



Department
for Education

Completing the alternative provision free school 2018 to 2019 financial template

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Introduction

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 and Skills Funding Agency (ESFA). 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 at the front of the template** 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 this document and the guidance in tab G1 of the template before starting to populate the spreadsheet as it contains key information and advice.

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

Completing the template

Cover sheet

You will need to start by completing the cover sheet on tab G2 (for example, local authority, age range of school, capacity, opening date etc). 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 and pupil/place number sheet will transfer to the post-16 ready-reckoner, which will calculate your funding for post-16 pupils using the national 16 to 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 automatically opted in to a voluntary risk protection arrangement (RPA) offered by the government at the current rate of £20 per place unless the trust lets their lead contact know that they want to opt out. There is an allowance of £20 per place for insurance included in the school's funding allocation. If you intend to stay in 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 funding to cover RPA: this will automatically be reflected as an expenditure line on the budget sheet.

You are able to arrange your own insurance if you prefer. However, you should note that there will be no extra funding available for this. Any insurance costs should be recorded in the expenditure section of the budget sheet.

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

Pupil/Place Numbers sheet

The template will automatically display the age-relevant rows (based on information selected on the cover sheet) into which you need to enter your place numbers. You should enter the number of places in each year group, for each academic year. 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 full time basis and 50 pupils attending for three days per week: total $20+30=50$ FTE places.

Places for post-16 pupils will attract an allocation of mainstream funding calculated by the national 16 to 19 funding formula. Free schools eligible to receive this funding, like all other providers of post-16 education funded by ESFA, can receive an additional allocation for any high-needs places for pupils with special educational needs. Please show the number of your post-16 places (of those included in the total 16-19 FTE ESFA-funded places) that have been assessed as high-needs and which have agreed will attract the additional high-needs funding.

Also show the number of commissioner funded 16 to 19 places. An individual 16 to 19 place cannot attract both commissioner-led and ESFA 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.

Budget sheet

Overview

The Budget sheet shows the school's indicative income, and is to be used to plan your expenditure.

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, using the 2018 to 2019 funding rates. The actual funding that a school will receive in a given academic year will not be established until closer to opening.

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 consistent with the rest of your plans and should be detailed throughout this sheet in the 'Assumptions/Rationale' column. Where relevant, 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.

Section 1 – FTE Places

FTE places by key stages will be automatically populated from the information you have provided on the Pupil/Place Number sheet.

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 in Section 1.

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

Section 2 - Income

All pre-16 FTE places in alternative provision free schools will attract base funding of £10,000 per place. This funding will automatically pre-populate in the template, based on the number of FTE places included in the Pupil/Place Numbers sheet.

All post-16 FTE places will be funded through the national post-16 national funding formula.

The income section will also automatically include any top-up funding that you have included in section 1.

Business rates

All free schools receive a grant from the ESFA to cover the full cost of business rates at the discounted charity rate. You should claim for this via the [online form](#) on GOV.UK.

The income section includes a row for "ESFA rates grant". This row will be populated automatically when you enter details of rates in the expenditure section (listed under 'Premises').

Other income

If you expect income from sources other than ESFA please include them in your budget sheet. You should use the assumptions/rationale column to provide 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 (POG) provides funding in two elements: per-place resources; and leadership grant. Please see the [guide to new alternative provision free school funding](#) for further information.

The template automatically calculates the resource element based on the place numbers each year until the school reaches capacity.

For alternative provision free schools, the leadership element will be agreed on a case-by-case basis following negotiation based on the needs of the new school. 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. Once you have agreed the leadership element with the department, the agreed amounts should be included in your plan in the cells provided in the template.

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 the replacement 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 detailed in the assumptions/rationale column.

We would expect contingency to be around 1% of overall income.

The GOV.UK website includes [schools benchmarking](#) information and [academies' spend data](#). These provide details of the 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.

Staff sheet

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 the respective columns. 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 special educational needs (SEN) or who have English as an additional language (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 provides some key summary information based on the information provided in the template including: surpluses and deficits; staff / pupil ratios; income; expenditure; and average salaries. Certain cells will flag as red where your ratios and planned 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 the assumptions/rationale column.



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