



Guide to completing the financial template

Mainstream applicants (Wave 15)

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1. Introduction

This guide is designed to support applicants to complete their financial template in line with the Department for Education (DfE)'s [guidance](#). A version of this template will also be used in pre-opening if your school is approved.

The financial template is an assessed section of the Wave 15 application form, and it is therefore important to complete it thoroughly and accurately alongside the narrative that is requested in section F (financial viability). **Please note that applicants that have opened a free school prior to September 2020 are not required to complete the financial template as part of the initial application.** However, you may be asked to do so before interview, or may wish to submit a financial model anyway, particularly if your proposed school significantly differs from your other free school(s).

2. Completing the template

2.1 Guidance

This sheet should be read before commencing the template.

2.2 Checklist

Come back to complete this sheet once you have filled in the template. It will not be assessed but will contain information to help the DfE understand your financial planning systems and will help make sure you have not missed anything.

2.3 Cover sheet

Filling in the cover sheet correctly is essential to make sure the correct formulae carry over to other sheets. You should double check that the age range, local authority and proposed opening dates are all correct before proceeding.

2.4 Pupil numbers

- The pupil numbers should show your expected build up. If the rows are not relevant to the school phase you are proposing, leave these blank.
- If you have the support of your local authority, you could ask if they would consider underwriting pupil numbers – however, this is usually a mechanism used for local authority presumption competitions.
- The pupil numbers on this sheet **must** match the pupil numbers you have provided in section D1

2.5 Budget

This sheet will be used to show your total incomings and outgoings year on year as your school builds to capacity.

Income

- **Core funding:** Your core funding will be calculated for you using the pupil numbers you have provided. Pupil premium funding is included in this and is calculated using the Ready Reckoner sheets. You should not anticipate any additional core funding beyond what is calculated here.

- **Post-opening funding:** As a new free school, you will be provided with additional funding to help with the set-up costs of the school and to offset the impact of having high staff to pupil ratios as the school builds to capacity. This funding consists of two elements:
 - Non staff resourcing costs, at £500 per secondary place created and £250 per primary place created in that year
 - A fixed leadership grant of £170,000, paid in instalments (50% in the first year; 30% in the second; and 20% in the third year)

| Post-opening grant | |
|--|------------|
| <i>Non staffing resources grant</i> | |
| Total new primary pupils/places (£250 per pupil/place) | (£) |
| Total new secondary pupils/places (£500 per new pupil/place) | (£) |
| Number of empty year groups - Reception to Year 11 | (#) |
| Leadership grant | (£) |
| Total post-opening funding | (£) |

(Fig 1- Post-opening grants)

- **Pre-opening funding:** This is not included in the spreadsheet, as while you will receive the project development grant (PDG) in pre-opening, it is not expected that there will be a significant sum left over by the time you open. It is not recommended to assume carry-over from the PDG in your budget.
- **Other income:** The spreadsheet provides applicants with the option to add in additional lines of income. This list is not exhaustive and may not be relevant to all setting but should be considered. Note that some of these schemes have not been guaranteed beyond the current academic year. All of the below should be considered 'cost neutral' and should be reflected in 'other expenditure'.
 - Universal Infant Free School Meals
 - Catering
 - PE and sports premium
 - High value courses (16-19) premium
 - Parental contributions to school trips, visits, clubs etc.
 - Nursery income where the school is offering places over and above the local authority's free hours entitlement

Other income from third parties: These lines may not be relevant for all applicants. If you are receiving income from a third party (e.g., a partner organisation), you should ensure that the viability of your budget is not reliant on this income and that it is only used to cover non-essential expenditure.

