

**TO: SCHOOLS FORUM**  
**DATE: 7 DECEMBER 2017**

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**START-UP AND DISECONOMY  
FUNDING POLICY FOR NEW AND EXPANDING SCHOOLS  
Director Children, Young People and Learning**

**1 PURPOSE OF REPORT**

- 1.1 The purpose of this report is for the Forum to agree the *Start-up and Diseconomy Funding Policy for New and Expanding Schools* for 2018-19. Whilst the basic principles and component parts are proposed to remain unchanged, a number of amendments are being proposed that build on experience gained from the current new school building programme and the impact of the School National Funding Formula (SNFF).
- 1.2 The policy document also contains cost forecasts. Due to their long term nature and reliance on external factors, such as the pace of housing developments, the total cost and the actual timing it arises should be viewed as provisional and subject to considerable change. Short term forecasts are, however considered to be a reliable aid to budget planning.

**2 RECOMMENDATIONS**

- 2.1 **To AGREE that the updated new / expanding schools funding policy as attached at Annex 3 should be applied in the 2018-19 financial year.**

**3 REASONS FOR RECOMMENDATIONS**

- 3.1 To ensure that an affordable, clear, fair and transparent funding policy is in place that can be consistently applied to all new / expanding schools, placing the minimum financial burden on existing schools.

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 These are set out in the supporting information.

**5 SUPPORTING INFORMATION**

- 5.1 The size of the new / expanding school building programme presents a significant revenue funding pressure. This arises from the expectation of needing to open up to six schools in the medium term, all initially with relatively low pupil numbers and needing additional financial support that will need to be financed from within the Dedicated Schools Grant (DSG). Annex 1 sets out the draft short to medium term plan for new schools which will be subject to regular review, update and change.
- 5.2 As previously reported, the national school funding reforms do not address how LAs will be funded for this pressure. The 2018-19 DSG funding allocation for this purpose will be the same amount as the actual 2017-18 budget, which as highlighted on another agenda item, results in a budget pressure of £0.512m. Alternative funding arrangements are expected to be in place for 2019-20 although no details have been released.

- 5.3 The current funding policy for new / expanding schools was approved by the Forum in December 2016. It is generally based on the assessed cost of delivering the national curriculum, as modelled on existing costs in BF schools, with a mainly class based approach to funding during the initial years after opening, rather than actual pupil numbers on roll. The current policy can be found at:
- <http://democratic.bracknell-forest.gov.uk/documents/s102393/2017-18%20Funding%20Policy%20for%20New%20and%20Expanding%20Schools.pdf>
- 5.4 In reviewing the policy for 2018-19, experience can be drawn from 2 recent new builds; Warfield Woodhurst 2 form of entry primary school; and Kings Academy Binfield, an all through school incorporating a 2 form of entry primary school and 7 form of entry secondary school. The implications of the new School National Funding Formula (SNFF) also need to be taken into account in any policy update. Finally, the policy also needs to be compliant with Education, Skills and Funding Agency (ESFA) requirements as set out in *School Revenue finding Operational Guidance* with Annex 2 setting out an extract of the relevant text.
- 5.5 Drawing on the funding allocations to be included in the SNFF, and in particular the new minimum per pupil funding rates i.e. £3,300 for primary and £4,600 for secondary (2018-19 amounts), rather than attempt to cost required support from a zero base budget approach, estimating the likely level of expenditure needing to be incurred on all areas of a school's budget, e.g. number and grades of teachers, including Senior Leadership Groups, classroom resources, utilities etc, for next year, it is proposed that a cap would be calculated on total funding available when a new school is full, based on the minimum per pupil funding rates required in the SNFF. This would equate to the minimum budget a school can receive when funded on the SNFF and therefore is in line with national government funding policy.
- 5.6 In addition to an allocation based on minimum per pupil funding rates, there would be an funding for business rates as this is outside the DfE minimum rate calculation. Table 1 below illustrates how the total maximum budget of a new school would be calculated, using the primary phase as an example.

Table 1: Calculation of maximum budget allocation to a new primary school

FE	Pupils per class	Year Groups	Max NOR	Per pupil funding rate	Rates (estimated actual)	Total if Full
3 FE (assumed to open as 1 FE, then expanding to 2 FE and 3 FE when sufficient demand)						
First FE	30	7	210	£3,300	£20,000	£713,000
Second FE	30	7	210	£3,300	£0	£693,000
Third FE	30	7	210	£3,300	£0	£693,000

Table 1 illustrates the incremental funding to be received as a school expands over time in response to increasing pupil numbers. Assuming a £20,000 cost of business rates, a 1 FE school could receive up to £713,000, a 2 FE school £1,406,000 and a 3 FE school £2,099,000.

- 5.7 This approach is then consistent with how all other schools are funded, albeit using the minimum amount a school can receive through the SNFF when most BF schools will be above that level. It is also expected to closely reflect the level of funding to be received

once a school moves to the SNFF, if pupils on roll in general have minimal additional needs, as measured through the SNFF. For comparison, the average budget an existing, full 1 FE BF primary school would expect to receive in 2018-19 is £779,880, and a 2 FE £1,539,670. These are around 9% above the maximum a new / expanded school could receive on the proposed BF new / expanding school funding policy.

5.8 Whilst this approach sets the maximum funding a new school can receive, there need to be enhanced allocations in the initial years to reflect the relatively low number of pupils and therefore high per pupil costs. To ensure adequate funding in the initial years after a school opens, it is proposed to retain the existing 3 separate funding elements as follows:

1. Funding for rates at estimated actual costs (same as SNFF)
2. Enhanced fixed lump sum to recognise additional diseconomies in the initial years after a school has opened
3. Per class funding, not actual pupil numbers, to reflect anticipated low average class sizes as schools will generally open before all housing developments are complete. This will be set as the balancing amount from the maximum new / expanding school budget, after making allocations for 1. and 2. above.

5.9 To ensure new / expanding schools move quickly to the SNFF and most likely to higher funding allocations, thresholds will be in place based on actual pupil capacity in a new school. 1 FE schools will move to the SNFF once pupil numbers reach 95% of capacity, 2 FE at 90% and 3 FE and above at 85%. Funding thresholds reduce for larger schools which can in general benefit from greater economies of scale. Table 2 below illustrates how this would work.

