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KITE ACADEMY TRUST
BUSINESS CASE FOR THE REDUCTION OF PAN AT HALE
NURSERY & PRIMARY ACADEMY



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PROPOSAL TO REDUCE PAN FROM 60 TO 30 IN RECEPTION ADMISSION AND INCREASE YEAR 3 ADMISSION FROM 4 TO 30, WITH EFFECT FROM SEPTEMBER 2023

Headteacher Report

There has been a significant change which prompts our application for a reduction in PAN to 30 from September 2023. The birth rate has dropped across the Waverley area and Surrey County Council have consulted with the leaders in the area to see if they will be able to come up with a solution to half empty classes in the primary classes across the area. This change means that Surrey County Council fully support our application for this reduction in PAN.

Context

Hale Nursery and Primary Academy is a two form entry Primary school with an extra 4 spaces in Year 3 to enable children from infant schools in the area to gain a place in Year 3 for Junior education.

Surrey has been dealing with a declining birth rate and our numbers have fallen accordingly over time. Fewer children in our school has had an impact on our budget, which has continued to be mitigated by the ongoing flexibility of the school staff and academy reserves. Income generation has been a key focus for the school and lettings have significantly increased over the past year. However, with a continuing trend of lower birth rates in the Waverley area, it is clear that there is less demand for school places and Surrey County Council can now support our application to reduce our annual intake to 30. The birth rate in Surrey Heath has been in decline, which has impacted upon the number of pupils needing a school place for Reception each year for all schools in Waverley.

This has an impact on Hale Nursery & Primary Academy with a capacity of 420. The numbers have fallen accordingly, as you can see in this table which shows NOR over the last 5 years:

2017	2018	2019	2020	2021
390	371	358	303	347

Implications for Staffing and Budget

The numbers being admitted over the last seven years are reflected in the current numbers on roll. There is not one year group that is at capacity.

Capacity	Reception	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
60	31	47	30	32	39	57	47

Clare Freeman

Academy Head

Hale Nursery & Primary Academy

Tel: 01252 716729

Email: clare.freeman@hale.kite.academy

Director of Finance Report

Hale have experienced a sustained drop in pupil admissions, which is having an impact on staffing costs as the number of pupils and related GAG funding is not sufficient to maintain the level of staffing required for a two-form entry academy. Following substantial budget modelling and engagement with the Local Authority for analysis of birth rates and school place planning, it was agreed that the academy should seek to reduce their Pupil Admission Number (PAN) to 30 per year (from 60). Surrey County Council have supported this view (report included on pages 9-11) and with first choice preferences of 19 pupils on school place offer day, we are reviewing staffing needs for Hale.

The table below shows the impact of a 40-pupil intake per year to the academy's finances. To achieve consistency, we have removed the gag pooling from the re-modelling and allocated central costs on a per pupil basis. As the finance system was changed in 2020/21, we do not have a brought forward surplus or deficit. However, based on the Local Authority statistics an intake of 40 is still ambitious.

Hale	2021-22	2022-23	2023-24	2024-25	2025-26
In Year Surplus / (Deficit)	(69,979)	19,591	(1,086)	(73,272)	(49,889)
Surplus / (Deficit) Brought Fwd.		(69,979)	(50,388)	(51,474)	(124,746)
Cumulative Surplus / (Deficit)	(69,979)	(50,388)	(51,474)	(124,746)	(174,635)

Following the efficiency review, the next step for the school to become sustainable would be a permanent move to a PAN of 30. The financial impact of this decision is detailed below:

Hale	2021-22	2022-23	2023-24	2024-25	2025-26
In Year Surplus / (Deficit)	(69,979)	35,751	96,460	30,370	77,876
Surplus / (Deficit) Brought Fwd.		(69,979)	(34,228)	62,232	92,602
Cumulative Surplus / (Deficit)	(69,979)	(34,228)	62,232	92,602	170,478

As we can see, the financial situation changes significantly when we reduce Hale to a PAN of 30 with associated staffing reductions. My recommendation would be to reduce the PAN at Hale for reception to 30 and have an intake for year 3 of 30 as soon as possible to negate the need to consider the viability and solvency of Hale Academy.

