



**START-UP AND DISECONOMY  
FUNDING POLICY FOR NEW AND  
EXPANDING SCHOOLS  
IN 2020-21**

**DECEMBER 2019**

## Background

- 1) Significant growth in pupil numbers 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 is now beginning to impact on secondary schools. In addition, a number of significant housing developments are also anticipated which will require additional school places.
- 2) All schools where site conditions allow for significant expansions have now been developed which results in any increase in demand for new places needing to be met from new schools. Where new schools are required, they will generally 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 within the overall Schools Budget.
- 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 relatively simple model to “best fit” requirements. 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 Department for Education (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 on the overall Schools Budget. 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. These costs would need to be assessed on a case by case basis.
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. **Post opening funding.** To support new schools get through the initial high costs of stocking up with general resources through a top up to the normal school budget which is only sufficient to finance established schools where less consumables and smaller value items would generally be required.
6. **Discretion for the relevant Director** to consider making adjustments to the funds allocated to new / expanding schools in exceptional circumstances. Any changes would subsequently be reported to 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 funding rates will also be subject to regular review to consider the impact of pay and price changes. 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 and should the funding of existing schools need to reflect the cost impact of new schools, the new school funding rates would also be subject to similar adjustments. Therefore rates quoted in this policy need to be viewed as a guide and not guaranteed amounts.

#### *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. £3,750 for primary and £5,000 for secondary (2020-21 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 this 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	£3,750	£20,000	£807,500
Second FE	30	7	210	£3,750	£0	£787,500
Third FE	30	7	210	£3,750	£0	£787,500

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 £807,500, a 2 FE school £1,595,000 and a 3 FE school £2,382,500.

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	£5,000 per pupil	= £5,250,000 per pupil funding
+	£80,000 rates	= £5,330,000 maximum budget

- 11) To ensure new / expanding schools move quickly to the BF Funding Formula, once a school has admitted pupils to all the intended pre-16 year old year groups it will move to the BF Funding Formula. Should a school consider there are existing circumstances that make this approach inappropriate, then a case can be made to the Assistant Director responsible for schools. The primary considerations will be the needs of pupils throughout the borough and the financial impact on the school, where it will be expected that a school can operate on the BF Funding Formula when pupil numbers are.

- 1 At least 90% of capacity for 1 FE schools
- 2 At least 85% capacity for 2 FE schools
- 3 At least 80% capacity for 3 FE and above schools.

Funding thresholds are lower for larger schools which in general benefit from greater economies of scale.

For all through schools, separate calculations will be made for the primary and secondary phases.

An appeal to the Assistant Director's decision can be made to the Executive Director responsible for schools whose decision will be final.

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

- 12) Funding will generally 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 0.6 FTE for expanding schools. 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.

Table 2: One-off pre-opening / start-up costs

School type	Provisional start-up costs		
	Jan - March	April - Aug	Total
Academy Primary - stand alone	£34,500	£62,900	£97,400
Academy Primary - satellite to existing school	£26,300	£0	£26,300
New Academy All Through	£49,900	£160,400	£210,300
Expanded Maintained Primary	£14,500	£40,800	£55,300

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 around 50% of the 1 FE amount, with the opening of a third FE triggering a payment at around 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.

Table 3: Diseconomy funding

School type	Provisional diseconomies funding		
	1 FE	2 FE	3 FE
New Academy Primary School	£167,600	£249,400	£274,300
Expanded Maintained Primary School	£123,200	£192,800	£244,600
	Opening as secondary only	When all through *	
New Academy All Through School	£521,800	£605,600	

\*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, lump sum payment) from the 'Total if Full' budget calculation set out in the Tables. Table 4 below illustrates how this would work for a primary school, with Table 6 showing the calculation for an all through school.

Table 4: 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	Lump Sum (as per Table 3)	Class funding			Grand Total
				No.	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)							
First FE	£807,500	£20,000	£167,600	7	£88,560	£619,900	£807,500
Second FE	£1,595,000	£20,000	£249,400	14	£100,810	£1,325,600	£1,595,000
Third FE	£2,382,500	£20,000	£274,300	21	£108,940	£2,088,200	£2,382,500

NB. For class funding, the first 7 classes are funded at the 1 FE school rate of £88,560, the next 7 at 2 FE school rate £100,810 and the final 7 at 3 FE school rate £108,940.