Table 2: Calculation of maximum NOR for a new primary school before being funded on SNFF

FE	Total if full (as per Table 1)	Maximum number of pupils		Maximum funding on new school formula	
		When school at full capacity	When funded on new / expanding schools policy		
3 FE (assumed to open as 1 FE, then expanding to 2 FE and 3 FE when sufficient demand)					
1 FE	£713,000	210	95%	200	£680,000
2 FE	£1,406,000	420	90%	378	£1,267,400
3 FE	£2,099,000	630	85%	536	£1,788,800

NB. Schools will receive 100% of rates allocation, assumed at £20,000 in Table 2, and per pupil funding of £3,300 for the (reduced) maximum number of pupils permitted in the policy.

5.10 In addition to day to day costs, new / expanding schools will also need financial support to undertake pre-opening start-up costs associated with the planning and preparation activities required to ensure readiness to admit pupils. These apply to the period during the capital work being completed and the school opening, and will characteristically cover salary costs of headteacher, caretaker and administration prior to opening and the purchase of any resources not covered by the capital element of the project necessary to admit pupils. There could also be cases when there is a delay in the scheduled opening date in which case extra costs would be incurred to maintain an empty school to a safe and efficient standard.

- 5.11 In drawing on experience to date, it has become apparent that whilst pre-opening start-up costs for expanding schools have been assessed relatively accurately, those required at new schools have been under estimated. As these schools will not ordinarily have a local base and infrastructure to draw on, there will be additional costs in terms of preparing the school for opening. Furthermore, the original expectation was that a part time headteacher could be recruited to the new school. In reality, this is not considered realistic and funding therefore needs to be allocated for a full time post. These indicate a significant cost increase of £0.050m for a new primary school and £0.120m for a new all through school, with a £0.007m increase for an expanded primary school.
- 5.12 The changes proposed for day to day costs have resulted in a number of generally minor amendments to the amounts of financial support proposed to be provided to new / expanded schools but are considered a more realistic and improved approach to funding which is consistent with the new national funding framework and sufficient to ensure the new / expanding schools are fairly funded.

Annex 3 sets out the proposed policy in full, together with proposed units of resource.

- 5.13 Appendix 3 of the proposed policy summarises the medium term anticipated financial implications through to 2025-26. Compared to the current policy, the overall financial change from the proposed amendments is that start-up costs are estimated to increase by £0.378m (116%) with day to day running costs reduced by £0.804m (-1.5%). Overall, costs have not significantly changed. However, the number of places expected to be funded has reduced by 1,469 from 13,234 to 11,765 (11%) with the average per place cost rising from £3,861 to £4,302. This is as a consequence of housing construction being slower than originally expected which prolongs the time it takes for schools to fill up and extends the period of additional funding top ups.
- 5.14 Forecast costs for key elements of the funding model through to 2025-26 are:
- 1) Start-up costs of £0.702m
  - 2) Allocations through the normal operation of the BF Funding Formula of £35.9m
  - 3) Diseconomy top-up funding of £14.0m
- 5.15 These are provisional estimates, drawing on a number of critical variables, for example, if the progress on construction and sale of houses is slower than currently forecast, fewer children will be in the schools which will prolong the period requiring additional financial support and further increase costs. Therefore, there is a relatively high margin for error in the cost forecasts.

## **6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### Borough Solicitor

- 6.1 The relevant legal issues are addressed within the main body of the report.

### Borough Treasurer

- 6.2 Significant revenue cost pressures arise from the new school building programme.

### Equalities Impact Assessment

- 6.3 None identified.

## Strategic Risk Management Issues

- 6.4 The risk to providing insufficient school places is considered low in the short to medium term as funds and agreements are in place to deliver new schools towards the beginning of major house building programmes, thereby creating the required places.
- 6.5 There will be a significant revenue pressure on the Schools Budget arising from the need to simultaneously adequately fund a number of new schools that are below their full capacity and therefore encountering diseconomies of scale. In the short term, the additional cost pressure is being met from the additional income received through the national school funding reforms. This approach will need to be kept under review as the DfE develops a medium to longer term funding policy to meet these costs.

## **7 CONSULTATION**

### Principal Groups Consulted

- 7.1 CYPL Departmental Management Team.

### Method of Consultation

- 7.2 Written report and presentations.

### Representations Received

- 7.3 From CYPL Departmental Management Team, included in this report.

### Background Papers

None.

### Contact for further information

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### Doc. Ref

K:\Pine\Executive\Schools Forum\85) 071217\2018-19 Funding Policy for New and Expanding Schools.docx

**DRAFT outline of potential new schools / expansions (subject to change)****Short Term (To September 2018)**

North Bracknell	Primary	No capacity works required
	Secondary	BLV secondary opens to 120 places in the intake year from Sep-18
South Bracknell	Primary	Great Hollands expansion to 3FE final Phase 3 completed for Sep-18
		The Pines expansion final Phase 2 completed for Sep-18
		Jennett's Park expansion to 2FE final allocation of furniture & equipment for Sep-18
	Secondary	No capacity works required
Crowthorne & Sandhurst	Primary	No capacity works required
	Secondary	No capacity works required

**Medium Term (from September 2019 to August 2023)**

North Bracknell	Primary	KAB primary opens to 1FE in the intake year from Sep-19
		Ascot Heath infant School reduces it's PAN from 70 to 60 from Sep-19
		Warfield - Woodhurst expands to 2FE from Sep-19
		Amen Corner North opens to 1FE from Sep-20
		Sandy Lane surge classroom is renewed from Sep-21
		KAB primary expands to 2FE from Sep-21
		Amen Corner South opens to 1FE from Sep-21
		Holly Spring surge classroom is renewed from Sep-22
		Warfield East opens to 1FE from Sep-22
	Secondary	KAB expands during the forecast period to keep pace with Basic Need requirements
South Bracknell	Primary	TRL Opens to 1FE from Sep-22, expanding to 2FE in Sep-23
	Secondary	Any deficits of places arising during the forecast period will be met from the Borough wide surplus of places created at KAB so no capacity works required
Crowthorne & Sandhurst	Primary	No capacity works required
	Secondary	Any deficits of places arising during the forecast period will be met from the Borough wide surplus of places created at KAB so no capacity works required