Expenditure

- **Salaries:** Salary costs will be pre-filled once you have completed sheet G.4 “Staff”
- **Non-salary staff costs:**
 - Supply teaching: if you do not plan to use an agency, this should be explained in the “assumptions” column
 - Employee expenses: This should be benchmarked with other trust schools if possible
 - Recruitment costs: consider that these are likely to be higher in initial years as you recruit your staff body, and the school is still building up a reputation
 - Training and development: again, consider higher rates of onboarding staff in the initial years. Also consider the levels of teachers in G4; if your model includes a high proportion of early career teachers, you may need to invest more in training costs
 - Other costs could include additional non-pay benefits awarded to staff
- **Premises:** Consider which of these costs will increase with additional pupils occupying the building, and which costs will be relatively fixed for the entire building regardless of how many empty classrooms you have. Consider also whether the building will be in use during non-term time, such as for clubs or community use.

| Premises | |
|---|--|
| Buildings maintenance and improvement | |
| Grounds maintenance and improvement | |
| Cleaning and caretaking | |
| Water and sewerage | |
| Energy | |
| Rates | |
| Other premises costs 1 (please specify) | |
| Other premises costs 2 (please specify) | |
| Other premises costs 3 (please specify) | |
| Other premises costs 4 (please specify) | |
| Total | |

(Fig 2- Premises)

- **Educational resources:** In addition to the costs suggested below, consider including costs for:
 - Reprographics
 - Uniform subsidy
 - Trips/activities subsidy

| Educational resources | |
|--|--|
| Learning resources (IT related) | |
| Learning resources (non-IT related) | |
| Exam fees | |
| Administrative supplies | |
| Other education resources 1 (please specify) | |
| Other education resources 2 (please specify) | |
| Other education resources 3 (please specify) | |
| Other education resources 4 (please specify) | |
| Total | |

(Fig 3- Educational Resources)

- **Insurance:** You are encouraged to use the DfE’s Risk Protection Arrangement, in which case this section will be filled in automatically. If you plan on taking out your own insurance policy, include the costs here.
- **Marketing, legal, auditing:** for an existing trust, most of these costs are likely covered under the MAT topslice or central service charge. If so, leave blank and make a note in the assumption’s column.
- **Other expenditure:** Your contingency should be around **1%**. Other expenditure will generally include:
 - Any ‘other income’ entered previously that will be offset (particularly grants and parent funded activity)
 - The MAT topslice/central charge – usually around 5% of the school’s income. You may wish to waive this in the first years of the school being open if you are able to cover costs centrally, but you should explain this
 - Transport hire e.g minibus
 - Catering costs
 - Apprenticeship Levy if applicable
 - Phone line

The “assumption, rationale and notes” column should be used extensively. In particular, you will be expected to explain how costs have been benchmarked, and where one line in the budget covers a number of elements, these should be summarised in this column.

| Assumptions/ Rationale |
|---|
| Contingency 1-2% of GAG except in Year 1, due to diseconomies of staffing |
| Assumed outsourced Catering Management Fee, plus cost of maintenance of Kitchen equipment etc |
| Assume 30% eligible for FSM and a 40% take-up of meals each day |
| Other assets as per current policies - items over £1,500 but will mostly be high-end ICT equipment and amortisation of any licence expenditure |
| Purchase of FFT/EPAS reports re student progress against benchmarks plus CATS tests, based on current known costs at Trust |
| 95% of anticipated private fund income per pupil, estimated to be £200 per annum. 5% is set aside to cover administrative costs which already sit in staff costs. |
| Assume an annual pension service cost of £600 per employee in LGPS |

When reviewing your **overall balance**, you should aim for an in-year surplus of between 3-5%.

Some years may dip below or above this – the most important thing is that your forecast shows a cumulative surplus over the years shown in the budget/

2.6 Staffing

Your staffing table will show how you plan to build up your staffing body and must be consistent with section D3.

You should enter every single staff member in this table.

