



Completing the alternative provision free school 2016/17 financial template

The financial template is a tool to help you to demonstrate that the education plan and staffing structure will be affordable within the funding available from the Education Funding Agency. It is important that it is consistent with the rest of your plans, that you use it to demonstrate how your plans will be made a reality and that your assumptions clearly show what strategic financial decisions you have made. You will need to update your financial plans on this template as your plans develop throughout the pre-opening phase.

We would encourage you to use the checklist in Annex A before submitting financial plans to the Department. The checklist highlights areas we commonly see incorrectly completed or overlooked resulting in delays in clearing plans.

It is important that you read the guidance in tab G1 before starting to populate the spreadsheet as it contains key information and advice.

You will find it useful to also read the [guide to new alternative provision free school funding](#) to further your understanding of how your funding is calculated.

The Government is currently consulting on reforms to high needs funding. More information on the consultation is available on [GOV.UK](#). Following the consultation outcome, implementation is likely to begin from 2017/2018.

Budget

Forecasts should be prepared on an academic year (September to August) basis. The financial template automatically calculates indicative levels of funding based on the information you enter. The actual funding that a school will receive in a given academic year will not be established until closer to opening and projects that progress to pre-opening will be asked to complete revised financial plans before the department enters into a funding agreement.

You should refer to the [academies financial handbook](#) in planning your budget. For example, forecasts should be prepared on the 'accruals' basis of accounting, which means that you should recognise expenditure in the accounting period in which it is incurred, which may be earlier than when the invoice is actually paid.

Budget assumptions must be listed throughout this sheet at column P and be consistent with the information provided in the rest of your application. You should include references to show the sources of evidence and benchmarking information used.

For example, assumptions made could include the following:

- Proposed teaching and non-teaching staff salaries are each benchmarked against other local schools.
- The local authority has confirmed that they would commission XX places for the XX/YY academic year.

These are just some examples of the kind of assumptions that you will want to consider including. For each line of income and expenditure you will want to think about whether additional commentary is needed to help the department understand how you have derived numbers or to highlight where approximations have been used.

The template

Cover sheet

You will need to start by completing the cover sheet on tab G2 as the information you provide (place numbers, local authority, age range of school and opening date) is the data needed for your funding calculations. The template will not work correctly if all relevant fields are not completed.

If you have selected an age range that includes post 16 pupils you will also see a tab for the **post-16 ready-reckoner**. The data you have entered on the cover sheet, G2, and post-16 place numbers entered on the budget sheet, G3, will transfer to the post-16 ready-reckoner, which will calculate your funding using the national 16-19 funding formula. The resulting amount will transfer back to the budget sheet.

Proposition stage

If you are submitting your application to open a free school, please select 'Applicant'. Once you have received approval to proceed to the next stage, you will need to refresh your plans at key points, and should select 'Approved to pre-opening'

Local authority

Please select the local authority in which your school will be based.

Commissioners

Please enter details of the local authority/ies or schools which will be commissioning places at your school.

Risk protection arrangement

All free schools are able to opt into a voluntary risk protection arrangement (RPA) offered by the government at the current rate of £25 per place. There is an allowance of £25 per place for insurance included in the general annual grant (GAG). If you intend to opt into the arrangement, you should select 'yes' in the drop-down box on the cover sheet. The template will calculate the amount that will be deducted from your GAG to cover RPA: this will automatically be reflected on the budget sheet in row 132.

You are able, if you prefer, to arrange your own insurance: you should note, however, that there will be no extra funding available if it costs more than the equivalent of £25 per place. Any costs above this amount should therefore be included as expenditure in your financial plan in row 132.

Details of the new [risk protection arrangements](#) are on GOV.UK.

Budget sheet section 1 - Places

Place numbers in each cell throughout the spreadsheet should be the full-time equivalent (FTE) averaged over the academic year – for instance, 20 pupils attending on a FT basis and 50 pupils attending for three days a week: total $20+30=50$ FTE places.

Please enter all FTE places for Key Stage 1 (Years Reception to 2) in row 9, Key Stage 2 (Years 3-6) in row 10, Key Stage 3 (Years 7–9) in row 11, and Key Stage 4 (Years 10-11) in row 12.

All pre-16 FTE places in alternative provision free schools will attract base funding £10,000. This funding will automatically pre-populate in the template when you enter the number of FTE places.