Table 5: Calculation of day to day expenses for a new all through school

FE	Total if full (as per para 10)	Elements of the funding policy					Grand Total
		Rates	Lump Sum (as per Table 4)	Class funding			
				No.	Amount per class (balance)	Total (balance)	
7 FE	£5,330,000	£80,000	£521,800	35	£135,090	£4,728,200	£5,330,000

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

*Post opening expenses – one-off (fixed amount per class required by BFC)*

- 17) The post-opening revenue budget is intended to support new schools through the initial high costs of stocking up with general resources through a top up to the normal school budget allocation which is only considered sufficient to finance established schools where less consumables and smaller value items would generally be required as stock would be built up gradually over a number of years.
- 18) The policy uses the funding allocations that the DfE make to new free schools. One-off per pupil funding allocations are made in the value of £250 per primary aged pupil and £500 per secondary aged pupil. For each new class opened by a primary school as requested by the council would be paid at £7,500 for each class, at the start of the academic year it opens. A total of £52,000 would be paid to a 1 FE primary (7 classes). If a school chooses to open more classes that considered necessary by the council, they will not receive post opening expenses.
- 19) Secondary schools would receive £15,000 for each class required by the council, with a 7 FE school receiving £525,000 (35 classes).

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

New Primary Academy School - stand alone

Expense / Income	Pay point	Basic Pay / cost	Full Year Total	FTE Jan - Mar	Cost Jan - Mar	FTE Apr - Aug	Cost June - Aug	Cost Apr - Aug	Full cost
Headteacher	L11	£52,335	£66,204	1.0	£16,551	1.0		£27,585	£44,136
Caretaker - Caretaker grade	BG - I17	£21,392	£25,670	0.0	£0	1.0		£6,418	£6,418
School Business Manager	BG - I32	£29,652	£35,583	0.4	£3,558	0.6		£8,896	£12,454
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>£34,500</b>		<b>£15,000</b>	<b>£87,900</b>	<b>£122,400</b>
Less DfE grant		-£25,000	-£25,000					-£25,000	-£25,000
<b>Total</b>					<b>£34,500</b>		<b>£15,000</b>	<b>£62,900</b>	<b>£97,400</b>



**New Primary Academy School - satellite to parent school**

Expense / Income	Pay point	Basic Pay / cost	Full Year Total	FTE Jan - Mar	Cost Jan - Mar	FTE Apr - Aug	Cost June - Aug	Cost Apr - Aug	Full cost
Professional staff costs			£17,100		£10,400			£8,500	£18,900
Caretaking Assistant			£1,800		£0			£1,800	£1,800
Administration / Reception			£2,950		£0			£2,950	£2,950
Professional costs (legal / finance)			£6,000		£0			£6,000	£6,000
Recruitment / hospitality			£7,620		£7,560			£60	£7,620
Staff induction / training			£1,600		£0			£1,600	£1,600
Equipment / Resources (Revenue)			£9,280		£5,180			£4,100	£9,280
Office Services			£3,150		£3,150			£0	£3,150
<b>Sub - Total</b>					<b>£26,300</b>		<b>£0</b>	<b>£25,000</b>	<b>£51,300</b>
Less DfE grant			<b>-£25,000</b>					<b>-£25,000</b>	<b>-£25,000</b>
<b>Total</b>					<b>£26,300</b>		<b>£0</b>	<b>£0</b>	<b>£26,300</b>

**New All through Academy school**

Expense / Income	Pay point	Basic Pay / cost	Full Year Total	FTE Jan - Mar	Cost Jan - Mar	FTE Apr - Aug	Cost June - Aug	Cost Apr - Aug	Full cost
- Headteacher	L26	£75,012	£94,890	1.0	£23,723	1.0		£39,538	£63,261
Site Controller - Caretaker grade	BG I - 17	£21,392	£25,670	0.0	£0	1.0		£6,418	£6,418
School Business Manager	BG - F44	£40,558	£48,670	0.6	£7,300	1.0		£20,279	£27,579
Administration	BG - I25	£23,708	£28,450	0.6	£4,267	1.0		£11,854	£16,121
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>£49,900</b>		<b>£45,000</b>	<b>£185,400</b>	<b>£235,300</b>
Less DfE Grant		<b>-£25,000</b>	<b>-£25,000</b>					<b>-£25,000</b>	<b>-£25,000</b>
<b>Total</b>					<b>£49,900</b>			<b>£160,400</b>	<b>£210,300</b>