## ESFA guidance on the operation of a Growth Fund

1. Growth funding is within local authorities' schools block national funding formula allocation and has been calculated on the basis of historic spend. As it's within the schools block, a movement of funding from the schools formula into the growth fund would not be treated as a transfer between blocks, though the schools forum would still need to agree the total growth fund. Nor would such a movement reduce the size of the schools block.
2. The growth fund can be used only for the purposes of supporting growth in pre-16 pupil numbers to meet basic need, to support additional classes needed to meet the infant class size regulation and to meet the costs of new schools.
3. Local authorities are responsible for funding these growth needs for all schools in their area: both new and existing and both academies and maintained schools. They should fund all schools on the same criteria, discussed below. Where growth occurs in academies that are funded by ESFA on estimates, ESFA will ensure through the Pupil Number Adjustments that the academy is only funded for the growth once.
4. The costs of new schools will include the lead-in costs, for example to fund the appointment of staff and the purchase of any goods or services necessary in order to admit pupils. They will also include post start-up and diseconomy of scale costs. These pre and post start-up costs should be provided for academies where they are created to meet basic need. ESFA will continue to fund start-up and diseconomy costs for new free schools where they are not being opened to meet the need for a new school as referred to in [section 6A of the Education and Inspections Act 2006](#).
5. The growth fund may not be used to support schools in financial difficulty (any such support for maintained schools would be provided from a de-delegated contingency) or general growth due to popularity, which is managed through lagged funding.
6. The growth fund may not be the most appropriate source of funding for growing schools and local authorities should consider varying pupil numbers where there is a more permanent and significant change to numbers and where it's appropriate for the change to be reflected in the funding formula. Authorities will not need to submit a disapplication request for an increase to numbers where this is due to a change to the admission limit or a local reorganisation.
7. Local authorities are required to produce criteria on which any growth funding is to be allocated, which must be agreed by the schools forum. The schools forum must also be consulted on the total size of the growth fund from each phase and should receive regular updates on the use of the funding. ESFA will check the criteria for compliance with the regulations.
8. The criteria should provide a transparent and consistent basis for the allocation of funding, which may be different for each phase. Criteria for allocating growth funds should contain clear objective trigger points for qualification and a clear formula for calculating allocations with these criteria applying to all schools on the same basis. Compliant criteria would generally contain some of the features set out below:
  - support where a school or academy has agreed with the authority to provide an extra class in order to meet basic need in the area (either as a bulge class or as an ongoing commitment)

- additional support where a school has extended its age range (the majority of funding would be paid through the funding formula where the local authority should seek a variation in pupil numbers)
- support where a school has temporarily increased its PAN by x or more pupils in agreement with the authority
- support for key stage 1 classes where overall pupil numbers exceed a multiple of 30 by x or fewer pupils
- pre-opening costs / initial equipping allowance / diseconomy of scale allowance for new maintained schools and academies, including new academies where the school is opening in response to basic need

9. Methodologies for distributing funding could include:

- a lump sum payment with clear parameters for calculation (usually based on the estimated cost of making additional provision for a new class or the estimated start-up costs)
- £x per pupil (usually based on AWPU) and reflecting the proportion of the year which is not funded within the school's budget share
- £x per pupil, with a maximum ceiling

10. Examples of some local authorities' criteria for allocating growth funds to school and academies can be found in [Schools funding 2016 to 2017: targeted funding for high needs, growth and falling rolls](#).

11. Where growth funding is payable to academies, the local authority should fund the increase for the period from the additional September intake through until the following August. Local authorities should enter the cost of growth funding for the April to August period, along with appropriate justification, on the recoupment tab of the APT so that the recoupment calculation can be adjusted accordingly.

12. Growth fund recoupment adjustments will not be made for diseconomy of scale or start-up funding, so these should not be shown on the recoupment tab of the APT. This funding will continue to be met from the local authority's growth fund.

13. Where schools have agreed an expansion in pupil numbers with the local authority, the school should ensure that they understand the methodology for funding the increase and are content that the expansion is deliverable within the funding available.

14. Any unspent growth funding remaining at the year-end should be reported to the schools forum. Funding may be carried forward to the following funding period as with any other centrally retained budget, and can be used specifically for growth if the authority wishes.

15. Any overspent growth funding will form part of the overall DSG surplus or deficit balance.



Children, Young People  
and Learning  
Department

# **START-UP AND DISECONOMY FUNDING POLICY FOR NEW AND EXPANDING SCHOOLS IN 2018-19**

**DECEMBER 2017**

## Background

- 1) Significant growth in pupil numbers that has been experienced in recent years and the latest pupil forecasting information contained in the School Places Plan indicates the trend of increasing pupil numbers at the intake year in primary schools continuing and beginning to impact on secondary schools. One of the strategies in place to ensure sufficient places are available for all children who need them is to deliver new or significantly expand existing schools and plans are in place for 6 such schools, of which the expansion of Warfield Primary School onto the Woodhurst site opened in September 2016 and Binfield Learning Village all through school is scheduled to open to secondary aged pupils in September 2018.
- 2) New or significantly expanded schools are generally being delivered to meet forecast demand for pupil places from new housing developments and will open at the start of an academic year with relatively low pupil numbers as housing construction continues and generally take a number of years to reach the point where the normal operation of the School National Funding Formula (SNFF) delivers sufficient funds to adequately resource the schools. Therefore, during this period, they will need to be funded at a higher rate than would ordinarily be provided, creating a budget pressure.
- 3) To effectively manage the resultant financial impact, a relevant funding policy needs to be agreed that can be applied consistently, fairly and transparently to all new / expanding schools whilst at the same time minimising the financial burden on existing schools. In addition, the funding policy will need to comply with the requirements of the School Funding Regulations.
- 4) It is important to remember that like the SNFF, the model to be used to fund new / expanding schools will be designed to deliver resources in line with the policy and available funds, with compromises needing to be made. It is therefore designed to be a "best fit". In reality, each school will have a different cost base to the model as it will reflect the decisions taken by individual governing bodies and academy trusts. The funding model therefore aims to meet the overall policy objectives and requires individual schools to develop their spending plans accordingly.

