 January 2016
Last updated 24 September 2018 — [see all updates](#)
From: [Department for Education](#)

Navigating benchmarking:



Using Schools Financial Benchmarking

The screenshot shows the GOV.UK 'Schools financial benchmarking' page. At the top, there is a header with the GOV.UK logo and the page title. Below this is a blue banner with a 'Help develop Schools financial benchmarking' message and a 'No thanks' link. A green banner below that states 'Your benchmark basket contains 11 schools' and includes a 'View benchmark charts' button. The main content area features the title 'Schools financial benchmarking' and a sub-section 'News and guidance' with links for 'News' and 'Help using...'. A search section is highlighted with a yellow box, containing a 'Find a school' button and a 'Search by:' section with three radio button options: 'School name, URN or LAESTAB code', 'Location', and 'Local authority'. Other visible links include 'Find an academy trust' and 'Compare with no default school'. At the bottom left, there is a 'Compare with other schools' button.






A hand-drawn grey callout box highlights the search section of the website. It contains the text 'Find a school' in a yellow box, followed by 'Search by:' and three radio button options: 'School name, URN or LAESTAB code', 'Location', and 'Local authority'. To the right of the callout, there are two blue links: 'Find an academy trust' and 'Compare with no default school'.



Using Schools Financial Benchmarking (2):

Benchmarking charts

Comparing **Collingwood College** to schools **matching your chosen characteristics**. [Back to school characteristics](#)
[View characteristics used](#)


 Download data  Download page  Print page  Save or share benchmark 



Expenditure [Income](#) [Balance](#) [Workforce](#) [Your charts \(0 selected\)](#) [Comparison schools](#)

Using Schools Financial Benchmarking (4):

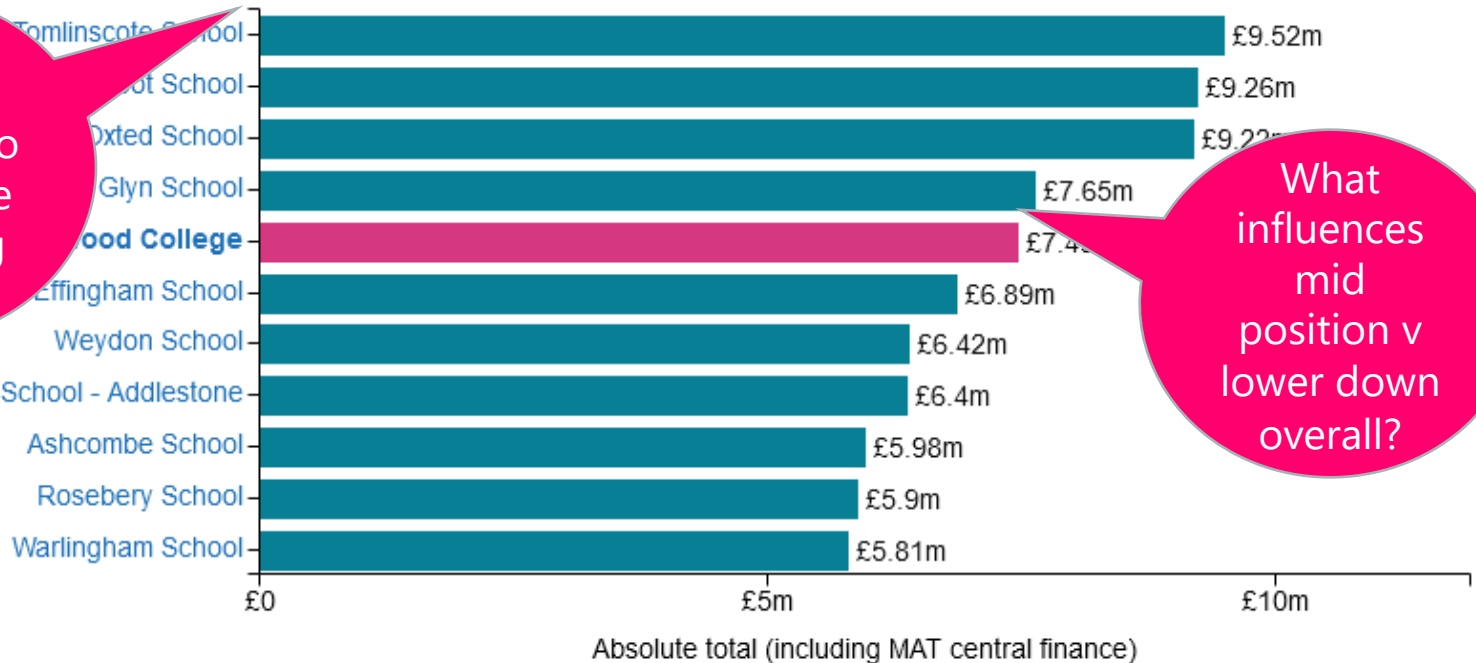
Staff total

[All staff charts](#)

 Save as image

 Add to your charts 

Why are they spending so much more on staffing than us?



What influences mid position v lower down overall?

Governors' questions:

- Do we understand *why* our school/trust context dictates where it is in these benchmarks?
- Do we need to contemplate change?
- Do we understand what actions we could take to improve our ranking?
- Is there benefit in exploring a deeper understanding of what enables school X to achieve their ranking?

