

Free Schools in 2012

How to apply

Mainstream schools

Introduction

This guidance:

- sets out the aims of the Free Schools programme;
- outlines the timetable for the preparation, submission and assessment of applications to open Free Schools in 2012;
- details the information you must provide in each part of your application;
- sets out the criteria against which your application will be assessed; and
- lists the minimum requirements which all Free School applications must meet in order to be considered.

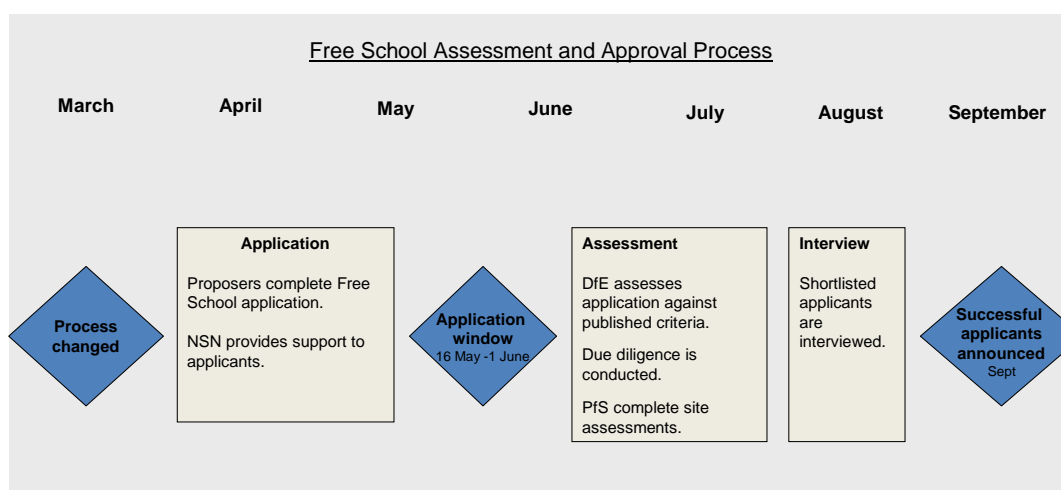
Free School aims

The vision of the Free Schools programme is to raise standards by encouraging a range of new and diverse providers to play a much greater role in state education. These new providers will have the opportunity to propose establishing new schools in response to parental demand, thereby introducing increased competition, new ideas and greater diversity into the school system.

In delivering this change, the Free Schools programme aims to:

- drive up quality of provision and standards – not only by the introduction of new Free Schools which are of high quality themselves, but also in other local schools;
- provide parents with greater choice about the school their child attends – with the power to propose to set up their own school if they are unhappy with existing options;
- encourage greater innovation in the education system by opening it up to a much wider range of providers and approaches;
- provide a value for money solution to creating new school places and driving system-wide change; and
- create an increasingly self-sustaining and self-improving system, relying far less on central government intervention and more on school leaders, teachers and parents themselves to ensure a good quality of education for all.

The timetable for assessing and approving applications



What happens when

Preparing and submitting your application – up to 1 June 2011

- Read this guidance carefully;
- New Schools Network is able to provide advice and guidance to help you prepare your application; and
- **Please note that any applications received by the Department either before 16 May or after 1 June will not be considered.**

Assessment of your application – 1 June to 31 July 2011

- We will assess your application against the criteria set out in this document;
- Any applications that do not meet the minimum criteria will be rejected;
- All applications that meet the minimum criteria will:
 - be judged against each other on a competitive basis, using both the minimum and comparative criteria set out in this guidance;
 - be subject to due diligence checks - this means that we will use the personal information you provided to ensure your application is suitable to be submitted to the Secretary of State for his approval; and
 - undergo viability and cost assessments of your preferred site by Partnerships for Schools.

Interviewing applicants – 1 to 12 August 2011

If your application meets the minimum criteria *and* is assessed as one of the strongest applications against both the minimum and comparative criteria we will invite you to interview in the first two weeks of August (between 1st – 12th August).

This is a key part of the process. Therefore, please ensure that the key people in your team hold this time in your diaries in case your application reaches the interview stage.