## Funding options

- 5) School funding is closely regulated by the DfE and any arrangements to be put in place to provide additional financial support to new / expanding schools will need to be in accordance with current guidance. When growth funding is required over the long term the DfE supports funding schools through a variation to actual pupil numbers. Here, the LA requests to fund relevant schools with the number of pupils required for the normal operation of the Funding Formula to deliver the level of funds needed for the school to operate as determined by the new / expanding schools policy and not the relatively low actual or expected number on roll.

Funding on a variation to pupil numbers is therefore considered the appropriate methodology to adopt in BF due to the long term nature that additional financial support will need to be in place and the greater predictability of income.

## Policy Objectives

- 6) As set out above, the new / expanding schools will initially need to be funded at a higher rate than would ordinarily be provided through the SNFF and this will create a budget pressure. To determine how the appropriate amount of additional funding should be calculated, the following key features and methodologies will be used:
1. The policy only applies to new / expanding schools meeting basic needs requirements i.e. insufficient school places. Pupils attending through parental preference will not be funded by the council.
  2. The need to recognise that new / expanding schools require funding allocations that reflect their additional costs in the initial years, usually as a result of a relatively high proportion of fixed costs compared to total costs.
  3. That a fair and transparent methodology is in place that can be consistently applied to all schools in similar circumstances and is readily understood.
  4. That where possible, units of resource are based on the SNFF, to ensure new / expanding schools move towards their on-going amount of funding, which is the affordable level to the Schools Budget.
  5. Whilst funding negotiations will not routinely be undertaken with individual schools, limited flexibility needs to exist to reflect exceptional / specific circumstances; in particular around the number of classes that need to be opened and pre-opening start-up costs. For example, if a new school fills up relatively slowly, then there is likely to be a need to review the size of the lump sum allocation as fixed costs will remain a larger proportion of costs than expected in the funding policy.
  6. That there is no financial incentive for schools approaching their capacity to remain on the new school funding policy with clear cut off points in place to determine when new schools move to the SNFF.
  7. As initial budgets will be largely based on assessed needs, where a school is found to be over funded for day to day costs in one year, there is the option to make a corresponding reduction to the budget allocation due in the next year. Over funding of up to one class would not normally be subject to repayment.
  8. To reflect the different cost bases, different funding rates will need to be applied to different types of schools i.e. primary, secondary or all through, and also whether it is a new or expanding school.
  9. The policy needs to be regularly reviewed to ensure it remains appropriate for the activity in the borough, remains compliant with ESFA guidance and is affordable.

## Components of the proposed additional funding allocations

- 7) The funding elements of the policy are:
1. An allocation for pre-opening / start-up costs. New / expanding schools will incur start-up costs associated with planning and preparation activities required to ensure readiness to admit pupils. These apply to the period between the capital work being completed and the school opening and will characteristically cover salary costs of headteacher, caretaker and administration prior to opening and the purchase of any resources not covered by the capital element of the project necessary to admit pupils. There could also be cases when there is a delay to the scheduled opening date in which case extra costs would be incurred to maintain an empty school to a safe and efficient standard.

2. An allocation for diseconomies of scale. This relates to the need to incur a disproportionate amount of fixed management and premises costs as new schools build up their pupil numbers that the normal operation of the SNFF does not adequately fund when pupil numbers are relatively low.
3. An allocation for day to day operational expenses. DfE Funding Regulations require school budgets to be calculated on actual pupil numbers at the October prior to the commencement of the financial year. The new / expanding schools will all be opening after the census point used for funding purposes and will generally experience significant increases in pupil numbers at the start of each academic year and will therefore need an alternative funding methodology.
4. An allocation for rates. To operate in the same way as the SNFF. A full budget allocation at the estimated cost of rates. Note, due to their charitable status, academy schools receive 80% reduction on business rates and funding will therefore be allocated on 20% of the full cost in relevant circumstances.
5. Discretion for the relevant Director to consider making adjustments to the funds allocated to new / expanding schools in exceptional circumstances. Any changes would be subject to subsequent agreement of the Schools Forum.

#### Units of resource

- 8) As expected, the financial modelling undertaken indicates different cost bases between school phases and that different units of resource need to be used, the details of which are set out in Appendices 1 and 2. The following paragraphs summarise the key points and display the illustrative amounts considered appropriate at this stage. Final amounts will need to be agreed by the Schools Forum and Executive Member as part of the normal budget setting process, with affordability likely to be a key issue.

#### *Calculation of total budget*

- 9) Total maximum budget allocations will be calculated through reference to the SNFFF, and in particular the new minimum per pupil funding rates i.e. £3,300 for primary and £4,600 for secondary (2018-19 amounts). A cap will be calculated on total funding available when a new school is full, based on the minimum per pupil funding rates required in the SNFF. This would then equate to the minimum budget a school can receive when funded on the SNFF and is consistent with national government funding policy. It will inform what levels of funding can be included in each element of tis policy.
- 10) In addition to funding based on minimum per pupil funding rates, there would be an allocation for business rates as this is outside the DfE minimum rate calculation. Table 1 below illustrates how the total maximum budget of a new school would be calculated, using the primary phase as an example.

Table 1: Calculation of maximum budget allocation to a new primary school

FE	Pupils per class	Year Groups	Max NOR	Per pupil funding rate	Rates (estimated actual)	Total if Full
3 FE (assumed to open as 1 FE, then expanding to 2 FE and 3 FE when sufficient demand)						
First FE	30	7	210	£3,300	£20,000	£713,000
Second FE	30	7	210	£3,300	£0	£693,000
Third FE	30	7	210	£3,300	£0	£693,000

Table 1 illustrates the incremental funding to be received as a school expands over time in response to increasing pupil numbers. Assuming a £20,000 cost of business rates, a 1 FE school could receive up to £713,000, a 2 FE school £1,406,000 and a 3 FE school £2,099,000.

