Trust Capacity Fund

Information for applicants 2021-22

August 2021

Contents

Summary

This publication provides non-statutory guidance from the Department for Education (DfE). It has been produced to help schools and trusts apply for the 2021-22 Trust Capacity Fund.

Expiry date

This guidance will expire on 31 March 2022, which is the date by which all activities funded by the Trust Capacity Fund must be completed.

Who is this publication for?

This guidance is for:

- Academy trusts
- Local authority maintained schools forming a multi-academy trust

Main points

This guidance explains:

- what the Trust Capacity Fund is and what it will fund
- who can apply
- how and when to apply
- how we will assess applications

You should read the guidance in full before applying for funding. If you have any questions, please contact the office of your [Regional Schools Commissioner](#).

What is the Trust Capacity Fund and what will it fund?

The Trust Capacity Fund (TCaF) is a competitive grant fund that will award up to £24 million over the 2021-22 financial year to help trusts develop their capacity to grow. It has a particular focus on supporting strong trusts, and strong schools forming trusts, to take on underperforming schools in areas of higher need.

This supports the government's vision for every school to be part of a family of schools in strong academy trusts, so that every child can benefit from the high-quality education they can provide. You can find out more about this vision in Building strong academy trusts: guidance for academy trusts and prospective converters.

TCaF is organised into two strands, each with its own minimum and maximum grant values. Across both, applications that involve taking on underperforming schools in areas of higher need stand the greatest chance of success and you should be mindful of this when considering an application. It is up to you to decide which strand to apply for, based on the details of your linked growth project:

Strand	Minimum grant value	Maximum grant value
A: For projects in which your trust will take on at least one additional inadequate or requires improvement school[1] from one of the areas listed in Annex A	£50,000	£310,000
B: For all other trust capacity building projects	£50,000	£100,000

You can also use one of the eligibility checkers to see if your project is likely to be eligible for funding.[2]

Bids above the maximum grant value are permitted but will only be considered in very exceptional circumstances. You must still meet all eligibility criteria and we will assess your application in the same way as any other, but with additional scrutiny of value for money and consideration of the impact on other potential applicants.

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[1] The school(s) must be rated inadequate or requires improvement at the point of application for your project to be eligible for this strand.

[2] The eligibility checkers will help you understand whether your organisation is likely to be eligible to apply for TCaF, and for which strands. There is one if you are a trust and one if you are a school. They use the latest available data as of 9 March 2021, so depending on when you submit your application, your actual eligibility may differ. If you believe the latest data is not reflective of your situation at the time of application, please get in touch with the office of your Regional Schools Commissioner (RSC).

Eligible growth projects

Your TCaF application must be linked to a clearly defined growth project that has been approved by a Regional Schools Commissioner (RSC) at a [headteacher board](#) (HTB) between 1 January and 17 December 2021. This must commit you to:

- Either take at least one new school into your trust by 31 March 2023[3]

- Or convert to academy status and take on at least two new schools that will submit a conversion application by 31 March 2022 (with all schools to be taken into your trust by 31 March 2023)

The following types of growth project are eligible for TCaF:

- Applications from schools to convert to academy status and form a multi-academy trust (MAT)

- Sponsor matches for schools with directive Academy Orders (dAOs)

- Trust mergers, including a single academy trust (SAT) joining a larger MAT and SATs joining together to create new trusts

- Academy transfers from one trust to another

- Approved free school bid proposals[4]

Growth projects that are not eligible for TCaF include, but are not limited to, [significant change](#) applications (for example, changes to age ranges or published admission numbers); physically expanding an existing school within your trust; and a school joining your trust as an associate member only.

You should contact the [RSC office](#) for the area in which you are proposing to work to confirm the deadline for submitting your project to HTB, as schedules vary.

Eligible activities

All activities funded by TCaF must start no earlier than 19 May 2021 and be completed by 31 March 2022. They must be focused on strengthening your trusts' central capacity and not improving individual schools.

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[3] If the new school is a free school, in certain circumstances we may be able to extend this deadline. You should contact the [RSC office](#) for the area in which you are proposing to work to discuss this.

[4] The free school must be approved / announced between 1 January and 17 December 2021 to be eligible.

Examples of activities for which you can seek TCaF funding include:

- Establishing new central processes such as IT, finance and HR

- Training and continuing professional development for staff

- New staffing within the central trust team

- Relocation costs for moving staff to new regions

- Specialist advice – such as IT, finance or HR advice – to build permanent capacity for growth

Examples of activities for which you cannot seek TCaF funding include:

- Capital expenditure, such as the purchase of assets (for example, buildings, furniture, fittings, IT equipment or refurbishment)

- Activities that could be funded from other sources, such as legal fees that are covered by the sponsorship / conversion grant

- Time for pre-existing staff to undertake work that is already in progress as part of their current responsibilities

- Consultancy costs for delivering and managing the whole TCaF project

Neither of these lists are exhaustive. If you are uncertain whether any of your proposed activities are suitable for TCaF, please seek guidance from the RSC office for the area in which you are proposing to work.