Final approval and decisions – 12 August to end of September 2011

- We will let everyone know the outcome of their application, successful or otherwise, by the end of September;
- If the Secretary of State approves your application to move to pre-opening stage you will be provided with a dedicated project lead from the Department, along with support to help secure a site and open your school in September 2012;
- There will be a significant amount of work to complete between approving your Free School application and your Free School opening in September 2012; and
- Assuming you make good progress against the key milestones in the pre-opening stage, the Secretary of State will then make a decision on whether to enter into a Funding Agreement – this represents final approval.

Application guidelines and criteria

This guide to completing your Free School application is divided into sections:

- Details of the **applicant group**, including information on the registered company and individual members;
- A **summary sheet** with basic details about the proposed school; and
- **Specific sections** on educational vision and plan, evidence of demand, organisational capacity and capability, premises, initial funding and financial viability.

Each section includes instructions on what you are expected to demonstrate, criteria against which your application will be evaluated and reference to any relevant laws, regulations or guidance.

Format requirements

Sections 1 and 2 require you to complete template forms. Please include these with the main part of your application.

Sections 3 to 7 should be on A4 paper and in Arial font with a minimum font size of 12.

Section 8 requires you to complete the template spreadsheet. Please include this with the main part of your application.

You are also required to complete **Section 9** (which is self-standing and is accessible in a *separate* downloadable form). This section asks you to provide and confirm personal details and declarations.

Application deadline and instructions

We must receive your application no earlier than 16 May and no later than **5pm Wednesday 1 June 2011** in order for it to be considered¹. You must submit one copy of your application electronically and **two** in hard copy. You will need to return two copies of “Section 9: Suitability and Declarations” to us by hard copy using the address highlighted in that document within the same timescales.

Further details on how to submit your application form will be available on our website on 9 May 2011.

¹ Applicants should not submit additional supporting material after this date, although the Department reserves the right to request additional information if deemed necessary.

We will inform applicants of the outcome of their application by the end of September 2011, if not earlier. Please note that there will not be any appeals processes.

Process and criteria

We will assess your form in three ways:

- against the minimum criteria, to decide if your proposed Free School is likely to be one of acceptable quality;
- against other Free School applications, to ensure that only the best applications are approved; and
- against cost considerations, to ensure that the proposed Free School is affordable and offers maximum value for public money.

To that end, please note that:

- **applications that do not meet all minimum criteria will not be approved**, these criteria are set out at the end of sections 3-8;
- **all applications that do meet the minimum criteria will then be assessed against each other**, using both the minimum and comparative criteria, also set out at the end of sections 3-8; and
- **value for money and overall cost will be a consideration throughout**, and applications will be assessed against each other in this regard.

Wider contextual factors for all Free School applications

In assessing an application, we will take into account a wide set of contextual factors, including but not limited to:

- the age range of the free school;
- overall cost;
- value for money;
- the level of deprivation in the community that it serves;
- the standards of schools in the local area;
- the type of provider; and
- its faith or not.

Free Schools for pupils aged 16- 19

Under current legislation, it is not possible to establish a Free School solely catering for pupils aged 16-19. Subject to Parliamentary approval, the Education Bill currently before Parliament will make that possible, and will enable the Secretary of State to approve applications for 16-19 Free Schools to open in September 2012. If you wish to set up a 16-19 Free School, please submit your application using the same sections set out below.

Additional criteria for existing independent schools seeking to become Free Schools

Only existing independent schools that already provide high quality places will be considered. If independent schools do not meet the following minimum criteria, their applications will be rejected:

- For schools inspected by Ofsted, the Bridge Schools Inspectorate or the School Inspection Service, judgements of good or better in each of the following areas of its latest inspection report:
 - (i) the quality of education;
 - (ii) safeguarding pupils' welfare, health and safety; and
 - (iii) promoting the spiritual, moral, social and cultural development of pupils.
- For schools inspected by the Independent Schools Inspectorate, judgements equivalent to good or better in each of the following areas of its latest inspection report:
 - (i) the quality of academic and other achievements;
 - (ii) the contribution of curricular and extra-curricular provision;
 - (iii) the contribution of teaching;
 - (iv) the quality of the pupils' personal development;
 - (v) the contributions of arrangements for welfare, health and safety; and
 - (vi) the effectiveness of governance, leadership and management.
- There are no significant outstanding issues on compliance with the independent school standards; and
- The existing trust has a good track record of managing their accounts (see section 8 below).