You will have negotiated with commissioners (schools, academies and local authorities) to provide top-up funding above this base level to cover the total cost of provision. This top-up funding is based upon the pupil's assessed needs and the cost of meeting those needs in the school, and will come from the local authority or other school that commissions the place. This should be paid in or close to the real-time movement of the pupil, and will flow directly between the commissioner and the provider. Please enter the average rate you have agreed with commissioners for the pre-16 key stages for which you will cater in rows 14-17, and for post-16 in row 23.

Places for post-16 pupils will attract an allocation of mainstream funding calculated by the national 16-19 funding formula. The 16-19 rates per place will be calculated for you when you enter your total post-16 place numbers in row 20.

Free schools eligible to receive this funding, like all other providers of post-16 education funded by the Education Funding Agency (EFA), can receive an additional allocation for any high-needs places for pupils with special educational needs. Please enter into row 21 the number of your post-16 places (of those included in the total post-16 places in row 20) which have been assessed as high-needs and which you have agreed will attract the additional funding.

An individual 16-19 place cannot attract both commissioner-led and EFA funding streams at the same time so should only be entered once. It is, however, possible to have both funding streams active at the same time as long as they are for different pupils.

You will need to provide supporting material showing evidence of your commissioners' (local authorities, schools or academies) willingness to pay your rates for pre-16 (and any post-16) places they commission.

Section 2 - Income

Education services grant (ESG)

Alternative provision free schools receive a fixed per-place education services grant ESG to cover the cost of services which would previously have been provided by the local authority. This is paid at £288.75 for pre-16 pupils. For pupils aged 16-19 (except in a 16-19 only institution), the rate is £77.

In the 2015 Spending Review, the department announced a saving of £600m from the ESG general funding rate by 2019-20. This is likely to be achieved by making efficiencies and removing the remaining general funding rate from 2017-18. Further information on the future of the ESG can be found in our [national funding formula consultation](#).

Business rates

All free schools receive a grant from the EFA to cover the full cost of business rates at the discounted charity rate. You must claim for this via the [online form](#) on GOV.UK. Row 45 (in the income section) will be populated once you have entered details of the rates in row 105 (in the expenditure section).

Universal infant free school meals

All infant pupils in years Reception to Y2 are entitled to a free school meal. Extra funding is available for the provision of meals to those pupils who would not otherwise be eligible for free school meals. Pupils who meet the existing criteria for free school meals still attract deprivation funding, and this will be taken into account in the methodology for calculating the new funding.

It is, however, intended to be cost-neutral and should not impact upon your planning, so you do not need to include this in your financial plans.

Other income

If you expect income from sources other than the EFA please include them in your budget sheet. You should use the assumptions column (column P) to provide robust evidence on why it is realistic and achievable to assume the levels of income you have included. Any additional income would usually be used to enhance, extend, and enrich the school's offer or to save towards capital projects and should not be fundamental to the operation of the school. Schools are expected to be viable on the basis of their grant income against projected costs.

Post-opening grant

New AP free schools receive additional funding to reflect the additional costs of establishing new publicly-funded schools. The post-opening grant provides funding in two elements: per-place resources; and leadership diseconomies. Please see the [guide to new alternative provision free school funding](#) for further information.

The curriculum materials (books and equipment) element will be calculated automatically using your pupil number entries. The per-place primary rate is £250; for secondary places it is £500. You will receive this grant for any new places you create each year until you reach capacity. The template will show the amounts you will receive in rows 59 and 60.

The second element (leadership) is based on the percentage of places that are offered (compared to the final total number of places the alternative provision free school will have). For alternative provision free schools, the amount of this element of the post-opening grant will be agreed on a case-by-case basis following negotiation based on the needs of the new school. Please enter the funding you think you will need in row 61.

Alternative provision free schools are expected to reach capacity within four years of opening so will receive the leadership element for a maximum of the first three years.

Section 3 – Expenditure

Please enter your expenditure total under the headings: Other staff, Premises, Educational resources, Professional services and Other expenditure. We have suggested some areas where we

would expect to see expenditure listed. Staff costs will be calculated automatically once the 'Staff worksheet is completed.

It is sensible to include costs associated with depreciation of assets, excluding land and buildings. This is where items such as laptops or minibuses (but not day-to-day items) will need to be replaced. As an example, a good financial plan using the budget planning tool might show that there is a need to buy more laptops in the third year, then replace other assets in the fifth year. These assumptions should be reflected in column Q. We would expect contingency to be around 1% of overall income.

