**FY2018-19 B&NES Council Policy for funding a new primary school**

**7.2**

**Pre-opening start-up Grant**

A one off lump sum **of £66,034** will be paid in respect of a new school before it opens as a pre-opening start-up grant. This lump sum has been created based on a new school being able to fund the following however this is not ring fenced:

**Staffing costs**

* The cost of employing a Headteacher for a 3 month period for two days a week, then 6 months fulltime before opening day based on a mid-range salary scale point and including employers on costs
* the cost of employing part time Admin staff for 5 months before opening day based on a mid-range salary scale point and including employers on costs
* The cost of employing part time Caretaking staff for 3 months before opening day based on a mid-range salary scale point and including employers on costs
* The cost of employing a part time Clerk to the Governors including employers on costs

**Some initial Non-Staffing costs in relation to**

* IT software licences
* IT Server installation
* Minor furniture
* General curriculum resources
* Initial insurance
* Initial recruitment costs
* Basic website and promotional materials

This grant is a financial year allocation and the timing of payment will depend on the date the school is expected to open and will be negotiated with the sponsor.

**Post opening grant in relation to diseconomies of scale during period of expansion**.

A new school will not have a carry forward balance to rely on or any stocks of resources available. It will have been funded a pre-opening start-up grant and receive LA or EFA formula funding based on estimated pupil numbers from the day it opens.

Here is a definition of what diseconomies of scale costs relate to extracted from a DFE funding document:

*Diseconomies costs relate to the need to incur some fixed management and premises costs as new schools build up their numbers. This funding must be made available to new academies on the same basis as maintained schools, including those funded on estimates – this can be paid to new schools that have opened and have not reached their full number of year groups*

*Diseconomies costs should not be funded by artificially inflating pupil numbers in the formula since this has the effect of obscuring the pupil based funding.*

*Instead estimated pupil number should reflect the number of pupils expected to join the school in the Autumn term to calculate the schools formula funding and any additional diseconomies funding for the school should be paid from the LA Planned Growth fund.*

**3 year tapered lump sum value for funding diseconomies of scale**

Expenditure data taken from Consistent Financial Reports (CFR) for maintained schools was used to create a valid lump sum for funding diseconomies of scale.

An average cost (ignoring extremes) was created for CFR expenditure headings that relate to relevant fixed costs. These costs were then grouped by small schools 100 pupils on roll or less, and compared to average costs for the same expenditure CFR headings for large schools between 180 and 240 pupils on roll.

The difference between these two group averages has created a lump sum value **of £67,263** to be used in the calculations for a 3 year tapered grant in respect of diseconomies of scale.

The capacity available for all B&NES primary schools was examined and compared to the actual number on roll and the lowest average capacity is 75%.

Using the **conditions of grant** set out below and then applying **the thresholds in Table A and B below**, a 3 year tapered lump sum arrangement will apply to this grant as follows:

* This is a financial year allocation and year 1 will be the first financial year the school has opened
* Data will be taken from the autumn census previous to year 1 of the funding
* Eligibility for funding ceases in the 3 year period once the school either reaches 75% capacity or all NCY groups have children on roll even if the following year the school becomes less than 75% full

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| Is the school 75% or more full? | Yes | no funding due | |  |  | |  | |  | |  | |  | |  | |  | |  | | |  | |  | |  | |  | |  | |  | |
| Do all NCY groups have children on roll? | Yes | no funding due | |  |  | |  | |  | |  | |  | |  | |  | |  | | |  | |  | |  | |  | |  | |  | |
| **If the above two statements do not apply:** |  |  |  |  |  | |  | |  | |  | |  | |  | |  | |  | | |  | |  | |  | |  | |  | |  | |
| Is the school between 50% and 74% full? | Yes | 50% tapered lump sum due - see table A | | | | | |  | |  | |  | |  | |  | |  | | |  | |  | |  | |  | |  | |  | |
| Is the school 49% or less full? | Yes | 100% tapered lump sum due - see table B | | | | | | | | | | | | | | | | | |  | | |  | |  | |  | |  | |  | |
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| **Table A** |  |  |  |  |  |  | |  | |  | |  | |  | |  | |  | | |  | |  | |  | |  | |  | |  | |
| **3 Year Tapered lump sum funding for schools between 50% and 74% Full** |  |  | % | **£** |  |  | |  | |  | |  | |  | |  | |  | | |  | |  | |  | |  | |  | |  | |
| Is the school between 50 and 74% full? | Yes | Year 1 | 100% | 33,631 |  |  | |  | |  | |  | |  | |  | |  | | |  | |  | |  | |  | |  | |  | |
|  |  | Year 2 | 60% | 20,179 |  |  | |  | |  | |  | |  | |  | |  | | |  | |  | |  | |  | |  | |  | |
|  |  | Year 3 | 30% | 10,089 |  |  | |  | |  | |  | |  | |  | |  | | |  | |  | |  | |  | |  | |  | |
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| **Table B** |  |  |  |  |  |  | |  | |  | |  | |  | |  | |  | | |  | |  | |  | |  | |  | |  | |
| **3 Year Tapered lump sum funding for schools that are 49% or less Full** |  |  | % | **£** |  |  | |  | |  | |  | |  | |  | |  | | |  | |  | |  | |  | |  | |  | |
| Is the school 49% or less full? | Yes | Year 1 | 100% | 67,263 |  |  | |  | |  | |  | |  | |  | |  | | |  | |  | |  | |  | |  | |  | |
|  |  | Year 2 | 60% | 40,358 |  |  | |  | |  | |  | |  | |  | |  | | |  | |  | |  | |  | |  | |  | |
|  |  | Year 3 | 30% | 20,179 |  |  | |  | |  | |  | |  | |  | |  | | |  | |  | |  | |  | |  | |  | |