If an existing independent school meets these criteria, we will take into account not just the information included in the application form but wider contextual factors, including:

- examination performance, both in absolute and relative terms compared to other state schools (our expectation is that the school should perform significantly better than other schools in the local area at the relevant key stage);
- the popularity of the school (our expectation is that the school is at or near maximum capacity in terms of pupil numbers);
- the appeal of the Free School to parents who do not currently have children at the school, especially from more disadvantaged homes;

- the level of deprivation in the area - in the event of two similar applications, those from more deprived areas will be prioritised;
- overall cost – including judgements on revenue and capital cost estimates; and
- value for money.

Checklist for applicants

Before submitting your application form, please ensure you have:

- established a Company Limited by Guarantee (also commonly known as an 'Academy Trust') and registered this with Companies House (not the Charity Commission) - guidance can be found at the link below^{2 3};
- completed ALL SECTIONS of the application and suitability and declarations forms, using the section numbering and titling consistent with the guide below:
 1. Applicant details
 2. Outline of the school
 3. Educational vision
 4. Educational plan
 5. Evidence of demand and marketing
 5. Organisational capacity and capability
 7. Premises
 8. Initial costs and financial viability
 9. Suitability and Declaration (separate downloadable form);
- completed and attached the financial viability assessment spreadsheets (section 8); and
- considered your responses against the evaluation criteria for each section.

² <http://www.companieshouse.gov.uk/>.

³ Model Memorandum and Articles of Association are available from <http://www.education.gov.uk/schools/leadership/typesofschools/freeschools/a0074737/free-schools-model-funding-agreement>

Free School requirements

The Free Schools programme aims to increase the range and quality of education for children in a pluralist and democratic society. The Secretary of State will therefore seek to ensure that only suitable persons are permitted to establish Free Schools which will be publicly funded. In addition, any decision relating to the establishment of Free Schools must be affordable and in accordance with the Government's wider policies and guidelines.

The Secretary of State will consider each application on its merits, and take into account all matters relevant to the application. He will reject any applications put forward by organisations which advocate violence or other illegal activities.

In order to be approved, applications will need to demonstrate that they would support UK democratic values including respect for the basis on which UK laws are made and applied; respect for democracy; support for individual liberties within the law; and mutual tolerance and respect.

Assessing the suitability of applications

In addition to the evaluation criteria set out in this application form, you should also be aware of the following **minimum requirements**.

1. Section 149 of the Equality Act 2010 places a duty on the Secretary of State to promote equality of opportunity. The Secretary of State must have due regard to the need to:
 - Eliminate discrimination, harassment and victimisation
 - Advance equality of opportunity⁴
 - Foster good relations (and tackle prejudice and promote understanding)⁵.Applicants are required to ensure that their proposed Free School will be able to further those aims.
2. Free Schools with a religious character will have to balance the needs of (a) children with a faith and (b) children of other faiths or none; and when oversubscribed, be able and willing to admit at least 50% of their intake without reference to faith.
3. Applications for schools wanted to be designated as a school with a religious character (faith school) must be accompanied by a letter of endorsement from the relevant religious body or diocese for the Church of England or the Roman Catholic Church.

⁴ This refers to people who do / do not share a protected characteristic; protected characteristics' refer to age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation

⁵ *ibid*

4. Creationism, intelligent design and similar ideas must not be taught as valid scientific theories.
5. Existing independent school applicants should note the additional criteria set out on p.8-9.
6. Free School applicants will need to confirm that they understand and accept the following:
 - Free Schools must have arrangements to safeguard and promote the welfare of children who are pupils at the school. This is set out in parts 3 and 4 of schedule 1 of the Education (Independent School Standards) (England) Regulations 2010 (<http://www.legislation.gov.uk/uksi/2010/1997/contents/made>);
 - Free Schools are required through their Funding Agreement to adopt practices and arrangements that are consistent or in accordance with the School Admissions Code, the School Admission Appeals Code and admissions law as it applies to maintained schools <http://www.dcsf.gov.uk/sacode>;
 - Free Schools must meet the Education (Independent School Standards) (England) Regulations 2010 <http://www.legislation.gov.uk/uksi/2010/1997/contents/made>; and
 - the model Free School Funding Agreement www.education.gov.uk/freeschools/a0074737/free-schools-model-funding-agreement.