- Check that your pension rates and NI category is correct
- The assumption, rationale and notes column should be used to show which pay scale staff fall on. If staff are fulfilling part time roles in the initial years, provide details here.
- The spreadsheet does not easily allow applicants to demonstrate pay progression for staff. To represent this in your budget, you can either:
 - include additional lines in the spreadsheet for higher paid staff that replace lower paid roles after a number of years
 - include a wider range of pay scales than you would expect to have
 - Include a lump sum in 'other expenditure' on your budget

| Post | FTE salary | Allowances | Pension rate | NI category | Number (enter 1 if employed full-time in this year, 0.5 if half-time, etc.) | | | | | | | | | Assumption, rationale and notes |
|--------------------|------------|------------|--------------|--|---|---------|---------|---------|---------|---------|---------|---------|-----|---------------------------------|
| | | | | | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | | |
| Headteacher | £ 85,000 | | 16.46% | A - All employees not in groups B, C, J, H, M or Z | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | Group 6 L21-35 |
| Deputy Headteacher | £ 60,000 | | 16.46% | A - All employees not in groups B, C, J, H, M or Z | | 0.2 | 0.4 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | L12-21 - ME secondment in Y2-3 |
| Asst Headteacher - | £ 55,000 | | 16.46% | A - All employees not in groups B, C, J, H, M or Z | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | L10-L15 |
| Asst Headteacher - | £ 55,000 | | 16.46% | A - All employees not in groups B, C, J, H, M or Z | 0.5 | 0.5 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | L10-L15 |
| Asst Headteacher - | £ 55,000 | | 16.46% | A - All employees not in groups B, C, J, H, M or Z | | | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | L10-L15 |
| Deputy Headteacher | £ 60,000 | | 16.46% | A - All employees not in groups B, C, J, H, M or Z | 0.5 | 0.5 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | L12-21 |
| Asst Headteacher | £ 55,000 | | 16.46% | A - All employees not in groups B, C, J, H, M or Z | | | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | L10-L15 |

(Figure 4 - Staffing Table)

2.7 Ready reckoners (pre- and post 16)

Your income figures will be generated using the National Funding Formula, which will draw average figures from the local authority in which the school will be based.

These assumptions can be found in sheets G5 and 6. There is no need to alter anything on these sheets, unless you have reason to believe that your cohort will be significantly different from local authority averages. The blue table on the left can be used to enter your own figures:

Tables for user input (LA averages are used instead for values left blank)

| Pupil-led Factor | Percentage of Pupils Eligible | | Assumptions / Rationale |
|---|-------------------------------|-----------|-------------------------|
| | Primary | Secondary | |
| FSM | | | |
| Ever 6 | | | |
| IDACI A | | | |
| IDACI B | | | |
| IDACI C | | | |
| IDACI D | | | |
| IDACI E | | | |
| IDACI F | | | |
| Looked-After Children (LAC) | | | |
| English as an Additional Language (EAL) | | | |

Low Prior Attainment

| Age Group | Percent Eligible | Assumptions / Rationale |
|-----------|------------------|-------------------------|
| Primary | | |
| Year 7 | | |
| Year 8 | | |
| Year 9 | | |
| Year 10 | | |
| Year 11 | | |

(Fig 5- Percentage of Students Eligible)

2.8 Summary tab

This tab will be used to summarise key metrics of your budget and will flag in red any figures which fall outside the expected ranges. If some of your metrics are flagged, this does not mean that you have to go back and change your model – but you should use the assumptions column to explain the rationale for this and provide any mitigations. Staffing ratios for free schools, particularly in the initial years, may be higher than expected as the pupil numbers grow.

3. Section G narrative

This section is an opportunity to provide information to the Department which might be helpful to them when considering your financial health. You should use this section to discuss:

- Your approach as a trust to financial planning, e.g. use of Integrated Financial Planning tools
- A more detailed explanation of central services and functions that are covered by the central charge
- Your approach as a trust to using reserves
- The role of your finance and/or audit committee
- Any recent reviews by School Resource Management Advisors

For new providers: In this section, you should describe how you will build processes to ensure that the free school will be financially stable and supported by skilled individuals who have a track record in financial management.

4. Further reading

- [Mainstream free school revenue funding - DfE guidance](#)
- [The DfE's school financial benchmarking tool](#)
- [Integrated curriculum and financial planning - DfE guidance](#)
- [School resource management checklist from the DfE](#)

Create: Schools advisors, along with our finance partners at [MLG education](#), can provide support, guidance and reviews of your financial template.