

Schools Finance Training Guidance

Consistent Financial Reporting (CFR) and Benchmarking

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Consistent Financial Reporting (CFR)

The Consistent Financial Reporting (CFR) framework provides a standard template for schools to collect information about their income and expenditure by financial year. The CFR framework applies to maintained schools. It's optional for nurseries and non-maintained special schools. The information collected is used to support benchmarking and enables comparative reports to be produced for governors and local authorities. Governing bodies of maintained schools must provide their local authorities with a financial statement, presented in accordance with the approved headings and sub-headings set out in the [Consistent Financial Reporting \(England\) Regulations 2012](#) and in compliance with the established accounting practices of the local authority.

This includes:

- all allocations and other income received in a financial year including any balances brought forward from the previous financial year
- all expenditure within that financial year
- a summary of the school's financial position at the end of that financial year

Lincolnshire County Council complete the CFR on behalf of all Lincolnshire schools based on the accounting structure held in Business World (BW), therefore historically schools have not needed to provide us with any information.

However, with effect from the 2024/25 financial year the Department for Education (DfE) expanded their requirements and school assistance is required.

The DfE guidance states the following:

The DfE wishes to collect more information from schools about spend in key areas of technology that can lead to cost and time savings in the longer term.

We want all schools to reap the benefits of technology, but we know it can be expensive. It is important that schools invest in technology that meets their educational objectives.

Schools have told us that understanding spend on key areas of technology will help them to:

- *evaluate whether the technology is meeting the needs of staff and pupils*
- *make decisions on whether to stop or continue investing in the technologies*
- *budget and plan for technology to support maintenance, repairs and refresh*

This will also help DfE develop better programmes and services that support schools and trusts to be more informed buyers of technology, ensure they are safe and secure, and to support system wide efficiencies.

As a result of this requirement, the existing E20 (ICT learning resources) CFR line has been split out into the following lines:

E20A: Connectivity

E20B: Onsite servers

E20C: IT learning resources

E20D: Administration software and systems

E20E: Laptops, desktops and tablets

E20F: Other hardware

E20G: IT support

We are unable to accurately obtain this split using BW. Therefore, to ensure accuracy of the CFR data which in turn results in more meaningful data for schools when carrying out benchmarking schools are required to split this spend out. A spreadsheet with instructions is provided to schools to enable collection of this information.

Regular budget monitoring by schools should include checks to ensure that both expenditure and income are coded correctly at the cost centre and account code level. The account code feeds into the CFR structure, and if actuals are not coded accurately, the school's benchmarking data will be unreliable when compared with other schools

Schools Financial Benchmarking

Benefits of School Financial Benchmarking

School financial benchmarking is a key tool for ensuring effective financial management and resource allocation. By comparing a school's financial data with similar schools or locality and national standards, benchmarking provides valuable insights that support strategic decision-making and accountability. The main benefits include:

1. Provides Assurance

Helps to provide school business professionals with assurance that they are meeting the basic standards necessary to achieve a good level of financial health and resource management.

2. Cost Efficiency

Benchmarking identifies areas where spending is higher than comparable schools, enabling schools to review and adjust costs without compromising educational quality ensuring funding is maximised to support high-quality teaching and the best education outcomes for pupils. This promotes efficient use of resources and helps achieve value for money.

3. Strategic Resource Allocation

Financial benchmarking informs budget planning by highlighting trends and variances. Schools can use this data to prioritise investment in areas that directly impact teaching and learning, ensuring funds are aligned with strategic objectives.

4. Transparency and Accountability

Benchmarking demonstrates responsible financial stewardship. Sharing benchmarking outcomes with governing bodies and stakeholders enhances trust and provides evidence that public funds are being managed effectively.

5. Improved Decision-Making

By comparing staffing ratios, premises costs, and curriculum expenditure against benchmarks, schools can make informed decisions about resource deployment. This supports balanced budgets and sustainable financial planning.

6. Identification of Best Practices

Benchmarking highlights how high-performing schools allocate resources, enabling others to adopt proven strategies and innovative approaches that improve efficiency and outcomes.