Section 1: Applicant details

As Companies Limited by Guarantee, certain details will be publicly available on the Companies House website. However, personal information will be treated in accordance with the Data Protection Act 1998.

We realise that not all of this section will be relevant or appropriate to existing Academy sponsors.

Details of Company Limited by Guarantee
Name:
Company address:
Company registration number:
Main contact
Name:
Address:
Email address:
Telephone number:
Members and Directors
Please confirm the total number of (a) Company Directors <input type="checkbox"/> and (b) any other members of the Governing Body <input type="checkbox"/> appointed to date and list them below. Please also confirm who the proposed Chair of the Governing Body is.
Name:
Position:
Name:
Position:
Name:
Position:
Name:
Position:
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Position:
Name:
Position:
Name:
Position:
Related organisations
Does the Company Limited by Guarantee have any links (through the members, directors or otherwise) with any other charitable or commercial

organisation? Y/N
If Y please provide their name and Charity Commission number and describe the role that it is envisaged to play in relation to the Free School:
If your organisation is an existing independent school, please provide your six digit unique reference number:

Declaration to be signed by a Company Director

I confirm that the information provided in this application is correct to the best of my knowledge and that if the application is successful the Company will operate a Free School in accordance with the requirements outlined above and the requirements of the Independent Schools Standards* and the Funding Agreement with the Secretary of State.

Signed:

Print Name:

Date:

Each Member and Director of the Company should also complete and return the personal information and declarations from Section 9 (which is in a separate downloadable form).

* The requirements of the Independent Schools Standards are not applicable for 16-19 Free Schools.

Section 2: Outline of the school

Proposed school name:								
Age range:								
<p>Proposed numbers in each year group at point of opening and explanation of how pupil numbers will expand to fill the school over time.</p> <p>If your application includes nursery provision, please add additional rows as appropriate.</p>		2012	2013	2014	2015	2016	2017	2018
	Reception							
	Year 1							
	Year 2							
	Year 3							
	Year 4							
	Year 5							
	Year 6							
	Year 7							
	Year 8							
	Year 9							
	Year 10							
	Year 11							
	Year 12							
Year 13								
If an existing independent school, provide details of your latest inspection (including the report), current numbers on roll and total capacity of school.								
Will your school have a religious character (i.e. be a faith school)? If Y, please specify which faith. Please see notes below (at the end of this table).								
Is this an application for a single-sex school? If so, please tick the relevant box.	Y / N. If Y, please tick one of the following boxes <input type="checkbox"/> Boys <input type="checkbox"/> Girls							
Local authority area in which the school would be situated (and if near to a LA boundary please include names of neighbouring LAs).								

Being designated as a school with a religious character will allow you to admit pupils or recruit some teaching staff on the basis of religious belief. The Funding Agreement requires you to teach Religious Education according to the tenets of your faith. You do not need to apply for religious designation as part of the application process, but this will be necessary if your application is approved. The Religious Character of Schools (Designation Procedure) (Independent Schools) (England) Regulations 2003 (as amended), available here <http://www.legislation.gov.uk/ukxi/2003/2314/introduction/made>, sets out the procedure for Independent Schools and Academies to be designated as schools with a religious character. As Free Schools will legally be Academies they will need to follow the same process.

Section 3: Educational vision

The educational vision should describe why you are setting up *this* Free School and its defining features and ethos. This is your opportunity to tell us in your own words about the overarching vision for your school.

Information required

- Set out why you are establishing your Free School – the rationale for this age range/ curriculum offer/ location / pedagogy; and
- Identify what will make the school distinctive in its vision and ethos.