The relevant calculation for a 7 FE secondary schools would be:

	30 pupils per class		
X	5 year groups	=	150 pupils
X	7 Forms of entry	=	1,050 pupils
X	£4,600 per pupil	=	£4,830,000 per pupil funding
+	£80,000 rates	=	£4,910,000 maximum budget

- 11) To ensure new / expanding schools move quickly to the SNFF and most likely to higher funding allocations, thresholds will be in place based on actual pupil capacity in a new school. 1 FE schools will move to the SNFF once pupil numbers reach 95% of capacity, 2 FE at 90% and 3 FE and above at 85%. Funding thresholds reduce for larger schools which in general benefit from greater economies of scale. Table 2 below illustrates how this would work.

Table 2: Calculation of maximum NOR for a new primary school before being funded on SNFF

FE	Total if full (as per Table 1)	Maximum number of pupils		Maximum funding on new school formula	
		When school at full capacity	When funded on new / expanding schools policy		
3 FE (assumed to open as 1 FE, then expanding to 2 FE and 3 FE when sufficient demand)					
1 FE	£713,000	210	95%	200	£680,000
2 FE	£1,406,000	420	90%	378	£1,267,400
3 FE	£2,099,000	630	85%	536	£1,788,800

NB. Schools will receive 100% of rates allocation, assumed at £20,000 in Table 2, and the relevant percentage of per pupil funding.

*Pre-opening / start-up costs – one-off*

- 12) Funding will be made available for the 2 terms before opening, with headteacher costs funded at 1.0 fte from January to August for a new school and 0.4 fte for expanding schools for January to March and 0.6 fte from April to August. There is also funding for caretaking and support staff, together with an allowance for other costs such as recruitment and general resources. Expanded schools will receive lower funding levels than new schools due to the availability of an existing school infrastructure that can support this part of the process in a similar way that other expanded schools have.

School type	Provisional start-up costs		
	Jan - March	Apr - Aug	Total
New Academy Primary School	£34,300	£61,900	£96,200
New Academy All Through School	£49,500	£158,600	£208,100
Expanded Maintained Primary School	£14,300	£40,000	£54,300

See Appendix 1 for full details.

*Diseconomies of scale – on-going (fixed, lump sum payment)*

- 13) Funding to be made available to support the senior management, general organisational structure and other costs that generally vary depending on the overall size of a school – forms of entry (FE) – and not the number of classes, and whether expanding or new. All of the primary schools are expected to be opening with an additional 1 FE and will be funded accordingly, with some then expanding to a 2 FE or 3 FE school when demand dictates, at which point additional resources will be required for a step up in organisational requirements, with opening of second FE triggering a payment at 50% of the 1 FE amount, with the opening of a third FE triggering a payment at 15% of the 1 FE amount.
- 14) For secondary and all through schools, the larger site dimensions result in proportionally higher fixed costs, and the calculation needs to be based on the final number of FE.

School type	Provisional diseconomies funding		
	1 FE	2 FE	3 FE
New Academy Primary School	£165,000	£247,500	£273,700
Expanded Maintained Primary School	£119,600	£191,300	£244,200

School type	Provisional diseconomies	
	Opening as secondary only	When all through *
New Academy All Through School	£515,000	£597,500

\*To receive 50% of a new academy primary school amount to reflect economies of scale from an all through school.

See Appendix 2 for full details.

*Day to Day expenses – on-going (fixed amount per agreed class)*

- 15) The calculation of class funding will be the balancing amount after deducting the funding allocated for diseconomies of scale – on-going (fixed, ump sum payment) from the ‘Total if Full’ budget calculation set out in the Tables. Table 3 below illustrates how this would work for a primary school, with Table 4 showing the calculation for an all through school.

Table 3: Calculation of day to day expenses for a new primary school

FE	Total if full (as per Table 1)	Elements of the funding policy				
		Rates (estimated actual)	Lump sum (Appendix 2)	Class funding		
				Number of classes	Amount per class (balance)	Total (balance)
3 FE (assumed to open as 1 FE, then expanding to 2 FE and 3 FE when sufficient demand)						
1 FE	£713,000	£20,000	£165,000	7	£75,430	£528,010
2 FE	£1,406,000	£20,000	£247,500	14	£87,210	£1,138,480
3 FE	£2,099,000	£20,000	£273,700	21	£95,260	£1,805,300

NB. For class funding, the first 7 classes are funded at the 1 FE school rate of £75,430, the next 7 at 2 FE school rate £87,210 and the final 7 at 3 FE school rate £95,260.

Table 4: Calculation of day to day expenses for a new all through school

FE	Total if full (as per Table 1)	Elements of the funding policy				
		Rates (estimated actual)	Lump sum (Appendix 2)	Class funding		
				Number of classes	Amount per class (balance)	Total (balance)
7 FE	£4,910,000	£80,000	£515,000	35	£123,290	£4,315,000

- 16) Appendix 3 shows a summary of the forecast pupil numbers and costs over the medium term which will be subject to change.

## Appendix 1

### One-off pre-opening /start-up costs

#### New Primary Academy School

Expense / Income	Pay point	Basic Pay / cost	On-costs	Full Year Total	FTE Jan - Mar	Cost Jan - Mar	FTE Apr - Aug	Cost June - Aug	Cost Apr - Aug	Full cost
Headteacher	L11	£52,058	£13,795	£65,854	1.0	£16,463	1.0		£27,439	£43,902
Caretaker - Caretaker grade	BG - I17	£19,344	£3,869	£23,213	0.0	£0	1.0		£5,803	£5,803
School Business Manager	BG - I32	£28,762	£5,752	£34,515	0.4	£3,451	0.6		£8,629	£12,080
Governing body		£4,000		£4,000		£1,000			£1,667	£2,667
Professional costs (legal / finance)		£25,000		£25,000		£9,375			£15,625	£25,000
Recruitment / hospitality		£5,000		£5,000		£4,000			£2,083	£6,083
Staff induction / training		£5,000		£5,000		£0			£3,125	£3,125
Equipment / Resources (Revenue)		£15,000		£15,000		£0			£6,250	£6,250
Office Services		£3,000		£3,000		£0			£1,250	£1,250
Costs between handover and opening								£15,000	£15,000	£15,000
<b>Sub - Total</b>						<b>£34,300</b>		<b>£15,000</b>	<b>£86,900</b>	<b>£121,200</b>
Less DfE grant		<b>-£25,000</b>		<b>-£25,000</b>					<b>-£25,000</b>	<b>-£25,000</b>
<b>Total</b>						<b>£34,300</b>		<b>£15,000</b>	<b>£61,900</b>	<b>£96,200</b>