7. Early Risk Detection

Regular benchmarking can reveal patterns of overspending or underfunding, acting as an early warning system. This allows schools to take corrective action before financial risks escalate.

8. DfE Data Thresholds

Shows how a school's data compares to thresholds on a range of statistics that have been identified by the DfE as indicators for good resource management and outcomes.

DfE Financial Benchmarking and Insights Tool

The DfE Financial Benchmarking and Insights Tool (FBIT) is a Department for Education service designed to help schools, academies, multi-academy trusts (MATs), and local authorities in England manage resources more effectively by comparing financial data (based on school's CFR data) and identifying opportunities for improvement.

The purpose of the tool is:

- **Improve financial efficiency:** Enables schools to benchmark income and expenditure against similar institutions.
- **Support strategic planning:** Helps integrate curriculum and financial planning for better resource deployment.
- **Enhance accountability:** Provides clear, data-driven insights for governors, trustees, and leadership teams

Key features of the tool are:

- **Benchmarking:** Compare spending with similar schools, trusts, or local authorities.
- **Custom Data Entry:** Enter your own figures to see how changes affect your position.
- **Integrated Planning Tool:** Includes a simplified Curriculum and Financial Planning (ICFP) tool to build workforce deployment plans.
- **Data Sources:** Uses Consistent Financial Reporting (CFR) for maintained schools and Academies Accounts Returns (AAR) for academies, plus workforce, pupil, and Ofsted data.
- **Report Generation:** Download benchmarking data and insights for leadership or governance discussions.
- **Comparator Groups:** Choose your own comparator schools or use system-generated groups for running costs and building costs.

The benefits from using the tool are:

- Identifies areas for cost savings and efficiency.
- Highlights best practices from similar schools.
- Supports compliance with School Financial Value Standard (SFVS), a mandatory annual return for schools to complete, which is designed to help schools manage their finances and to give assurance that they have secure financial management in place. Part of this return asks if the school leadership

team has considered the results of the dashboard through the FBIT or has used other DfE benchmarking tools.

- Facilitates collaboration and informed decision-making.
- Provides early warnings for financial risks.

At a school level, schools can:

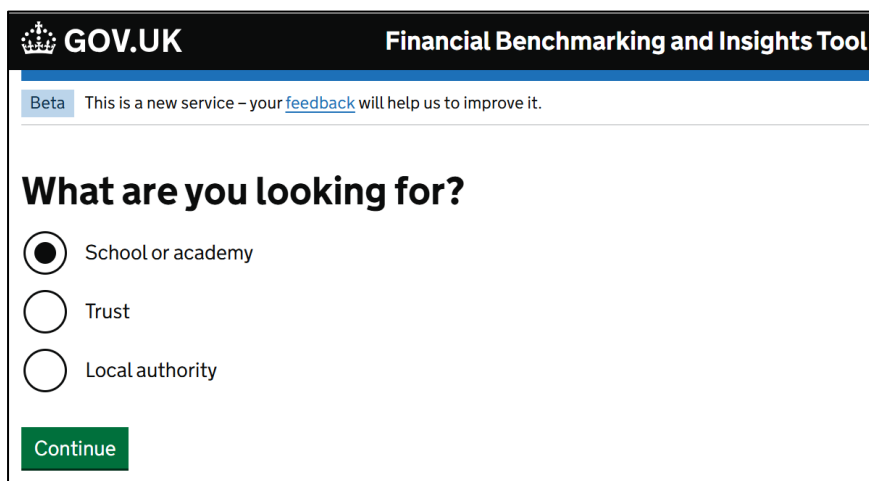
- See how spending compares with similar schools.
- Enter your own data to see how it affects the benchmarking position.
- Plan school curriculum finances.
- See tailored commercial recommendations for each school based on data.