**Maintained Primary school - expanding**

Expense / Income	Pay point	Basic Pay / cost	Full Year Total	FTE Jan - Mar	Cost Jan - Mar	FTE Apr - Aug	Cost June - Aug	Cost Apr - Aug	Full cost
- Headteacher	L11	£52,335	£66,204	0.6	£9,931	0.6		£16,551	£26,482
Caretaker - Caretaker grade	BG - I17	£21,392	£25,670	0.0	£0	0.5		£5,348	£5,348
School Business Manager	BG - I32	£29,652	£35,583	0.4	£3,558	0.6		£8,896	£12,454
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>£14,500</b>			<b>£40,800</b>	<b>£55,300</b>

## 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	£42,069	26.50%	£11,148	£53,217	0.2	£10,643	£10,643		
Senior Leadership - non teaching time	& HR	L5	£45,214	26.50%	£11,982	£57,196	0.4	£22,878		£22,878	
Senior Leadership - non teaching time		L8	£48,603	26.50%	£12,880	£61,483	0.8	£49,186			£49,186
Assistant Headteacher - addition over mainscale	Pay & Conditions	N/A							£0		
Assistant Headteacher - addition over mainscale	& HR	L3	£6,934	26.50%	£1,838	£8,772	1.0	£8,772		£8,772	
Assistant Headteacher - addition over mainscale		L6	£10,161	26.50%	£2,693	£12,854	1.0	£12,854			£12,854
Teaching, Learning, Responsibility Allowances	Pay & Conditions	TLR	£6,646	26.50%	£1,761	£8,407	1.0	£8,407	£8,407		
Teaching, Learning, Responsibility Allowances	& HR	TLR	£6,646	26.50%	£1,761	£8,407	2.0	£16,814		£16,814	
Teaching, Learning, Responsibility Allowances		TLR	£7,853	26.50%	£2,081	£9,934	2.0	£19,868			£19,868
SEN support from SEN Co - addition over mainscale	HR	L1	£4,908	26.50%	£1,301	£6,209	0.5	£3,104	£3,104		
SEN support from SEN Co - addition over mainscale		L2	£5,912	26.50%	£1,567	£7,479	0.8	£5,983		£5,983	
SEN support from SEN Co - addition over mainscale		L2	£5,912	26.50%	£1,567	£7,479	1.0	£7,479			£7,479
Caretaker - Caretaker grade	HR	BG I - 17	£21,392	20.00%	£4,278	£25,670	1.0	£25,670	£25,670	£25,670	
Site Controller	HR	BG - I22	£23,680	20.00%	£4,736	£28,416	1.0	£28,416			£28,416
Midday Supervision	HR		£4,725	20.00%	£945	£5,670	1.0	£5,670			£5,670
School Bursar/Business Manager	HR	BG - I32	£29,652	20.00%	£5,930	£35,582	0.8	£28,466	£28,466		
School Bursar/Business Manager	HR	BG - F38	£34,703	20.00%	£6,941	£41,644	1.0	£41,644		£41,644	
School Bursar/Business Manager	HR	BG - F42	£38,649	20.00%	£7,730	£46,379	1.0	£46,379			£46,379
Office support reception, clerical	HR	BG - K10	£17,460	20.00%	£3,492	£20,952	0.2	£4,190	£4,190		
Office support reception, clerical	HR	BG - K11	£17,604	20.00%	£3,521	£21,125	0.5	£10,562		£10,562	
Office support reception, clerical	HR	BG - K12	£17,770	20.00%	£3,554	£21,324	0.5	£10,662			£10,662
Administration	HR	BG - I22	£29,652	20.00%	£5,930	£35,582	0.2	£7,116	£7,116		
Administration	HR	BG - I22	£29,652	20.00%	£5,930	£35,582	0.7	£24,908		£24,908	
Administration	HR	BG - I22	£29,652	20.00%	£5,930	£35,582	0.8	£28,466			£28,466