#### New All through Academy school

Headteacher	L26	£74,618	£19,774	£94,392	1.0	£23,598	1.0		£39,330	£62,928
Site Controller - Caretaker grade	BG I - 17	£19,344	£3,869	£23,213	0.0	£0	1.0		£5,803	£5,803
School Business Manager	BG - F44	£39,557	£7,911	£47,469	0.6	£7,120	1.0		£19,779	£26,899
Administration	BG - I25	£22,878	£4,576	£27,454	0.6	£4,118	1.0		£11,439	£15,557
Governing body		£5,000		£5,000		£1,250			£2,083	£3,333
Professional costs (legal / finance)		£25,000		£25,000		£9,375			£15,625	£25,000
Recruitment / hospitality		£25,000		£25,000		£4,000			£10,417	£14,417
Staff induction / training		£20,000		£20,000		£0			£12,500	£12,500
Equipment / Resources (Revenue)		£45,000		£45,000		£0			£18,750	£18,750
Office Services		£7,000		£7,000		£0			£2,917	£2,917
Costs between handover and opening								£45,000	£45,000	£45,000
<b>Sub - Total</b>						<b>£49,500</b>		<b>£45,000</b>	<b>£183,600</b>	<b>£233,100</b>
Less DfE Grant		<b>-£25,000</b>		<b>-£25,000</b>					<b>-£25,000</b>	<b>-£25,000</b>
<b>Total</b>						<b>£49,500</b>			<b>£158,600</b>	<b>£208,100</b>

#### Maintained Primary school - expanding

Headteacher	L11	£52,058	£13,795	£65,854	0.6	£9,878	0.6		£16,463	£26,341
Caretaker - Caretaker grade	BG - I17	£19,344	£3,869	£23,213	0.0	£0	0.5		£4,836	£4,836
School Business Manager	BG - I32	£28,762	£5,752	£34,515	0.4	£3,451	0.6		£8,629	£12,080
Governing body		£4,000		£4,000		£1,000			£1,667	£2,667
Recruitment / hospitality		£5,000		£5,000		£0			£2,083	£2,083
Staff induction / training		£5,000		£5,000		£0			£3,125	£3,125
Equipment / Resources (Revenue)		£15,000		£5,000		£0			£2,083	£2,083
Office Services		£3,000		£2,600		£0			£1,083	£1,083
<b>Total</b>						<b>£14,300</b>			<b>£40,000</b>	<b>£54,300</b>

Phasing of payments for start up funding to be agreed with individual providers.

## Diseconomy Funding – Primary Expanded

Primary - Expanded	Data Source	Pay point	Basic Pay	On-costs %	On-costs £'s	Full year total	FTE	Gross Pay	1 FE	2 FE	3 FE
									Cost Apr - Mar	Cost Apr - Mar	Cost Apr - Mar
Senior Leadership - non teaching time	Pay & Conditions	L2	£41,847	26.50%	£11,089	£52,936	0.2	£10,587	£10,587		
Senior Leadership - non teaching time	& HR	L5	£44,976	26.50%	£11,919	£56,895	0.4	£22,758		£22,758	
Senior Leadership - non teaching time		L8	£48,346	26.50%	£12,812	£61,158	0.8	£48,926			£48,926
Assistant Headteacher - addition over mainscale	Pay & Conditions	N/A							£0		
Assistant Headteacher - addition over mainscale	& HR	L3	£8,281	26.50%	£2,194	£10,475	1.0	£10,475		£10,475	
Assistant Headteacher - addition over mainscale		L6	£11,493	26.50%	£3,046	£14,539	1.0	£14,539			£14,539
Teaching, Learning, Responsibility Allowances	Pay & Conditions	TLR	£6,386	26.50%	£1,692	£8,078	1.0	£8,078	£8,078		
Teaching, Learning, Responsibility Allowances	& HR	TLR	£6,386	26.50%	£1,692	£8,078	2.0	£16,157		£16,157	
Teaching, Learning, Responsibility Allowances		TLR	£7,546	26.50%	£2,000	£9,546	2.0	£19,091			£19,091
SEN support from SEN Co - addition over mainscale	HR	L1	£6,268	26.50%	£1,661	£7,929	0.5	£3,965	£3,965		
SEN support from SEN Co - addition over mainscale		L2	£9,327	26.50%	£2,472	£11,799	0.8	£9,439		£9,439	
SEN support from SEN Co - addition over mainscale		L2	£9,327	26.50%	£2,472	£11,799	1.0	£11,799			£11,799
Caretaker - Caretaker grade	HR	BG I - 17	£19,344	20.00%	£3,869	£23,213	1.0	£23,213	£23,213	£23,213	
Site Controller	HR	BG - I22	£22,552	20.00%	£4,510	£27,062	1.0	£27,062			£27,062
Midday Supervision	HR		£4,500	20.00%	£900	£5,400	1.0	£5,400			£5,400
School Bursar/Business Manager	HR	BG - I32	£28,762	20.00%	£5,752	£34,514	0.8	£27,612	£27,612		
School Bursar/Business Manager	HR	BG - F38	£33,761	20.00%	£6,752	£40,513	1.0	£40,513		£40,513	
School Bursar/Business Manager	HR	BG - F42	£37,668	20.00%	£7,534	£45,202	1.0	£45,202			£45,202
Office support reception, clerical	HR	BG - K10	£15,008	20.00%	£3,002	£18,010	0.2	£3,602	£3,602		
Office support reception, clerical	HR	BG - K11	£15,008	20.00%	£3,002	£18,010	0.5	£9,005		£9,005	
Office support reception, clerical	HR	BG - K12	£15,008	20.00%	£3,002	£18,010	0.5	£9,005			£9,005
Administration	HR	BG - I22	£28,762	20.00%	£5,752	£34,514	0.2	£6,903	£6,903		
Administration	HR	BG - I22	£28,762	20.00%	£5,752	£34,514	0.7	£24,160		£24,160	
Administration	HR	BG - I22	£28,762	20.00%	£5,752	£34,514	0.8	£27,612			£27,612
Governing body	Estimate		£2,600			£2,600		£2,600	£2,600	£2,600	£2,600
Fixed contribution to Grounds Maintenance	Estimate		£5,000			£5,000		£5,000	£5,000	£5,000	£5,000
Fixed contribution to Utilities	Estimate		£3,000			£3,000		£3,000	£3,000	£3,000	£3,000
Fixed contribution to split site	Estimate		£25,000			£25,000		£25,000	£25,000	£25,000	£25,000
<b>Total Expanding Primary Diseconomy Funding</b>									<b>£119,600</b>	<b>£191,300</b>	<b>£244,200</b>