Who can apply?

If you are an academy trust or local authority maintained school in England, to apply to either strand of TCaF you must:

- Be considered by the Education and Skills Funding Agency to be of sound financial health. As a minimum requirement, you must not have an open [Financial Notice to Improve](#).

- Have a record of meeting, or driving improvements in, school standards. This can be demonstrated in two ways:

    o Either the majority of current schools in your trust / planned trust having a Good or Outstanding rating at their last Ofsted inspection.

    o Or 94% or more of the dAO academies you have taken on having received an improved Ofsted rating at their first inspection with the trust, and 80% or more of your other academies having remained stable or received an improved Ofsted rating since joining the trust.

- Have an [eligible growth project](#) that has been approved by an RSC between 1 January and 17 December 2021.

You can check whether you are likely to meet these criteria using one of the [eligibility checkers](#), but please remember that TCaF is a competitive grant: meeting these eligibility criteria is not a guarantee of funding.

If your application is successful and you do not already meet the standards of 90% phonics and 50% English Baccalaureate entries (as relevant to your phase(s) of education),[5] you will need to commit to improving your performance. In general, this will mean aiming to reach that level of performance after three years.

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[5] Either 75% of your converter academies or 50% of your sponsored and converter academies will need to meet the standards, which will be measured using data for the 2018/19 academic year. Schools that have been with the trust for less than three years, Special Educational Needs schools and Alternative Provision will not be included.

How and when can I apply?

Writing your application

To apply for TCaF, you must download and complete the [application form](#). You will need to fill out three sections, which ask for the following information (further guidance can be found in the form):

- Organisation details – basic information about your organisation, such as its name, location, Group ID, and contact details

- Project outline – the strand to which you are applying, the details of the school(s) that you are proposing will join your trust, and when your growth project was or will be discussed at HTB

- Project details – an overview of and your action plan for the project, including its costs; how you will ensure it is deliverable, value for money, and sustainable; and your compliance, governance, and resource management arrangements

Please remember that TCaF is a competitive grant: your application is not an agreement of funding. You should submit your strongest project relative to the [assessment criteria](#), against which all applications will be scored and prioritised.

Before submitting your completed application form, you must ensure that your accounting officer has ratified the application. This will normally be the chief executive if your organisation is a trust or the head teacher if it is a school. This individual will be accountable for delivery, ensuring funding is used correctly, and compliance with the department's [grant funding agreement: terms and conditions](#).

You are not entitled to claim from the department any costs or expenses that you may incur in preparing your bid, regardless of whether it is successful.

Questions and clarifications

You may query and seek clarification on any aspect of TCaF or this guidance prior to submitting your application. Questions must be submitted to the [RSC office](#) for the area in which you are proposing to work. However, we will not review or give specific advice on any part of your application before submission.

Submitting your application

Please email your completed application form to the [RSC office](#) for the area in which you are proposing to work. Please include your organisation's name and 'Trust Capacity Fund Application' in the email subject field.

On receipt of applications, the RSC office will check to ensure you have completed all required details in the relevant fields of the application form, and that you meet all the eligibility criteria. They may contact you to clarify elements of your application: this is not an opportunity to provide additional detail beyond that already within the application.

Application deadlines

There are three application windows for TCaF:

- Application window 1: 19 May 2021– 25 June 2021

- Application window 2: 26 June 2021 – 30 September 2021

- Application window 3: 1 October 2021 – 17 December 2021

There will be one national moderation exercise after each window – one in July, one in October, and one in January. Decisions will be communicated as quickly as possible after these.

To help us manage the significant volume of applications we expect to receive, we ask you make your application as early as possible. Where this is not possible, we ask that you keep your RSC office informed of your plans.

As explained in eligible growth projects, your application must be linked to a clearly defined growth project that has been approved by an RSC at a HTB between 1 January and 17 December 2021. You can submit your TCaF application ahead of HTB, but it will not be assessed until and unless the RSC makes a positive decision on the growth project.

You can only submit one TCaF application per growth project. You may withdraw and resubmit your application if it has not yet been to national moderation, but we will not provide feedback on the initial submission. You cannot submit a revised application for the same project after a decision has been made.

As explained in eligible activities, all activities funded by TCaF must be completed by 31 March 2022. You should therefore take particular care to consider the deliverability of your plans when applying close to the final deadline of 17 December 2021.

How will my bid be assessed?

Assessment process

All applications received by 17 December 2021 will, provided their linked growth project has been approved, be subject to a two-stage assessment process: regional assessment, and national moderation.