Paula Brooks

Director of Finance / Chief Financial Officer

Kite Academy Trust

Tel: 01252 984930

Email: paula.brooks@kite.academy

Chief Executive Officer Report

Hale Nursery & Primary Academy, supported by The Kite Academy Trust (KAT), has taken every possible step to help make the school a viable proposition to continue as it is. Evidence is clear that there are not sufficient places needed within the local area. Surrey County Council have provided the data to show predicted numbers going forward. They have discussed how the schools in the area can reduce excess places in Year R. Rather than all local schools struggling to fill classes, Hale have proposed they take the selfless decision to reduce the PAN in Reception to 30, which would help all the local schools in not chasing the same elusive EYFS places. Surrey has supported this proposal as it is in everyone's interest for schools to be full based on PAN and to afford staffing structures to meet their PAN.

When Hale Nursery & Primary Academy joined the Trust in October 2019 it had been through a turbulent time. There had been many changes in the leadership and the school was in debt to the County Council. The Kite Academy Trust has supported the academy with both of these issues – it has new strong leadership and is out of debt. The Nursery which was part of the school is now set within the school rather than attached to the Children's Centre, hence giving the children from the age of two a good start to being in the school community. Hale serves an area of the community that has many vulnerable families and the pastoral services that we provide within the Kite are essential for these families. It is also important for us to offer these families FEET places for these very young children.

The KAT has worked hard to change the image of the school and provide high quality education for our children by:

- Providing some investment in marketing Hale Primary and Nursery Academy
- Moving the Nursery into the main site and working the Nursery and Reception as an Early Years Unit
- Employing a new leadership that is both stable and strong
- Employed new teachers through secondments, moving from other KAT schools and external appointments
- Employed new support staff
- Provided professional development for all staff to ensure consistency of approach

We are hopeful that this will encourage prospective parents, however, we are aware that the low birth rate is starting to have an impact on many of the schools in the area. What we don't want for Hale is low numbers impacting on the finances of the school again. It is clear that pupil numbers are not there and without some action, all local schools face the same financial burden of running classes under PAN.

We are currently working with Folly Hill Infant School's proposal to join our Trust and we would be wanting to keep a PAN of 60 at Year 3. Folly Hill is a one form entry Infant school and therefore have 30 Year 2 children needing a Year 3 place. With 30 in Hale and 30 in Folly Hill the 60 PAN would give families a choice to remain within the Kite family of schools at junior transfer. We would reduce from the current 64 to 60 at Year 3 which again would help with excess places at this point.

With school budgets becoming ever tighter the financial impact of unfilled class spaces is significant. School improvement relies on investment in resources, training and stability which Hale are finding it hard to afford. The KAT reserves have been used to support Hale, but this naturally impacts the support that can be given to our other 8 schools, which could be disastrous.

Hale finds itself in this situation, through no fault of its own. The numbers of children requiring a place for Reception have declined and are predicted to continue declining over the next 5 years. We have provided a solution which not only solves the problem at Hale, but it also helps local schools to be full. It is clear that making this decision now will help to ensure Hale is sustainable in the future.

Christine Dickinson

Chief Executive Officer

Kite Academy Trust

Tel: 01252 984930

Email: christine.dickinson@kite.academy

Consultation with Stakeholders & Community

Introduction

The Trust held a consultation with stakeholders and the local community which ran between Monday 8th November and Monday 27th December 2021. Details of the consultation process along with the responses/questions submitted can be found below. The Trust's responses to the points raised in the responses received have been published on the academy and Trust websites and shared with parents.

Process

- Consultation document drafted and distributed to all stakeholders
- Distributed to all local pre-school settings
- Distributed to all local schools who shared it with parents/carers
- Available on our school website
- Available on the Trust website
- Shared on all academy Facebook pages

Responses

2 responses were submitted and received within the consultation period: **1 disagreed** and **1 agreed** with the proposal.