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>£123,200</b>	<b>£192,800</b>	<b>£244,600</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	£49,791	26.50%	£12,795	£62,586	1.0	£62,586	£62,586		
Headteacher - Leadership	& HR	L12	£53,521	26.50%	£14,183	£67,704	1.0	£67,704		£67,704	
Headteacher - Leadership		L15	£57,534	26.50%	£15,247	£72,781	1.0	£72,781			£72,781
Senior Leadership - non teaching time	Pay & Conditions	L2	£5,912	26.50%	£11,148	£17,060	1.0	£17,060	£17,060		
Senior Leadership - non teaching time	& HR	L5	£45,214	26.50%	£11,982	£57,196	0.5	£28,598		£28,598	
Senior Leadership - non teaching time		L8	£48,603	26.50%	£12,880	£61,483	0.5	£30,741			£30,741
Assistant Headteacher - addition over mainscale	Pay & Conditions	N/A		26.50%	£0	£0		£0	£0		
Assistant Headteacher - addition over mainscale	& HR	L3	£6,934	26.50%	£1,838	£8,772	1.0	£8,772		£8,772	
Assistant Headteacher - addition over mainscale		L6	£10,161	26.50%	£2,693	£12,854	1.0	£12,854			£12,854
Teaching, Learning, Responsibility Allowances	Pay & Conditions	TLR	£6,646	26.50%	£1,761	£8,407	1.0	£8,407	£8,407		
Teaching, Learning, Responsibility Allowances	& HR	TLR	£6,646	26.50%	£1,761	£8,407	2.0	£16,814		£16,814	
Teaching, Learning, Responsibility Allowances		TLR	£7,853	26.50%	£2,081	£9,934	2.0	£19,868			£19,868
SEN support from SEN Co - addition over mainscale	HR	L1	£4,908	26.50%	£1,301	£6,209	0.5	£3,104	£3,104		
SEN support from SEN Co - addition over mainscale		L2	£5,912	26.50%	£1,567	£7,479	0.8	£5,983		£5,983	
SEN support from SEN Co - addition over mainscale		L2	£5,912	26.50%	£1,567	£7,479	1.0	£7,479			£7,479
Caretaker - Caretaker grade	HR	BG I - 17	£21,392	20.00%	£4,278	£25,670	1.0	£25,670	£25,670	£25,670	
Site Controller	HR	BG - I22	£23,680	20.00%	£4,736	£28,416	1.0	£28,416			£28,416
Midday Supervision	HR		£4,725	20.00%	£945	£5,670	1.0	£5,670			£5,670
School Bursar/Business Manager	HR	BG - I32	£29,652	20.00%	£5,930	£35,582	0.8	£28,466	£28,466		
School Bursar/Business Manager	HR	BG - F38	£34,703	20.00%	£6,941	£41,644	1.0	£41,644		£41,644	
School Bursar/Business Manager	HR	BG - F42	£38,649	20.00%	£7,730	£46,379	1.0	£46,379			£46,379
Office support reception, clerical	HR	BG - K10	£17,460	20.00%	£3,492	£20,952	0.2	£4,190	£4,190		
Office support reception, clerical	HR	BG - K11	£17,604	20.00%	£3,521	£21,125	0.5	£10,562		£10,562	
Office support reception, clerical	HR	BG - K12	£17,770	20.00%	£3,554	£21,324	0.5	£10,662			£10,662
Administration	HR	BG - I22	£29,652	20.00%	£5,930	£35,582	0.2	£7,116	£7,116		
Administration	HR	BG - I22	£29,652	20.00%	£5,930	£35,582	0.7	£24,908		£24,908	
Administration	HR	BG - I22	£29,652	20.00%	£5,930	£35,582	0.8	£28,466			£28,466
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>£167,600</b>	<b>£249,400</b>	<b>£274,300</b>