Evaluation Criteria

Minimum Criteria:

- A clearly focused vision that underpins the application; and
- Aligns with the aims of the Free Schools programme (as set out on page 3).

Section 4: Educational plan

The educational plan should describe the structure of your school and the experience that pupils will have whilst attending it. You should set out what pupils will achieve, how they will achieve it and how the school will evaluate performance, both of individual pupils and the school as a whole.

Information required

Admissions

Set out your admissions policy, including the criteria to be used to prioritise places if your school is oversubscribed. Free Schools with a religious character will have to balance the needs of (a) children with a faith and (b) children of other faiths or none; and when oversubscribed, be able and willing to admit at least 50% of their intake without reference to faith. 16-19 Free Schools do not have to adopt arrangements that are consistent or in accordance with the School Admissions Code but should still set out the details of their planned admissions policy.

Curriculum and organisation of learning

Set out expectations around the length of the school day, term and year.

Describe the curriculum in detail, setting out how it will be broad and balanced and meet the different needs and interests of all pupils including, for secondary students, the range of qualifications which might be offered (16-19 Free Schools do not have to offer a broad and balanced curriculum).

Set out a curriculum model that shows what proportion of learning is given over to each subject or area of learning for each year group.

Set out your approach to disabled pupils and pupils with Special Educational Needs, who may or may not have a statement, and set out how you will have regard to the SEN Code of Practice.

Organisation of pupils

Explain how pupils will be organised, for example through year groups, tutor groups or other class structures.

Pupil development and achievement

Show how your school will define, measure and hold people accountable for the success of: i) the whole school; and ii) individual pupils.

Behaviour and Attendance

Show how the Free School will promote good behaviour, positive relationships and good attitudes to learning; and show how the Free School will maintain high levels of attendance.

Community Engagement

Explain how when the Free School is established it will aim to foster good community relations and promote active contribution to modern British society, in line with the Equality Act 2010.

Evaluation Criteria

Minimum Criteria:

- confirmed commitment to meeting the accountability requirements applicable to all state funded schools, as set out in the model Free School Funding Agreement www.education.gov.uk/freeschools/a0074737/free-schools-model-funding-agreement;
- commitment that the Free School will adopt practices and arrangements that are consistent or in accordance with the School Admissions Code, the School Admission Appeals Code and admissions law as it applies to maintained schools <http://www.dcsf.gov.uk/sacode>
- a broad and balanced curriculum⁶;
- a viable curriculum plan with appropriate focus on core areas of learning. For primary, this includes the core subjects of English, mathematics and science and will need to support pupil progression to secondary education. For secondary, this includes but is not limited to the core subjects of English, mathematics, science, and a regard for supporting young people to achieve the English Baccalaureate;
- a clear strategy for ensuring that the needs of pupils with different abilities are met;
- a clear definition of success and how it will be measured;
- a sound approach to behaviour management and attendance;

⁶ In order to be considered broadly based and balanced the curriculum must (a) promote the spiritual, moral, cultural, mental and physical development of pupils at the school and of society, and (b) prepare pupils at the school for the opportunities, responsibilities and experiences of later life.

- fostering good community relations and promote active contribution to modern British society, in line with the Equality Act; and
- if a faith school, have clear plans to encourage applications from pupils of other faiths or none.

Further Guidance

Behaviour and exclusions:

<http://www.teachernet.gov.uk/wholeschool/behaviour/exclusion/>

SEN code of practice:

<http://www.teachernet.gov.uk/docbank/index.cfm?id=3724>

School Admissions Code <http://www.dcsf.gov.uk/sacode>

Equality Act 2010: http://www.equalities.gov.uk/equality_act_2010.aspx

Section 5: Evidence of demand and marketing

You must demonstrate that you have sufficient parental demand for the type of provision and number of places proposed and have engaged with the wider community. Solid evidence of parental demand is a minimum requirement and you **must** provide the information required in order for your application to be considered.

Information required

Evidence of parental demand

Provide information that clearly shows the number of parents that want to send their children to your particular school, ensuring that the evidence you have collected is consistent with your stated admissions policy (eg. age range, proximity to the proposed site etc.) However, please **do not** provide us with copies of individually completed survey forms.