Step By Step Guide

Schools can access the website via the link below:

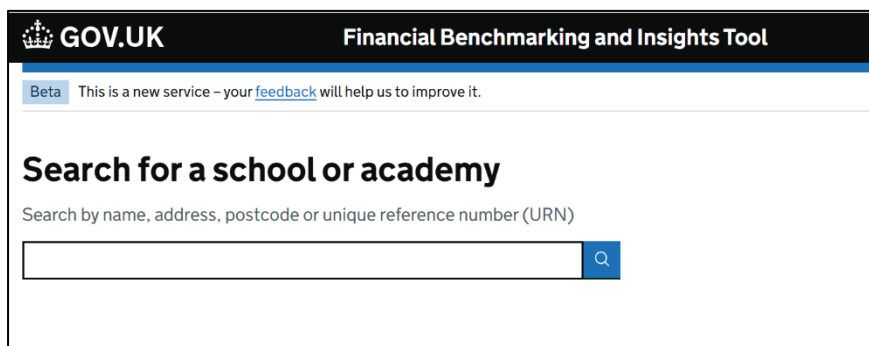
[Home - Financial Benchmarking and Insights Tool - GOV.UK](#)

1. Select the School or academy option:



The screenshot shows the GOV.UK logo and the title 'Financial Benchmarking and Insights Tool'. Below the title is a beta notice: 'Beta This is a new service – your feedback will help us to improve it.' The main heading is 'What are you looking for?'. There are three radio button options: 'School or academy' (which is selected), 'Trust', and 'Local authority'. A green 'Continue' button is located at the bottom left of the form area.

2. Search by school name, address, postcode or unique reference number:



The screenshot shows the GOV.UK logo and the title 'Financial Benchmarking and Insights Tool'. Below the title is a beta notice: 'Beta This is a new service – your feedback will help us to improve it.' The main heading is 'Search for a school or academy'. Below the heading is a search prompt: 'Search by name, address, postcode or unique reference number (URN)'. There is a search input field with a magnifying glass icon on the right.

3. The initial screen will look similar to the below and will show RAG priority ratings to give an indication of a school's spending compared to similar schools.

The rating is not an indication of performance. It is used to display if spending is significantly more, or less, than similar schools. This does not consider any individual spending strategies which might apply.

The ratings are intended for schools to identify potential areas to help them make informed spending decisions:

- Red – High priority
- Amber – Medium priority
- Green – Low priority

This school's data covers the financial year April 2024 to March 2025 consistent financial reporting return (CFR).

In year balance -£1,248	Revenue reserve £34,258	School phase Primary
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Spending priorities for this school

Top spending priorities

Catering staff and supplies
High priority Spends **£376** per pupil — Spending is higher than **82.1%** of similar schools.

Educational ICT
High priority Spends **£12** per pupil — Spending is less than **92.9%** of similar schools.

Educational supplies
Medium priority Spends **£247** per pupil — Spending is higher than **60.7%** of similar schools.

Red, amber and green (RAG) priority ratings are shown to give an indication of the spending compared to similar schools.
 The rating is not an indication of performance. It is used to display if spending is significantly more or less than similar schools. This does not consider any individual spending strategies which might apply.
 The ratings are intended for schools and trusts to identify potential areas to help them make informed spending decisions.

[View all spending priorities for this school](#)

Benchmarking and planning tools

Benchmark spending	Benchmark IT spending	Curriculum and financial planning
Benchmark spending against similar schools or other schools of your choice.	This cost category has been broken down into 7 sub categories to give a more detailed view of IT spending.	Measure expected curriculum spending and staffing structure. Requires login

Although the initial screen shows three spending priorities the ‘View all spending priorities for this school’ link will expand the results.

4. The first RAG ratings shown are based on a large national sample. We recommend undertaking further comparison work by clicking on Benchmark spending (shown in the green rectangle above).
5. At this point you are able to compare your spending to schools in the Local Authority, and of a similar size. Click on Create or save your own set of schools to benchmark against:

