

# [DfE's benchmarking tools for schools improve financial management](#)

## **The schools financial benchmarking service**

The schools financial benchmarking service is a public-facing tool that everyone from school business professionals, to governors and parents can use to support school resource management. It allows users to compare a school's spending with that of other schools and trusts, and to contact those with similar characteristics to share information and learning.

## **River Learning Trust**

River Learning Trust has grown rapidly over the last seven years with on average four new schools joining a year. It now comprises almost 30 schools including some sponsor schools which joined in a challenging financial position.

In 2018, their three-year projection showed that they would be looking at a sharp reduction of the overall reserves, leading to a substantial deficit in some schools. They wanted to establish a culture of financial efficiency across all their schools, making them accountable for their future spending. This included ensuring efficient staffing deployment, while keeping staffing costs to a maximum of 78% of income (except in exceptional circumstances) and keeping sufficient funding for learning resources and premises spending. The remaining balance would support investment in areas that would have a long-term effect on the education of the pupils.

The Trust introduced the ICFP process to all schools and used the schools financial benchmarking self-assessment dashboard to review each of the school's budgets to highlight systemic overspending. The Trust brought the finance, governance, and school improvement teams together to implement a shared goal and to instigate an action plan to reduce costs efficiently and effectively.

The Trust saw real benefit by making sure that all governors were trained to understand ICFP and able to use the benchmarking site, meaning that they could make well-informed decisions and hold school management to account appropriately. The Trust also familiarised staff at various levels with the tools, creating an improved culture of financial awareness, and efficiency, whilst maintaining and improving student outcomes.

This early and interactive budgeting process was further enhanced recently with the development of the Trust's own ICFP tool and the appointment of a curriculum planning adviser allowing greater consistency and monitoring at Trust level.

“Our Trust has improved its financial position through this process with the support of both ICFP and schools financial benchmarking tools, but also by ensuring that the diagnostic is used at the early planning stage and followed up by actions, with active engagement of all stakeholders. All the schools that were in deficit are now recovering and gradually building their target reserve. The ICFP process allowed redirection of resources to meet strategic and educational priorities, in particular to top up high needs funding, invest in IT and build central capacity and expertise while preserving a broad and balanced curriculum.”

Benedicte Yue, chief financial officer, River Learning Trust.

## **View my financial insights (VMFI)**

The view my financial insights (VMFI) tool provides more nuanced school-specific insights. VMFI sits behind a password, meaning it can tailor the information so users can instantly identify areas of their spending that they should investigate further. For example, the tool produces a prioritised list of areas to investigate based on comparisons with the 30 most similar schools nationally and pulls this together in one place for trusts and local authorities. It then matches the data with relevant advice, guidance and commercial frameworks offered by DfE to help schools spend their resources efficiently.

One finance director found:

“I have used the VMFI tool with governors and finance committee to spot opportunities for financial improvements, specifically in checking cost categories where there might be over or underspending. To be able to share this information in graph format was a lot easier for some of the non-financial governors to understand how economical the school had been on spending compared to others in the comparable category. It was also a very good tool to use to compare to local schools in the same area who have the same funding per pupil as ourselves. This gave a better understanding of expenditure outcomes compared with those who were in areas with more funding than our authority.

Continued support from the VMFI tool by supplying the data to compare against is essential for understanding how areas in a school can be improved, either by increasing spend against certain areas or trying to decrease spending. Being able to compare against other similar schools to ourselves is already helping reassure the trust and the governors that in the main the school is spending its budget in the correct way.”

You can access these tools at:

If you have any questions, you can contact the [School Resource Management team](#).