1. Regional assessment: the relevant RSC will assess the merit of the application against the [assessment criteria](#) and apply any [relevant penalties](#), treating all applications fairly. They will use the information contained within the application, as well as data generated from DfE-held sources, to make a relative judgment about whether it should be approved.

2. National moderation: to ensure applications are assessed consistently, and to maximise value for money against the aims of TCaF, all regional assessments will be subject to a national moderation exercise involving senior officials from across the regions. Where the number and value of strong bids exceeds the available funding, this exercise will prioritise applications according to the extent to which they meet the [assessment criteria](#). Any bids that are above the maximum grant value will be reviewed by the National Schools Commissioner and receive wider financial scrutiny to assess value for money and consider the impact on other applicants.

Regional assessment will take place as and when bids are received during the [three application windows](#). However, decisions will only be made and communicated to applicants after the national moderation exercises, which are expected to take place in July 2021, October 2021 and January 2022.

Funding will deplete after the first exercise, but we will ensure funding is available to support projects that arise during the second and third application windows. We will communicate decisions as quickly as possible to allow successful applicants to spend their grant within the financial year.

Assessment criteria

The following sections set out how we will judge applications against specific assessment criteria. You should ensure your application shows clearly how you meet these criteria, but please remember that TCaF is a competitive grant: even applications that meet all the criteria and support priority projects are not guaranteed funding.

Applications that support the scheme's specific geographical and contextual priorities will receive higher scores and be prioritised accordingly during moderation. Applications that do not involve taking on underperforming schools in areas of higher need are still eligible but are less likely to be prioritised and ultimately less likely to receive funding.

Geographical need

If you are applying to strand A, your project must involve you taking on a school from one of the areas listed in the Annex A table. If you are applying for strand B, your project does not have to include a school from one of these areas but will be considered higher priority if it is. Across both strands, projects that involve taking on a school from one of the four areas listed below the Annex A table will have the greatest priority.

Within these parameters, geographical need will be assessed by comparing the number of at-risk schools in an LA district with the supply of strong trusts in the same area. RSCs will also refer to local intelligence (for example, to ensure that boundary issues and anomalous cases do not unduly influence decisions) and consider their key strategic priorities for their areas to inform decision-making.

Contextual need

Contextual need will be assessed by considering the relative level of priority of the schools attached to the project.

Projects involving Special Educational Needs provision or Alternative Provision will be considered higher priority, and across both strands, applications in which the trust will take on underperforming schools (as measured by Ofsted ratings) will receive the greatest priority. For example, a project involving an inadequate school will be prioritised over a project involving a school with multiple requires improvement ratings, and so on.

Applications will also be considered stronger under this criterion if, in the judgement of the RSC, there are factors that significantly escalate the level of risk to any trust taking on the project. For example, the current and historical educational and financial performance of the school, or the condition of school estates.

Deliverability

Deliverability will be assessed by considering the extent to which plans are realistic and provide suitable assurance that all funded activity will be completed and paid for by 31 March 2022 (having started no earlier than 19 May 2021).

A strong application will provide clear evidence of the following:

- A well-conceived, realistic plan and detailed understanding of the impact of the additional capacity.

Thorough risk assessment and effective procedures to mitigate risks at both school and trust level, including a scheme of delegation that makes clear at what level risks are managed.

Value for money

Value for money will be assessed based on whether the funding requested seems proportionate to the size and risk of the project. This will include considering the number of schools proposed to join the trust.

A strong application will provide clear evidence of the following:

- A comprehensive spending plan with itemised costings that are appropriate for funding. This will include a clear understanding of why the money is required and how it will be spent and show how costs have been minimised.

- Specialist financial expertise within the organisation to scrutinise expenditure, maximise efficiency, and ensure propriety with public money. For example, an accredited school business manager and/or financial expertise at trustee and member level.

Applications will also be deemed stronger under this criterion if there is clear evidence the activity could not take place without TCaF funding (for example, if it cannot be funded through other sources).

Sustainability

Sustainability will be assessed by considering the extent to which there is evidence that activities will be sustainable beyond 31 March 2022 (the deadline for completion).

A strong application will provide clear evidence of the following:

- How the organisation will pay for any new capabilities (such as staffing costs) that are likely to be required after the completion of their TCaF activities.

- That the organisation will be financially sustainable without additional revenue support from DfE.

Resource management

Trusts' resource management will be assessed by considering the extent to which the results of the self-assessment dashboard (which all trusts are required to complete by 15 April 2021) demonstrate their resources are being used effectively to support high quality teaching and the best educational outcomes for pupils.

A strong application will provide clear evidence of the following:

- The self-assessment results show very few, if any, red or amber ratings, indicating better resource management than the recognised standard of schools with similar characteristics. We will however take into account supporting contextual

information where applicable (for example, to ensure Special Educational Needs schools are not unfairly penalised).