6. At this point you will be asked to sign in using your DfE account:

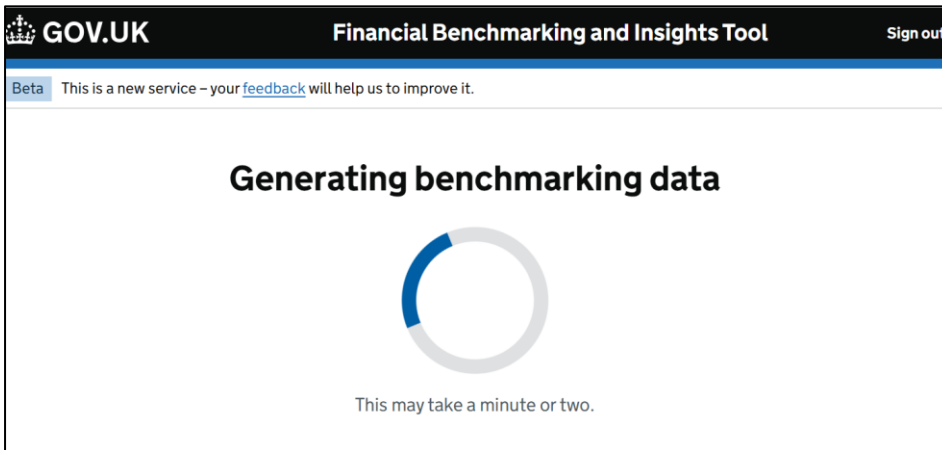
7. Once signed in you will be asked 'How do you want to choose your set of schools?' We recommend selecting 'By characteristic'.

8. You will then be faced with the following default characteristics to find matching schools:

- **School Types:** We recommend selecting 'Maintained Schools'.
- **School Categories:** Select the relevant option from the list including Nursery, Primary, Secondary or Special.
- **Local Authorities:** We recommend you select 'This school's local authority only (Lincolnshire)'.
- **Additional Characteristics:** We recommend you select 'Number of Pupils'. Once this selected the section will expand and you can enter a range. It will also show you your school's pupil numbers. We recommend selecting a range of 10 less and 10 more than your number. There are other characteristics you can also choose depending on the relevance to your benchmarking analysis.

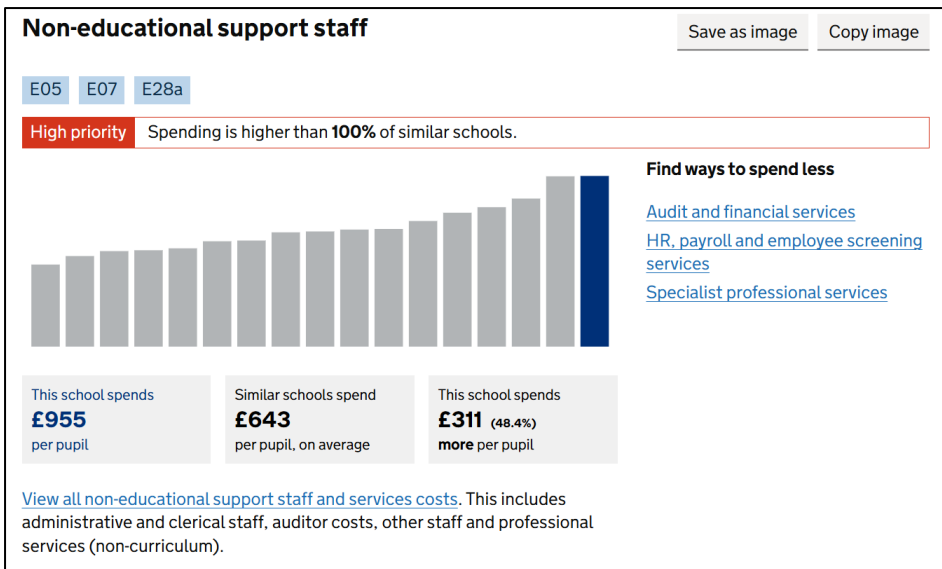
9. You will then be presented with the schools that have met your dataset characteristics. Depending on the number of schools shown you may wish to widen the criteria to make benchmarking worthwhile. There must be a minimum of 10 schools included in the results for the tool to provide the benchmarking data.