## 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	£57,534		£15,247	£72,781	1.0	£72,781	£72,781		
Headteacher - Leadership		L24	£71,480		£18,942	£90,422	1.0	£90,422		£90,422	
Headteacher - Leadership		L26	£75,012		£19,878	£94,890	1.0	£94,890			£94,890
Senior Leadership - non teaching time	Pay &	L8	£48,603		£12,880	£61,483	1.0	£61,483	£61,483		
Senior Leadership - non teaching time	Conditions	L19	£63,365		£16,792	£80,157	1.0	£80,157		£80,157	
Senior Leadership - non teaching time	& HR	L24	£71,480		£18,942	£90,422	1.0	£90,422			£90,422
Assistant Headteacher - addition over mainscale	Pay &	L6	£10,161		£2,693	£12,854	1.0	£12,854	£12,854		
Assistant Headteacher - 0.7 FTE non-teaching	Conditions	L10	£51,040		£13,526	£64,566	0.7	£45,196		£45,196	
Assistant Headteacher - 0.7 FTE non-teaching X 2	& HR	L13	£54,831		£14,530	£69,361	1.4	£97,106			£97,106
Teaching, Learning, Responsibility Allowances	Pay &	TLR	£7,853		£2,081	£9,934	3.0	£29,802	£29,802		
Teaching, Learning, Responsibility Allowances	Conditions	TLR	£7,853		£2,081	£9,934	4.0	£39,736		£39,736	
Teaching, Learning, Responsibility Allowances	& HR	TLR	£7,853		£2,081	£9,934	5.0	£49,670			£49,670
SEN support from SEN Co - addition over mainscale	HR	L2	£5,912		£1,567	£7,479	1.0	£7,479	£7,479		
SEN support from SEN Co - addition over mainscale	HR	L7	£11,381		£3,016	£14,397	1.0	£14,397		£14,397	
SEN support from SEN Co - addition over mainscale	HR	L9	£13,634		£3,613	£17,247	1.0	£17,247			£17,247
Caretaker - Caretaker grade	HR	BG I - 17	£21,392		£4,278	£25,670	1.0	£25,670	£25,670		£25,670
Site Controller	HR	BG - I22	£23,680		£4,736	£28,416	1.0	£28,416		£28,416	£28,416
Midday Supervision	HR		£4,725		£945	£5,670	1.0	£5,670	£5,670	£5,670	£5,670
School Bursar/Business Manager	HR	BG - F38	£34,703		£6,941	£41,644	1.0	£41,644	£41,644		
School Bursar/Business Manager	HR	BG - F42	£38,649		£7,730	£46,379	1.0	£46,379		£46,379	
School Bursar/Business Manager	HR	BG - F44	£39,961		£7,992	£47,953	1.0	£47,953			£47,953
Office support reception, clerical	HR	BG - K11	£17,604		£3,521	£21,125	1.0	£21,125	£21,125		
Office support reception, clerical	HR	BG - K12	£17,770		£3,554	£21,324	1.0	£21,324		£21,324	
Office support reception, clerical	HR	BG - K15	£18,569		£3,714	£22,283	1.0	£22,283			£22,283
Administration	HR	BG - I22	£21,074		£4,215	£25,289	1.0	£25,289	£25,289		
Administration	HR	BG - I23	£21,693		£4,339	£26,032	1.0	£26,032		£26,032	
Administration	HR	BG - I25	£23,708		£4,742	£28,450	1.0	£28,450			£28,450
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>£317,800</b>	<b>£411,700</b>	<b>£521,800</b>

## Forecast Revenue Impact from New / Expanding Schools

School and estimated opening date		Actuals to date				Estimates						= school full	
		2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	= school on SNFF	
Pupil data		Forecast pupil numbers - start of academic year										Max Places	
Warfield West	Sep-16	94	165	184	203	0	0	0	0	0	0	420	
Warfield East	Not expected to be	0	0	0	0	0	0	0	0	0	0	420	
Amen Corner South	Not expected to be	0	0	0	0	0	0	0	0	0	0	420	
KGA - Oakwood	Sep-19	0	0	0	58	68	98	128	158	173	198	210	
Crowthorne (TRL site)	Sep-22	0	0	0	0	0	0	30	60	90	120	420	
KGA - Binfield Primary	Sep-19	0	0	0	28	60	90	120	150	180	210	420	
KGA - Binfield Secondary	Sep-18	0	0	120	270	451	661	871	960	1,020	1,050	1,050	
Total Forecast NOR		94	165	304	560	579	849	1,149	1,328	1,463	1,578	3,360	
Financial data		Costs £k										Total still to fund	Total 2016-2026
Total growth in existing schools		348.0	85.0	385.0	350.0	350.0	400.0	400.0	400.0	400.0	400.0	2,350.0	3,518.0
Total Start up costs		42.1	117.0	91.0	26.3	0.0	14.5	40.8	0.0	0.0	0.0	55.3	331.7
Total Diseconomy Funding		250.9	0.0	638.7	1,242.5	-19.8	-31.2	108.1	-49.1	-53.8	0.0	-45.8	2,086.3
Total post opening costs		0.0	0.0	0.0	75.0	15.0	15.0	22.5	22.5	22.5	15.0	112.5	187.5
Total cost - annual		641.0	202.0	1,114.7	1,693.8	345.2	398.3	571.4	373.4	368.7	415.0	2,472.0	6,123.5
Total cost - cumulative		641.0	843.0	1,957.7	3,651.5	3,996.7	4,395.0	4,966.4	5,339.8	5,708.5	6,123.5	2,472.0	6,123.5
<b>Costed at 2020-21 prices</b>													