## Diseconomy Funding – Primary New

Primary - New	Data Source	Pay point	Basic Pay	On-costs %	On-costs £'s	Full year total	FTE	Gross Pay	1 FE	2 FE	3 FE
									Cost Apr - Mar	Cost Apr - Mar	Cost Apr - Mar
Headteacher - Leadership	Pay & Conditions	L9	£49,530	26.50%	£12,725	£62,255	1.0	£62,255	£62,255		
Headteacher - Leadership	& HR	L12	£53,241	26.50%	£14,109	£67,350	1.0	£67,350		£67,350	
Headteacher - Leadership		L15	£57,232	26.50%	£15,166	£72,398	1.0	£72,398			£72,398
Senior Leadership - non teaching time	Pay & Conditions	L2	£7,265	26.50%	£11,089	£18,354	1.0	£18,354	£18,354		
Senior Leadership - non teaching time	& HR	L5	£44,976	26.50%	£11,919	£56,895	0.5	£28,447		£28,447	
Senior Leadership - non teaching time		L8	£48,346	26.50%	£12,812	£61,158	0.5	£30,579			£30,579
Assistant Headteacher - addition over mainscale	Pay & Conditions	N/A		26.50%	£0	£0		£0	£0		
Assistant Headteacher - addition over mainscale	& HR	L3	£8,281	26.50%	£2,194	£10,475	1.0	£10,475		£10,475	
Assistant Headteacher - addition over mainscale		L6	£11,493	26.50%	£3,046	£14,539	1.0	£14,539			£14,539
Teaching, Learning, Responsibility Allowances	Pay & Conditions	TLR	£6,386	26.50%	£1,692	£8,078	1.0	£8,078	£8,078		
Teaching, Learning, Responsibility Allowances	& HR	TLR	£6,386	26.50%	£1,692	£8,078	2.0	£16,157		£16,157	
Teaching, Learning, Responsibility Allowances		TLR	£7,546	26.50%	£2,000	£9,546	2.0	£19,091			£19,091
SEN support from SEN Co - addition over mainscale	HR	L1	£6,268	26.50%	£1,661	£7,929	0.5	£3,965	£3,965		
SEN support from SEN Co - addition over mainscale	HR	L2	£9,327	26.50%	£2,472	£11,799	0.8	£9,439		£9,439	
SEN support from SEN Co - addition over mainscale	HR	L2	£9,327	26.50%	£2,472	£11,799	1.0	£11,799			£11,799
Caretaker - Caretaker grade	HR	BG I - 17	£19,344	20.00%	£3,869	£23,213	1.0	£23,213	£23,213	£23,213	
Site Controller	HR	BG - I22	£22,552	20.00%	£4,510	£27,062	1.0	£27,062			£27,062
Midday Supervision	HR		£4,500	20.00%	£900	£5,400	1.0	£5,400			£5,400
School Bursar/Business Manager	HR	BG - I32	£28,762	20.00%	£5,752	£34,514	0.8	£27,612	£27,612		
School Bursar/Business Manager	HR	BG - F38	£33,761	20.00%	£6,752	£40,513	1.0	£40,513		£40,513	
School Bursar/Business Manager	HR	BG - F42	£37,668	20.00%	£7,534	£45,202	1.0	£45,202			£45,202
Office support reception, clerical	HR	BG - K10	£15,008	20.00%	£3,002	£18,010	0.2	£3,602	£3,602		
Office support reception, clerical	HR	BG - K11	£15,008	20.00%	£3,002	£18,010	0.5	£9,005		£9,005	
Office support reception, clerical	HR	BG - K12	£15,008	20.00%	£3,002	£18,010	0.5	£9,005			£9,005
Administration	HR	BG - I22	£28,762	20.00%	£5,752	£34,514	0.2	£6,903	£6,903		
Administration	HR	BG - I22	£28,762	20.00%	£5,752	£34,514	0.7	£24,160		£24,160	
Administration	HR	BG - I22	£28,762	20.00%	£5,752	£34,514	0.8	£27,612			£27,612
Governing body	Estimate		£3,000			£3,000		£3,000	£3,000	£4,500	£3,000
Fixed contribution to Grounds Maintenance	Estimate		£5,000			£5,000		£5,000	£5,000	£8,000	£5,000
Fixed contribution to Utilities	Estimate		£3,000			£3,000		£3,000	£3,000	£6,240	£3,000
<b>Total New Primary Diseconomy Funding</b>									<b>£165,000</b>	<b>£247,500</b>	<b>£273,700</b>