Tell us the questions that you asked in your survey - which should be specific to your school.

Applications for 16-19 Free Schools may wish to show demand directly from young people of the relevant age.

Demonstrate how you have - or how you intend to - make the school known and attractive to pupils from deprived or disadvantaged families.

If you are proposing a faith school you should demonstrate that you have actively engaged with parents of other faiths and none.

You may consider providing wider demographic data and evidence about local need in the area to add context to the data from your survey findings.

Consultation and equality of opportunity

For all applications that are approved, the Academy Trust will need to carry out a statutory consultation – please set out your plans for consultation as set out under Section 10 of the Academies Act 2010; in doing so, you will want to consider your wider responsibilities under equalities legislation.

Marketing strategy

Provide a plan for how you will market the school to prospective parents. You will need to be able to achieve the demand you have identified for your school so that places will be filled in each intake year going forward.

Include details of any discussions you have had with the local authority to admit pupils, although having had such discussions is not essential.

Evaluation Criteria

Minimum Criteria:

- Evidence of demand from parents with children of the relevant age equivalent to a minimum of 50% of enrolment in your first two years of operation; and
- Confirmation from parents that they would select your Free School as one of their child's choices.

Comparative Criteria:

- Demonstrate how you intend to reach out to the wider community, including children from a range of backgrounds and faiths (if relevant) and across the ability spectrum, (independent schools will need to demonstrate evidence of demand beyond their existing pupil and parent base);
- A clear plan for the statutory consultation which must be undertaken by the applicants (should the application be approved), including consideration of how you might respond to feedback; and
- A robust marketing strategy built on your educational vision and plan, taking into account your proposed intake and the demand that you have already gathered.

Further Guidance

Statutory Consultation: <http://www.legislation.gov.uk/ukpga/2010/32/section/10>

Equality Act 2010: http://www.equalities.gov.uk/equality_act_2010.aspx

Section 6: Organisational capacity and capability

You must demonstrate to us that your group / team has the capacity to set up and run a school, and has access to the relevant educational and financial expertise.

If your application is approved, we will then support you to secure additional expertise that you may need in relation to project management, ICT and sites and buildings.

Before submitting an application for a Free School, you **must** have established a Company Limited by Guarantee (also commonly known as an Academy Trust) with members and directors appropriately skilled to discharge their duties. The company number should be provided in Section 1 and copies of the registered Memorandum and Articles of Association should be appended to your application. We will not consider applications that do not have this information attached.

Information required

Capacity and capability to set up a school

Provide details of the members of the company, their particular areas of experience and expertise, and the time they are able to commit to the project.

Show that you have considered the resources, people and skills that you will need to set up a school, and in particular demonstrate that you have educational and financial expertise on your long-term team.

Identify if there are skills gaps within your group / team at present and how you propose to address these if your application is approved. This could be through the involvement of people with expertise as part of the applicant group, through voluntary partnership with a provider, or through having procured this support from another organisation (once your application has been approved and you have agreed support arrangements with the Department).

Set out plans for recruiting your school's Principal Designate (headteacher) and the role you envisage him/her playing in the pre-opening phase. *If you have already identified your preferred Principal Designate you should provide their CV and evidence of their ability to deliver your educational vision and lead your proposed school.* You should be aware that if your application is approved, you will – subject to Departmental considerations – be able to appoint a Principal Designate and two terms in advance of the school's opening date.

Set out plans for appointing a committed Governing Body with the breadth of skills needed to oversee both the pre-opening and post-opening phases.

Capacity and capability to run a school

Set out how you will have appropriate financial expertise to oversee the financial management of the school.

Set out your plans for the leadership and staffing of your school. This should reflect both the arrangements upon opening and as the school develops to full capacity, with clear delineation of roles and responsibilities.

Evaluation Criteria

Minimum Criteria:

- Company Limited by Guarantee established; and
- access to appropriate and sufficient educational and financial expertise.