- The trust has used the self-assessment tool to identify where savings could be made and to determine if there is potential to manage their resources effectively, so that every pound counts.

Schools forming a MAT will not be required to complete the tool and should contact their RSC office about how to complete this section. They must agree to be made eligible for an School Resource Management Adviser visit to help establish the correct governance and finance arrangements.

As part of this criterion, all applications will be subject to a financial health assessment using the core financial returns shared with the Education and Skills Funding Agency.

Penalties and deductions

Where applicants are not adhering to departmental guidance or best practice, applications will be subject to point deductions from their overall application. This may lead to extra conditions being attached to the award of funding, should the application still be successful.

Where deductions have been applied, these will be made clear in the feedback to applicants.

Excessive executive pay

Any applicant to which DfE has written about Excessive Executive Pay from September 2020 onwards may be subject to a points deduction. If applicable, they will be informed of this in writing.

Failure to provide information about key individuals in the trust

As part of the application form, applicants must provide details of the trust's (or the proposed trust's) chair of trustees, accounting officer, chief financial officer, trustees and members, including their individual email address and the date they were appointed. This information must also be updated on the Get Information About Schools register. Failure to do so will result in a points deduction.

Failure to return internal audit reports

If trusts have failed to submit their internal audit reports alongside their annual accounts return, there will be a points deduction from their application.

Failure to comply with previous grant assurance procedures

If the applicant received a previous grant award from DfE but did not comply effectively with the financial reporting requirements outlined in the grant funding agreement (especially if they did not submit a satisfactory Annex G certificate of expenditure), a point will be deducted from their application.

What happens next?

Whether it is successful or not, we will inform you via email about the outcome of your application as quickly as possible.

As explained in [submitting your application](), your application to TCaF confirms that you have read, understood and will comply with the [DfE grant funding agreement: terms and conditions]().

If your application is successful, you will be required to sign a grant funding agreement. This will set out our expectations of you, including the specific grant conditions, monitoring arrangements and payment details, and you will be required to accept it in full.

Grant funding will be paid in arrears throughout the funding period once your agreed activity has been completed and evidenced.

Annex A: High priority areas

To apply for strand A of TCaF, your proposal must involve you taking on a school from one of the following areas. If you are applying for strand B, your project does not have to include a school from one of these areas but will be considered higher priority if it does.

These are the Local Authority Districts that have the lowest proportion of pupils attending Good or Outstanding schools, the government's Opportunity Areas, and areas covered by the Opportunity North East programme.

Adur	Gedling	Rugby
Amber Valley	Gloucester	Ryedale
Arun	Gosport	Salford
Ashfield	Halton	Sandwell
Barnsley	Hambleton	Scarborough
Bexley	Hartlepool	Sedgemoor
Birmingham	Hastings	Sefton
Blaby	Hertsmere	Sheffield
Blackpool	High Peak	Solihull
Bolsover	Hyndburn	Somerset West & Taunton
Boston	Ipswich	South Derbyshire
Bradford	Isle of Wight	South Gloucestershire
Breckland	Kettering	South Holland
Bristol, City of	King's Lynn & West Norfolk	South Northamptonshire
Broxbourne	Kingston upon Hull, City of	South Staffordshire
Burnley	Knowsley	South Tyneside
Bury	Leicester	Southampton
Cannock Chase	Liverpool	St. Helens
Castle Point	Luton	Stevenage

Chesterfield	Mansfield	Stockport
Corby	Mid Suffolk	Stockton-on-Tees
Cornwall	Middlesbrough	Stoke-on-Trent
County Durham	Newcastle upon Tyne	Sunderland
Darlington	North Devon	Swindon
Derby	North East Derbyshire	Tameside
Doncaster	North Somerset	Tamworth
Dorset	North Tyneside	Teignbridge
Dover	Northampton	Telford & Wrekin
Dudley	Northumberland	Tendring
East Cambridgeshire	Norwich	Thurrock
East Devon	Nottingham	Torridge
East Lindsey	Nuneaton & Bedworth	Uttlesford
East Northamptonshire	Oadby & Wigston	Walsall
East Suffolk	Oldham	Wellingborough
Eden	Oxford	Welwyn Hatfield
Erewash	Plymouth	West Lancashire
Exeter	Redcar & Cleveland	West Suffolk
Fenland	Rochford	Wyre
Forest of Dean	Rotherham	Wyre Forest
Gateshead		

Across both strands, projects that involve taking on a school from Ashfield and Mansfield, North Durham, City and Sedgefield, Plymouth, and South Sefton and North Liverpool will have greatest priority. These are areas that the department has identified as being in need of support and having high potential for rapid improvement to improve the proportion of pupils in good and outstanding schools.

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