10. When you click on ‘Create a set using these schools’ a screen will appear to show the results are being generated. Please be patient as it does take a while to generate the results:

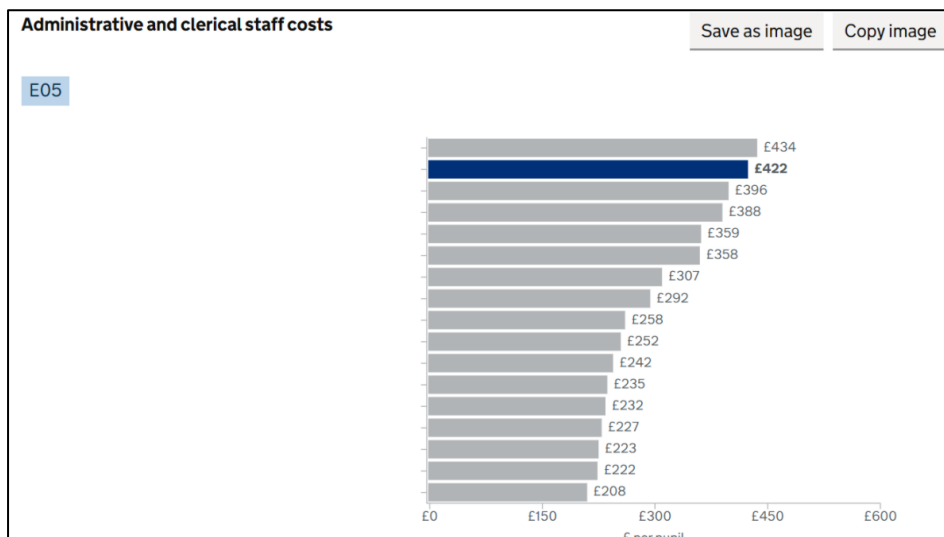


11. Once the data is generated you will have the RSG rating screen in the same format as shown in point 5 of this guide but benchmarked against the schools selected as per your chosen characteristics. Click on ‘View all spending priorities for this school’ link to expand the results.

12. An example of one of one RAG ratings is shown below:



13. Drill into the further detail to see the data per CFR heading. For example on the screenshot above, click on the ‘View all non-educational support staff and service costs’ link and a further breakdown will be provided as below for each CFR heading. (Note, although the data is readily available the school names have been deleted from the screenshot):



Using the FBIT Results

The FBIT provides red, amber or green (RAG) ratings against the school's chosen data that indicates how its spend and characteristics compare with similar schools or nationally recognised bandings and recommendations:

- A red rating shows the school's data is significantly out of line with schools with similar characteristics or recognised characteristics. It does not mean that there is definitely a problem, but that there may be scope for change.
- An amber rating shows that the school's data is considerably out of line with the majority of similar schools or recognised characteristics.
- A green rating shows that the school's data is in line with the majority of other schools or recognised standards - it does not necessarily mean that there is no scope for change.

The school should carefully consider the results for each indicator. For example:

- **Understand the context behind each rating:** Review why the indicator shows a red, amber, or green rating. Consider whether the variance is due to strategic decisions, unique circumstances, or inefficiencies. For example, higher staffing costs may reflect a deliberate investment in smaller class sizes, or high staff absence.
- **Assess educational impact:** Ask whether the spending pattern supports the school's improvement priorities and pupil outcomes. A red rating in one area may be acceptable if it aligns with the school's strategic goals.
- **Investigate outliers:** If your school is significantly different from similar schools, explore why. Is it due to premises costs, staffing structure, or curriculum choices? Determine whether this difference is justified or needs action.
- **Identify opportunities for efficiency:** Use the benchmarking insights to highlight areas where savings could be achieved without compromising quality. For example, review procurement practices or energy usage if costs are above average.
- **Validate the data:** Check that the underlying financial data is accurate and coded correctly. Misclassification of costs can distort benchmarking results and lead to incorrect conclusions. Regular budget monitoring throughout the year will mitigate against this but large miscodings in the school's

accounts that remained uncorrected at year end can significantly impact the expenditure reported in a school's CFR data resulting in inaccurate benchmarking.

- **Consider external factors:** Take into account local context such as building age, rural location, or specialist provision, which may legitimately affect costs compared to national averages. However you can mitigate against this by selecting the correct characteristics in the search options.
- **Plan follow up actions:** Decide what steps to take next such as further analysis of specific cost categories, discussions with governors, scenario planning and adjustments in future budget planning.