Appendix 2

Diseconomy Funding – All Through New

All Through - New	Data Source	Pay point	Basic Pay	On-costs %	On-costs £'s	Full year total	FTE	Gross Pay	5 FE	6 FE	7 FE
									Cost Apr - Mar	Cost Apr - Mar	Cost Apr - Mar
Headteacher - Leadership	Pay &	L19	£57,232		£15,166	£72,398	1.0	£72,398	£72,398		
Headteacher - Leadership		L24	£71,105		£18,843	£89,948	1.0	£89,948		£89,948	
Headteacher - Leadership		L26	£74,618		£19,774	£94,392	1.0	£94,392			£94,392
Senior Leadership - non teaching time	Pay &	L8	£48,346		£12,812	£61,158	1.0	£61,158	£61,158		
Senior Leadership - non teaching time	Conditions	L19	£63,034		£16,704	£79,738	1.0	£79,738		£79,738	
Senior Leadership - non teaching time	& HR	L24	£71,105		£18,843	£89,948	1.0	£89,948			£89,948
Assistant Headteacher - addition over mainscale	Pay &	L6	£11,493		£3,046	£14,539	1.0	£14,539	£14,539		
Assistant Headteacher - 0.7 FTE non-teaching	Conditions	L10	£50,773		£13,455	£64,228	0.7	£44,959		£44,959	
Assistant Headteacher - 0.7 FTE non-teaching X 2	& HR	L13	£55,873		£14,806	£70,679	1.4	£98,951			£98,951
Teaching, Learning, Responsibility Allowances	Pay &	TLR	£7,546		£2,000	£9,546	3.0	£28,637	£28,637		
Teaching, Learning, Responsibility Allowances	Conditions	TLR	£7,546		£2,000	£9,546	4.0	£38,183		£38,183	
Teaching, Learning, Responsibility Allowances	& HR	TLR	£7,546		£2,000	£9,546	5.0	£47,728			£47,728
SEN support from SEN Co - addition over mainscale	HR	L2	£9,327		£2,472	£11,799	1.0	£11,799	£11,799		
SEN support from SEN Co - addition over mainscale	HR	L7	£12,706		£3,367	£16,073	1.0	£16,073		£16,073	
SEN support from SEN Co - addition over mainscale	HR	L9	£14,948		£3,961	£18,909	1.0	£18,909			£18,909
Caretaker - Caretaker grade	HR	BG I - 17	£19,344		£3,869	£23,213	1.0	£23,213	£23,213		£23,213
Site Controller	HR	BG - I22	£22,552		£4,510	£27,062	1.0	£27,062		£27,062	£27,062
Midday Supervision	HR		£4,500		£900	£5,400	1.0	£5,400	£5,400	£5,400	£5,400
School Bursar/Business Manager	HR	BG - F38	£33,761		£6,752	£40,513	1.0	£40,513	£40,513		
School Bursar/Business Manager	HR	BG - F42	£37,668		£7,534	£45,202	1.0	£45,202		£45,202	
School Bursar/Business Manager	HR	BG - F44	£39,557		£7,911	£47,468	1.0	£47,468			£47,468
Office support reception, clerical	HR	BG - K11	£15,008		£3,002	£18,010	1.0	£18,010	£18,010		
Office support reception, clerical	HR	BG - K12	£15,008		£3,002	£18,010	1.0	£18,010		£18,010	
Office support reception, clerical	HR	BG - K15	£17,069		£3,414	£20,483	1.0	£20,483			£20,483
Administration	HR	BG - I22	£20,861		£4,172	£25,033	1.0	£25,033	£25,033		
Administration	HR	BG - I23	£22,552		£4,510	£27,062	1.0	£27,062		£27,062	
Administration	HR	BG - I25	£22,878		£4,576	£27,454	1.0	£27,454			£27,454
Governing body	Estimate					£3,000		£3,000	£3,000	£3,000	£3,000
Fixed contribution to Grounds Maintenance	Estimate					£7,000		£7,000	£7,000	£7,000	£7,000
Fixed contribution to Utilities	Estimate					£4,000		£4,000	£4,000	£4,000	£4,000
<b>Total New All Through Diseconomy Funding</b>									<b>£314,700</b>	<b>£405,600</b>	<b>£515,000</b>

## Forecast Revenue Impact from New / Expanding Schools

School	Estimated opening	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26		
= school full														
= school on SNFF														
<b>Pupil data</b>		<b>Forecast pupil numbers - start of academic year</b>											<b>Max Places</b>	<b>Max NOR on policy</b>
Warfield West	Sep-16	0	94	165	175	209	209	407	407	412	420	420	420	378
Warfield East	Sep-22	0	0	0	0	0	0	0	39	107	223	299	420	378
Amen Corner South	Sep-21	0	0	0	0	0	0	56	89	132	183	210	420	378
Amen Corner North	Sep-20	0	0	0	0	0	77	128	155	171	184	210	210	200
Crowthorne (TRL site)	Sep-23	0	0	0	0	0	0	0	0	23	72	135	420	378
BLV - Primary	Sep-19	0	0	0	0	30	89	125	160	181	160	210	420	378
BLV - Secondary	Sep-18	0	0	0	120	270	450	660	870	960	1,020	1,050	1,050	893
Total Forecast NOR		0	94	165	295	509	825	1,376	1,720	1,986	2,262	2,534	3,360	2,983
<b>Financial data</b>		<b>Estimated costs £k</b>											<b>Total</b>	
Total Start up costs		14.3	40.0	49.5	192.9	96.2	96.2	96.2	76.2	40.0	0.0	0.0	701.5	
Total SNFF		0.0	0.0	285.5	486.0	1,275.5	2,159.9	3,544.6	5,183.2	6,731.2	7,668.7	8,559.9	35,894.6	
Total Diseconomy Funding		0.0	250.9	315.6	830.4	1,021.4	1,543.7	2,204.0	2,252.4	1,953.7	1,842.8	1,807.9	14,022.8	
Total cost - annual		14.3	290.9	650.6	1,509.3	2,393.1	3,799.8	5,844.8	7,511.8	8,724.9	9,511.5	10,367.8	50,618.8	
Total cost - cumulative		14.3	305.2	955.8	2,465.1	4,858.2	8,658.0	14,502.8	22,014.6	30,739.5	40,251.0	50,618.8	50,618.8	

Costed at 2018-19 prices and the 2017-18 funding formula