

Appendix 7 - Cost Breakdown of Options Considered

Option Costs		Overview
Revenue Costs		
	Transport	There are specific provisions within the 1996 Education Act relating to the provision of home to school transport which means that in some circumstances the LA has a duty to provide home to school transport. In general, free transport will only usually be provided to those children of compulsory school age attending their nearest, designated school provided the distance between home and school is in excess of the statutory requirement for the pupil’s age. In the case of Secondary Provsion, greater than 3 miles.
	Dedicated Schools Grant (DSG)	The DSG is allocated to LAs by the DfE through their National Funding Formula (NFF). This provides revenue funding for all school provision and specific centrally retained services. For mainstream schools this is provided for in the Schools Block DSG allocated on a 'lagged' funding basis using the previous October pupil census together with a national Pupil Growth Fund (PGF). The PGF supports the revenue cost implications of approved growth in pre-16 pupil numbers to meet basic need and revenue costs for new schools. All of the options will impact on the DSG available for all schools as the in-year revenue cost impact of approved basic need pupil growth and new schools has to be funded from either the current year's Schools Block and/or PGF. Due to the 'lagged' funding system, the increasing pupil numbers are not reflected in the DSG allocation until the following year. It must be noted this is the current system call a 'soft' NFF, where there is a national NFF for allocating DSG to LAs but LAs are still able to have their own local formula - WCC uses the DfE NFF as far as is practicable and affordable as its local formula. It is anticipated when this provision is in place the DfE would have implemented their full 'hard' NFF. The implications of this on the Schools Block DSG and PGF are currently unknown.
	Other	
Total Revenue Costs		
Capital Costs		
	Build and Land Costs	Build costs are estimated based on general feasibility for delivering projects of this type as well as estimated land costs and would be subject to a full feasibility to determine actual costs. Costs are appropriate as at Q2 2020 and therefore would be dependent on build costs increases
Total Capital Costs		
Total Cost Estimate		

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Option Costs	New School	Expansion of Nunnery Wood
Revenue Costs		
Transport	<p>-Costs Partially borne by families in Worcester City - 55,52,37 per year in '21,'22 and '23 until new school can be delivered</p> <p>-Transport costs for pupils to Malvern for 1 year (20 pupils in 2023) (unless bulge year can be agreed within the City) £985 per pupil per year which equals approximately £19,700</p> <p>=0.02m</p>	<p>- The cost will wholly be borne by families. Most will be offered a school within 3 miles and therefore will not qualify for transport (55 and 52 per year 2021 and 2022)</p> <p>=£0</p>
Dedicated Schools Grant (DSG)	<p>Option 1 costs would apply as a minimum. However, for a new school the DfE will likely require funding in the mainstream local formula using the estimated numbers for a 4FE, which are not funded until the following year's DSG. Also, prior to opening the new school will require some operating set up costs e.g. Headteacher, SBM, etc that will have to be funded from the PGF but are unknown at this stage.</p> <p>=Unknown / &gt;£0.65m</p>	<p>Any approved increase in PAN will be funded by a call on the PGF. The actual numbers not elected in the school's allocations at the start of the year will be funded in-year at the DfEs designated MFL, which for secondary in 2021-22 is £5,415 per pupil in a full year. So, an increase for 4FE of 120 pupils will require £0.65m from the PGF.</p> <p>=£0.65m</p>
Other	<p>When the Local Authority seeks to open a new free school, there is a requirement to ensure the viability of the Academy. Therefore, the LA can be asked to underwrite the school to ensure it is sustainable, particularly in the initial years of opening. When the proposal will be considered by the RSC, they may ask the LA to underwrite a certain number of places to guarantee a sustainable income for the new Academy. The minimum size of a new Secondary School to ensure viability is considered to be 4FE, therefore this proposal should be considered viable on its own merits, however the cost of this cannot be known until the proposal is submitted.</p> <p>=Unknown</p>	
Total Revenue Costs	Unknown	£0.65m
Capital Costs		
Build and Land Costs	<p>- Cost of building a 4FE Secondary School are estimated as at Q2 2020. An increase has been included to future proof the build for further future expansion and so some facilities to be built bigger than recommended (Hall/dining etc. total space 1,409 vs 829)). Upper estimate provided to account for additional requirements as well as possible site and land cost increases.</p> <p>=£29,500,000 - £33,500,000</p>	<p>4FE Expansion at Nunnery Wood (lower cost based on Basic Need funding, however due to level of redevelopment required, costs are more likely to reflect actual average costs to deliver new Secondary School places (Upper costs)</p> <p>£10,268,400 - £14,977,800</p>
Total Capital Costs	=£29,500,000 - £33,500,000	£10,268,400 - £14,977,800
Total Cost Estimate	=£33.5m	£15.65m

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Option Costs		Reliance on existing provision
Revenue Costs		
		- The cost will primarily be borne by families. Most will be offered a school within 3 miles and therefore will not qualify for transport (45-70 per year from 2021) - Transport costs for pupils to Malvern or Pershore (20-40 from 2023) - £985 per pupil per year. '21-'26 cost based on forecasts which equals approximately £236,400 =£0.24m
Transport		
		Any approved increase in PAN will be funded by a call on the PGF. The actual numbers not elected in the school's allocations at the start of the year will be funded in-year at the DfEs designated MFL, which for secondary in 2021-22 is £5,415 per pupil in a full year. So, an increase for 4FE of 120 pupils will require £0.65m from the PGF. =£0.65m
Dedicated Schools Grant (DSG)		
		This solution would likely increase the number of admissions appeals we receive from families in Worcester City, increasing admissions costs. =Unknown
Other		
Total Revenue Costs		£0.89m
Capital Costs		
		No build proposed =£0
Build and Land Costs		
Total Capital Costs		£0
Total Cost Estimate		£0.89m