Comparative Criteria:

- the experience of the individuals involved in the project, and the time they will be able to commit to it, (where you are relying on external support, you will need a clear plan for accessing that support);
- an adequate staffing structure to deliver the planned curriculum, building up from year 1 to when the school is at full capacity. You will be asked to demonstrate the financial viability of this staffing plan later in the application form in Section 8: Initial costs and financial viability;
- a robust and realistic set of plans for recruiting high quality staff and governors in accordance with your proposed staffing structure and educational plans; and
- clear understanding of the respective roles of the Company, Governing Body and Principal Designate.

Further Guidance

Companies House: <http://www.companieshouse.gov.uk/>

Procurement Guidance:

<http://www.education.gov.uk/freeschools/b0073235/procurement-guidance-for-free-schools/>

Governance Guidance: <http://www.governornet.co.uk>

Section 7: Premises

You will need to set out the range of possible site options available for your Free School including details of the preferred site. This information is to allow Partnerships for Schools (PfS) to evaluate your site options. PfS are assisting Free School applicants to secure sites.

You are not required to enter into any negotiations for sites and **must not** do so at this stage. Where an application meets the minimum criteria for consideration, PfS will undertake visits to assess proposed sites for their suitability, procurement plans, and consideration of any work required. We will make an overall cost and value for money assessment of your proposed site options. You must be aware however that if it proves impossible to identify a preferred feasible site by mid-July 2011, it is highly unlikely we will be able to approve your application for opening in 2012. You should bear in mind that those applications that are able to achieve the best overall cost and best overall value for money will naturally be prioritised for approval over those that do not.

Information Required

Possible site options

Please provide brief details of the steps you have taken to search for suitable sites and what sites (if any) are available in the local area.

Details of your preferred site

Please set out (where you can):

- your reasons for choosing this site;
- the address of the proposed site;
- the current use of the proposed site;
- the current freeholder of the proposed site;
- a brief description of the site including size (in sqm) and the proposed pupil numbers; and
- the availability of the site and the nature of the tenure.

You **must not** enter into any negotiations for sites at this stage if you are hoping for Government support to purchase your site.

Capital investment

Please detail any sources of funding available to you to support site acquisition.

Evaluation criteria

Minimum Criteria:

For this section, there are no minimum criteria that must be met at the point of submitting your application; however, please note that if it proves impossible to identify a preferred feasible site by mid-July 2011, it is highly unlikely we will be able to approve your application for opening in 2012, simply because of the time available to do whatever is necessary to prepare the site for the opening of the school.

Comparative Criteria:

- We will make an overall value for money and cost assessment of your preferred site options. Applications which are able to achieve the best value for money and best overall cost will naturally be prioritised for approval over those that do not.

Further Guidance

Guidance on accommodation requirements:

www.teachernet.gov.uk/curriculumanalysis

Partnerships for schools: <http://www.partnershipsforschools.org.uk> and <http://fsk.partnershipsforschools.org.uk/default.htm>

Section 8: Initial costs and financial viability

You must demonstrate that the cost of establishing your proposed school and bringing it to full capacity represents value for public money, making best use of available resources while maintaining the school's educational vision and objectives.

You will also need to demonstrate that once at full capacity, the Free School will be financially viable in the long term and sustainable within the per pupil funding which it is likely to receive. Funding for years 2012/13 and beyond is yet to be confirmed and is subject to work on the wider reform of the school funding system, so Free School funding figures for 2011/12 will need to be used when completing this section.

Information Required

Financial spreadsheet and long-term viability

You will need to demonstrate that your proposed Free School will be financially viable and sustainable within the per pupil funding that it is likely to receive once it is at full capacity ('steady state').

A financial plan template spreadsheet (www.education.gov.uk/freeschools) is provided as a framework to enable you to build up indicative income and expenditure academic year budgets for the proposed school from opening until pupil numbers are forecast to have reached capacity in a consistent way. You should ensure it covers a minimum of five years.

This financial plan template must be used for all proposals for primary, secondary, 16-19 and all-through Free School applications. It should not be used for proposals for alternative provision or special schools – instead, a separate template will be available for those proposals. Instructions for completing the spreadsheet are contained within it.

Your application should also include detailed assessment of how you would manage your budget and remain financially viable if only 90% of places were filled, and/or if the number of pupils eligible for Free School Meals was less than planned, as you would only be receiving funding for the pupils recruited. You might find it best to provide this as an amended version of the financial spreadsheet.

