
Dudley Metropolitan Borough Council

Schools Forum 6 February 2007

Report of the Director of Children's Services

Schools Financial Benchmarking Consultation

Purpose of Report

1. To inform Schools Forum about the consultation document recently issued by the DfES regarding schools financial benchmarking.
2. To seek their views on the proposed changes to the Schools Financial Benchmarking website.

Discussed at HTCF – BWG

3. Yes – 10 January 2007.

Actions for Schools Forum

4. To agree the proposed response to the consultation document.

Attachments to Report

5. Appendix 1. Copy of consultation response form.

Karen Cocker

Children's Services Finance Manager

February 2007

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Purpose of Report

1. To inform Schools Forum about the consultation document recently issued by the DfES regarding schools financial benchmarking.
2. To seek their views on the proposed changes to the Schools Financial Benchmarking website. A copy of the consultation response form is attached in appendix 1.
3. To advise Schools Forum on HTCF -Budget Working Group response.

Background

4. The Schools Financial Benchmarking (SFB) website has been developed by the DfES, in partnership with the Audit Commission and Ofsted and is based on the Audit Commission's original benchmarking site. The SFB website was launched in November 2003 and enables schools to compare their finances against that of other similar schools by generating charts that show their income and expenditure.
5. The SFB website was launched to help schools improve efficiency through financial benchmarking. Financial benchmarking in schools is about more than just effectively managing the schools budget, it is about achieving Best Value, the Government policy designed to further continuously improve locally provided services, including education.
6. The SFB website is very good at identifying areas for school improvement but it lacks when it comes to providing the school with answers. To fully appreciate the benefits of benchmarking - and in order to make the website more useful, schools should be in dialogue with each other in order to gain insights into the differences in income and expenditure they may find. The Department has always recommended that schools collaborate with each other in order to share best practice and to help explain the differences in income and expenditure between similar schools, but this has been very difficult due to the confidentiality of the SFB website.
7. The Department proposes to display the names of schools on the charts on the benchmarking website so that schools can see the identity of the schools in their benchmark set, which will help them to better understand

that they are comparing like with, like and communicate with other school staff. The SFB website has secure access so this will only be available to schools and Local Authorities.

8. The benefits will be many including:
 - allow schools to identify schools and potentially make contact
 - ability to select specific schools to benchmark against
 - reassures like for like comparison

The issues are few but important to understand:

Data confidentiality:

When Consistent Financial Reporting was introduced no agreement was made to make this data publicly available by the Department although schools have been encouraged to provide summaries of their financial data to parents. There is a possibility that some expenditure data could relate to an individual, for example for premises staff expenditure. Although actual values are not used in the benchmarking charts it could be possible to calculate these values using the per pupil figure and the number of pupils at the school. The Department does not feel that this is a major risk but there will be an option to "suppress" some values in cases where values are below a certain threshold.

Overburdening schools/individuals:

Some schools have expressed a concern that if school names appeared on the charts, those schools with extreme value would be overburdened with schools contacting them to discover what was happening. However, due to the nature of selection of similar schools, particularly if nearest neighbours is used; it is unlikely that the same schools will appear as extremes on school's benchmark sets. There is already a facility on the website for schools to enter text to explain any extenuating circumstances that may explain out of the ordinary expenditure.

9. Dudley has used the website to produce comparative data for schools since its introduction in 2003. The charts produced prior to 2004/05 compared the staff and running costs of Dudley schools of a similar type and size. The schools were not identified by name on these charts. Individual charts were produced for each school so that they were only able to identify their own data. For 2004/05 Schools Forum agreed that the charts would compare staff and running costs for all Dudley schools and that each school would be identified by name.
10. The Director supports the use of the website by schools and is in favour of any changes that will encourage schools to make better use of the benchmarking data. Whilst there are some disadvantages to identifying schools by name, the facilities on the website to enter explanatory text and

to suppress values below a certain limit will ensure that any disadvantages are minimised.

Finance

11. The funding of schools is prescribed by the DfES through the School Finance (England) Regulations 2006.
12. From 1st April 2006, the Schools Budget is funded by a direct DfES grant: Dedicated School Grant (DSG).

Law

13. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

Equality Impact

14. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

Recommendation

15. Schools Forum agrees the response proposed by Budget working Group on the 10th January 2007, to the DfES's consultation regarding the changes to the Schools Financial Benchmarking website. The proposed response is shown in Appendix 1. The consultation period closes on 27 February 2007.



John Freeman

Director of Children's Services

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Financial Benchmarking website - Identifying schools by name

Consultation Response Form

The closing date for this consultation is: 27 February 2007
Your comments must reach us by that date.

Dudley MBC have no objections to the proposal to display the names of schools on the charts on the financial benchmarking website.