The DfE website includes [schools benchmarking](#) information and [academies' spend data](#). These provide details of the non-staff costs typically incurred by maintained schools and academies. The benchmarking information on the schools benchmarking website does not cover the costs of purchasing and providing services that an academy or free school will need which would be provided by a local authority to its maintained schools. You can access information on the schools benchmarking website by using the 'Guest login' link.

Staff

The information you enter here should match your expected staffing model. Please provide details of the position, type of position, salary, allowance, pension rate and National Insurance rate in columns C-G. Columns H-O require you to input a number 0-1 setting out the full time equivalence of that role depending on whether the member of staff is full or part time. Each member of staff needs to be entered in a separate row. An example is given at the top of the sheet.

You can find out who your local government pension scheme manager is on [the LGPS website](#). You should contact the relevant fund manager in the first instance to get a likely estimate of the rate in your area.

National Insurance is not a fixed rate and varies with earnings. For further information visit [the HMRC website](#).

Education support staff are non-teachers who have an active role in supporting the education of pupils. They can include: teaching assistants; learning support assistants for pupils with high levels of SEN or who have EAL; nursery nurses; instructors; lab technicians; coaches; sports coaches; mentors; family support workers etc. Education support staff are separate from school administration staff.

The GOV.UK website includes [schools benchmarking](#) information and [academies' spend data](#). These provide details of the non-staff costs typically incurred by maintained schools and academies. You should explain in your assumptions how you have taken these benchmarks into account when setting the level of spend on staffing costs for your school. Where a financial plan using the budget planning tool indicates that a significantly greater or lesser proportion of the school budget will be spent on staffing than is typical, we would expect you to set out clearly why this is appropriate for your school.

Summary sheet

This sheet will provide you with a breakdown of your funding allocation, your place and staff numbers, staff structure as well as giving you a set of financial ratios on strands of your expenditure against overall costs. Cells will be **red-rated** where your ratios and allocated spending differ from

what we might expect to see; this is intended as a guide only, and not a mandatory target. Please provide any notes or reasoning in column P.

Finance Plan Checklist

Below is a checklist that all proposer groups are encouraged to complete before submitting financial plans to the DfE. The checklist highlights areas we commonly see incorrectly completed or overlooked resulting in delays in clearing plans.

General check		
	Completed	Comments
Has the most recent template been used - reflecting the latest release available on the gov.uk website (https://www.gov.uk/government/publications/alternative-provision-free-school-financial-template)?		

'G2. Cover sheet' tab		
	Completed	Comments
Has every field been completed correctly?		

'G3. Budget' tab		
	Completed	Comments
Does the financial plan show in-year surpluses for each year? <i>(We expect to see in-year surpluses of between 3%-6% including any contingency)?</i>		
Is the school reliant on 'other income' in any year e.g. lettings or donations? <i>(Reliance on third part income to be financially viable is not acceptable unless supported by robust evidence e.g. legal agreements)</i>		
Assumptions (column P): Are assumptions included for each income/expenditure line?		
Assumptions: Do assumptions explain your costs/income per pupil and what benchmarking data you used?		
Assumptions: Does the assumptions text for 'Educational resources – not ICT' / 'ICT learning resources' specify precisely what resources are included under this heading?		

Have you included income and expenditure relating to school uniforms/school trips/enrichment activities? Even if these are provided at net zero cost, income and expenditure should be included in the financial plan.		
Have you included income and expenditure relating to catering which shows either net zero cost or a net cost? <i>(We do not expect free schools to make a surplus from catering)</i>		
Where a multi-academy trust charges a management fee, have you included in the assumptions what specific services are being provided?		
If you are opting into the department's Risk Protection Arrangements (RPA), does the plan include an RPA expenditure line of £25 per pupil?		

'G4. Staff' tab		
	Completed	Comments
Are pension % rates correct and differentiated between teaching and other staff? https://www.teacherspensions.co.uk/employers/employer-hub.aspx http://www.lgps.org.uk/lge/core/page.do?pageId=99259		
Are NI % rates correct and differentiated? https://www.gov.uk/national-insurance-rates-letters/contribution-rates		
Has the staffing structure and schedule of appointments been agreed with the project's DfE education advisor?		

'G5. Summary' tab		
	Completed	Comments
Are all differences from averages (highlighted in red) explained in the assumptions column (column P) in the 'G3. Budget' tab?		