If you are assuming significant income from sources other than DfE grant e.g. third party contributions, you should provide a detailed assessment of how you would manage your budget and remain financial viable if these contributions were significantly less than expected. You might find it best to provide this as an amended version of the financial spreadsheet.

There may be uncertainties in some parts of the budgets. In these areas, you should use your current best estimates, referenced to established benchmark information where available. You should clearly state the assumptions which you have made in the appropriate place in the financial template.

Companies Limited by Guarantee, known also as Academy Trusts, are not permitted by their Funding Agreement to enter into borrowing arrangements without the specific approval of the Secretary of State. Such approval may only be granted in limited circumstances. Academy Trusts are not permitted by their Funding Agreement to carry over excessive balances (presently 12% in total of which 2% can be revenue). Your financial plans should not therefore be predicated on your school being able to borrow or to carry over significant balances of funding from one year to the next.

Your completed financial template(s) should be submitted alongside your main application.

Start-up funding

Start-up funding is intended to enable a new school to cover essential costs when the school opens, such as employing a headteacher and buying books and equipment, where these costs could not otherwise be met by the per pupil funding initially received.

Start-up funding guidance and a template is included in the financial spreadsheet to allow you to see how much of this funding is likely to be needed by your Free School proposal. Most elements of start-up funding are calculated on a formulaic basis which is based on the number of pupils the school will have.

Formulaic elements of start-up funding include funding for books, materials and equipment, post-opening recruitment costs and some initial senior staff training. These formulaic elements will automatically complete in the financial spreadsheet once you have entered pupil and teacher number information.

There is also some funding available to meet the diseconomy of scale costs of employing senior staff when the school opens, when not all of the pupil cohorts are yet at the school. This funding is calculated on a school by school basis, depending on the way the pupil cohorts are building up and which senior staff are essential for a particular school to be able to operate. The **staffing diseconomy** lines of the spreadsheet are blank for you to complete, so you will need to estimate how much diseconomy funding your school will need as a minimum while building up your pupil cohorts. As a guide, a school which has 500 pupils and is starting with 100 pupils will have 20% of its pupils in the first year, so might expect diseconomy funding to cover 80% of the headteacher's salary in the first year. Diseconomy funding should reduce proportionately as pupil numbers build up.

Please note that independent schools becoming Free Schools will not normally be eligible for start-up funding.

Prior year audited financial statements (existing independent schools only)

Existing independent schools seeking to become Free Schools should submit their last two years' audited financial statements with their completed application form. An up to date set of audited accounts must be produced before we can approve your application. If you are unable to provide audited accounts please explain why and supply an alternative.

Evaluation Criteria

Minimum Criteria:

- Demonstrate that the proposal to establish the school represents value for money in the use of public funding - any additional funding considered necessary e.g. staffing diseconomies, above that provided through the per pupil funding formula and any formulaic start-up funding, should be kept to the absolute essential items to provide a balanced budget whilst ensuring that the educational vision of the school can still be delivered;
- Demonstrate that the planned school will be financially sustainable once there is a cohort of pupils in each year (as an expectation, this means generating in year operating surpluses);

Comparative Criteria:

- Show that the planned school would be financially resilient to reductions in income caused by failure to recruit pupils to your best estimate recruitment pattern or failure to receive contributions from third party sources (where these are expected to be significant) - as a minimum, this means demonstrating that there is sufficient flexibility in the budget so that the school will be able to realistically change its expenditure to keep within reduced levels of income, without detriment to the delivery of the educational vision;
- Financial plans that are consistent with other aspects of the application and are based on supportable and realistic assumptions about income and expenditure; and
- For existing independent schools, show that the existing school has a good track record of financial management and that there are no other existing financial issues which would impact on the transfer to academy status.

Further Guidance

Academy Financial Handbook – http://readingroom.ypla.gov.uk/ypla/ypla-academies_financial_handbook-gn-nov06.pdf

Visit the Schools Benchmarking website to see examples of maintained school finances: <https://sfb.teachernet.gov.uk/Login.aspx>

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