## ESFA guidance on the operation of a Growth Fund (September 2019)

### Growth funding

Growth funding is within local authorities' schools block NFF allocations.

167. For 2020 to 2021, it will be calculated using the same methodology as in 2019 to 2020, based on the growth in pupil numbers between the October 2018 and October 2019 censuses. This will be detailed in the NFF technical note published in October.

168. To support local authorities to plan ahead of their growth allocation in the DSG settlement, local authorities will also be sent information by the end of October allowing them to input their own forecast of pupil numbers in the October 2019 census and estimate the growth funding they can expect to receive in 2020 to 2021.

169. As it is 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. The schools forum still needs to agree the total growth fund.

170. As well as uplifting the per-pupil and new school rates used on the growth factor, the only difference to the methodology in 2020 to 2021 is the removal of the gains cap on growth funding allocations. This means local authorities will no longer see gains above 50% from the previous year scaled back.

171. Local authorities that received growth funding protection in 2019 to 2020 will continue to receive protection in 2020 to 2021, meaning the maximum reduction in growth funding for these local authorities will be set at -0.5% of their total DSG schools block allocation in 2019 to 2020.

172. The growth fund can only be used only to:

- support growth in pre-16 pupil numbers to meet basic need
- support additional classes needed to meet the infant class size regulation
- meet the costs of new schools

173. Local authorities are responsible for funding these growth needs for all schools in their area, for new and existing maintained schools and academies. Local authorities should fund all schools on the same criteria, discussed below. Where growth occurs in academies that are funded by ESFA on estimates, ESFA will use the pupil number adjustment process to ensure the academy is only funded for the growth once.

174. 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.

175. 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.

176. The growth fund must not be used to support:

- schools in financial difficulty; any such support for maintained schools should be provided from a de-delegated contingency
- general growth due to popularity; this is managed through lagged funding

177. The growth fund may not be the most appropriate source of funding for growing schools and we expect local authorities to use 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.

178. Local 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. Local authorities are required to produce criteria on which any growth funding is to be allocated, which must be agreed by the schools forum.

179. 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.

180. ESFA will check the criteria for compliance with the 2018 (No. 2) Regulations. The criteria should provide a transparent and consistent basis for the allocation of funding, which may be different for each phase.

181. 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 pupil admission numbers (PAN), by a minimum number of pupils, in agreement with the authority
- support for KS1 classes where overall pupil numbers exceed a multiple of 30, by a minimum number of pupils
- pre-opening costs, initial equipping allowance, or diseconomy of scale allowance, for new maintained schools and academies; including new academies where the school is opening in response to basic need

182. 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)
- a per-pupil rate (usually based on AWPU, and reflecting the proportion of the year which is not funded within the school's budget share)
- a per-pupil rate, with a maximum ceiling

183. 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.

184. ESFA will not make growth fund recoupment adjustments for diseconomy of scale, or start-up funding; local authorities should not enter these on the recoupment tab of the APT. This funding will continue to be met from the local authority's growth fund.

185. 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.

186. Local authorities should report any unspent growth funding remaining at the year-end to the schools forum. Funding may be carried forward to the following funding period, as with any other centrally retained budget, and local authorities can choose to use it specifically for growth. Any overspent growth funding will form part of the overall DSG surplus or deficit balance.

