

1). Description of policy, including any assumptions necessary to allow the commitments to be costed:

This document has been produced to quantify the revenue costs of the Conservative proposals to create 223,000 new primary and secondary school places in New Academies.

The costing uses the figures provided on pages 40 and 41 of the Conservative document, *Raising the Bar, Closing the Gap*,¹ on the overall numbers of new pupil places which will be provided, and the split of these places between primary and secondary school places. This gives the following figures for new pupil places created year on year:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Cumulative Primary places	5,928	12,077	19,383	26,654	33,924	41,194	48,465	55,735	63,006
Cumulative Secondary Places	15,057	30,673	49,227	67,691	86,156	104,621	123,085	141,550	160,014

The costing assumes that the revenue cost per pupil is the same as the 2007/08 per pupil funding figures², and assumes no growth on these figures. This gives a per pupil revenue cost per place of £3,450 per Primary school pupil, and £4,440 per Secondary school pupil.

The revenue cost of these policies includes a set-up cost of each place, which assumes that the places are created in 240 place Primary schools, and 1200 place Secondary schools, and that the set-up costs for each are the same as for New Academies.

This costing is concerned only with the revenue costs of the policy, and does not attempt to cost the capital costs of the policy which are estimated in the Conservative document.

2). Information required on distributional effects of the policy:

3). Cost/Revenue to the Exchequer over five years:

¹ Conservative Party Policy Green Paper no.1, *Raising the Bar, Closing the Gap: An action plan for schools to raise standards, create more good school places and make opportunity more equal.*

² Derived from the table Budget Summary 2007/08:

<http://www.dcsf.gov.uk/localauthorities/section52/subPage.cfm?action=section52.default&ID=64>

The following is the annual revenue cost of the policy. This is classed as DEL expenditure (in millions):

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Revenue cost, Primary	20	42	67	92	117	142	167	192	217
Start-up cost, Primary	31	32	38	38	38	38	38	38	38
Revenue cost, Secondary	67	136	219	301	383	465	547	629	711
Start-up cost, Secondary	35	36	43	42	42	42	42	42	42
Total Cost	153	246	366	473	580	687	794	901	1,008

4). Distributional effects (if none requested, any significant):

5). Comparison with current system (if applicable):

6). Other comments (including other Departments consulted):