SFVS and SRM self assessment (Dashboard):

Schools financial value standard - dashboard

		The school's data	Rating against thresholds
B. Spending as a percentage of total expenditure			
Spend on teaching staff as a percentage of total expenditure	Guidance	33.1%	Lowest 10% of similar schools
Spend on supply staff as a percentage of total expenditure	Guidance	1.9%	Broadly in line with similar schools
Spend on education support staff as a percentage of total expenditure	Guidance	30.7%	Highest 10% of similar schools
Spend on administrative and clerical staff as a percentage of total expenditure	Guidance	6.1%	Broadly in line with similar schools
Spend on other staff costs as a percentage of total expenditure	Guidance	1.1%	Broadly in line with similar schools
Spend on premises (including staff costs) as a percentage of total expenditure	Guidance	5.7%	Broadly in line with similar schools
Spend on teaching resources as a percentage of total expenditure	Guidance	3.8%	Broadly in line with similar schools
Spend on energy as a percentage of total expenditure	Guidance	1.9%	Highest 20% of similar schools
Other spending as a percentage of total expenditure (balancing line)	Guidance	15.7%	N/A
C. Reserves / balances as a percentage of total income			
In-year balance as a percentage of total income	Guidance	10.4%	Low risk
Revenue reserve as a percentage of total income	Guidance	13.8%	Low risk
D. School characteristics			
Average teacher cost (£)	Guidance	£46,083	Lowest 20% of similar schools
Senior leaders as a percentage of workforce	Guidance	8.1%	Broadly in line with similar schools
Pupil to teacher ratio	Guidance	21.66	Highest 20% of similar schools
Pupil to adult ratio	Guidance	6.9	Broadly in line with similar schools
Teacher contact ratio (less than 1.0)	Guidance	0.765	Broadly in line with similar schools
Predicted percentage pupil number change in 3-5 years	Guidance	2.9%	Low risk
Average class size	Guidance	28.5	Highest 10% of similar schools

What factors contribute to us being lowest 10%?

SFVS and SRM self assessment:

Guidance

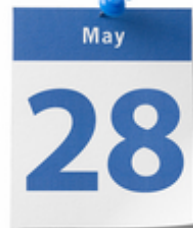
Schools financial value standard (SFVS)

The standard helps schools and local authorities meet basic standards for good financial health and resource management.

Published 28 February 2019

Last updated 4 February 2021 — [see all updates](#)

From: [Department for Education](#)



April

15

Guidance

School resource management self-assessment tool

This tool can be used to reassure trusts that they are managing resources effectively and to identify any adjustments they need to make.

Published 12 September 2018

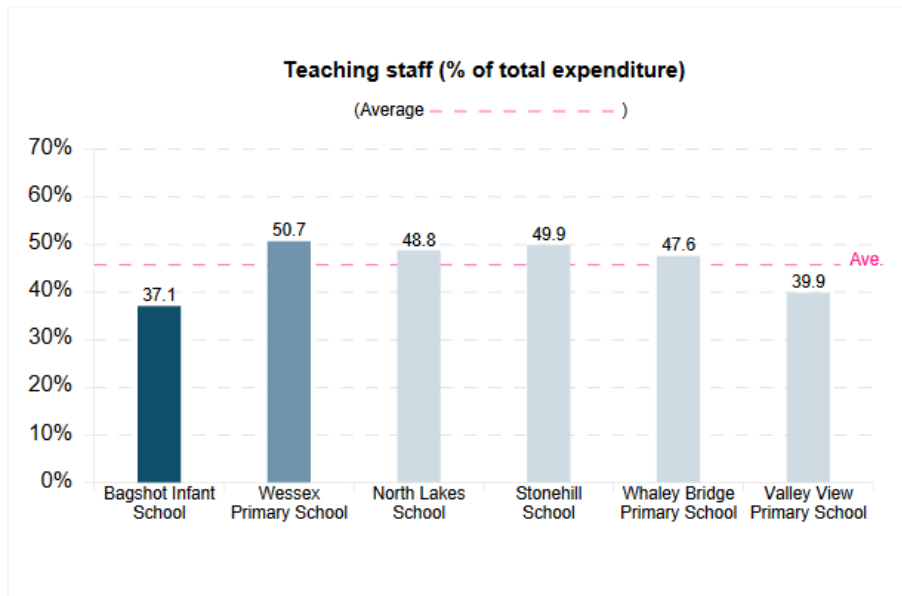
Last updated 15 February 2021 — [see all updates](#)

From: [Department for Education](#)

One last thing!



Benchmarking Report Card 2019-20



Your current expenditure on teaching staff is below the average for your comparison group by 8.6 percentage points.

There is some evidence that greater relative spend on teachers tends to be associated with higher attainment. Of course, simply spending a greater proportion of a school budget on teaching does not guarantee results. The most efficient schools deploy their workforce effectively; taking care to review their staffing structures, focus on improving the quality of teaching and consider the best use of teachers' time.

Given that spending on teachers makes up the majority of school spending, it's especially important to make sure you're managing your resources in the best way possible.

Summary:

- Benchmarking is an activity all in governance should engage in and understand;
- Pushed-back dates for 2021 are an opportunity;
- There are no answers – just questions!

Any further questions?



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Further information

- DfE Benchmarking
<https://www.gov.uk/guidance/schools-financial-efficiency-financial-benchmarking>
- Schools Financial Benchmarking
<https://schools-financial-benchmarking.service.gov.uk/>
- SFVS
<https://www.gov.uk/government/publications/schools-financial-value-standard-sfvs>
- SRM self evaluation
<https://www.gov.uk/government/publications/school-resource-management-self-assessment-tool>

What you need to know, when you need to know it



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