The response that disagreed expressed concern that siblings would not get a place at Hale. We wanted to provide reassurance that sibling priority is the 4th criterion of the oversubscription criteria, after looked after and previously looked after children, children with exceptional social or medical needs and children of staff.

Conclusion

Having carefully considered the views expressed by those who responded, the Local Academy Council maintains that reducing the Published Admissions Number for Hale Nursery and Primary Academy is in the best interests of the academy and vital in ensuring that it remains financially viable.

Introduction

The local authority (LA) has a statutory duty to provide a sufficient number of school places to meet demand. Effective pupil place planning is an essential process that enables the LA to work with schools and stakeholders to commission and create high quality school places. These fulfil the requirement to meet the basic need for school places and provide the right level of choice for parents. We undertake a robust and comprehensive approach to pupil place planning that forecasts the numbers of children requiring school places using a trend-based model combining demographics with pupil level information. This report, and its associated data, seeks to explain and substantiate the reasons why Hale School wishes to decrease its Published Admissions Number (PAN) at reception and increase their PAN at Year 3 and confirm that the council seeks to support this request in the context of school place planning.

Proposal

Kite Academy Trust is proposing to reduce the Reception PAN of Hale School from 60 to 30 places and increase the Year 3 PAN from 4 to 30 places from September 2023.

Context

Hale School is currently a two form of entry (2FE) primary school with an additional PAN of 4 at Year 3 entry, which was introduced in order to mitigate the impact of pupils leaving for Key Stage two education at other schools. The school has seen declining pupil numbers over the past five years as evidenced in **Table 1**.

Table 1 – Numbers on Roll at Hale School

Census year	2017	2018	2019	2020	2021
Total pupils on roll	390	371	358	303*	347

(*January census as no summer census in 2020 due to Covid-19)

Over the last five years, there has been a declining birth rate in Surrey and the forecast for pupils has reduced accordingly. Any additional pupils within the forecasts are as a result of pupil yield from new housing rather than by underlying demographic demand.

In Surrey, the birth rate reached a low in 2002 before seeing significant increases to reach a peak in 2012 across most areas, including Waverley. **Table 2** shows the birth rate in the borough has subsequently seen year on year decline, falling by 18% by 2020.

Table 2 – Birth Rates in Waverley (Source: ONS)

Birth data	2012	2013	2014	2015	2016	2017	2018	2019	2020
Number of births	1,385	1,240	1,215	1,282	1,251	1,211	1,191	1,133	1,040

Table 3 shows the predicted number of births in Waverley, based on demographic data from the Office for National Statistics (ONS) and considering estimated population projections and migration factors. This illustrates that the birth rate is expected to plateau, with minor decreases in some years.

Table 3 - Predicted Births in Waverley (Source: EDGE)

Birth year (academic)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Predicted no. of births	1177	1167	1153	1151	1145	1145
Starts Reception in (Sept)	2025	2026	2027	2028	2029	2030

Pupil Place Forecasts

The local authority combines birth data with pupil movement trends and housing data to produce a forecast of pupil numbers. Forecasts are at both planning area (groups of schools based on proximity and pupil movement trends) and at borough level to ensure there are sufficient places where they are required.

Table 4 shows the Reception year pupil forecasts for the planning area of Hale and Weybourne, in which Hale School is located, and **Table 5** shows the forecasts for the borough of Waverley as a whole.

Table 4

Hale and Weybourne			
School year	No. of Year R pupils	PAN for planning area	Surplus no. of places
2022-23	149	165	16
2023-24	142	165	23
2024-25	140	165	25
2025-26	139	165	26
2026-27	137	165	28
2027-28	137	165	28
2028-29	137	165	28
2029-30	137	165	28
2030-31	137	165	28

Table 5

Waverley			
School year	No. of Year R pupils	PAN for borough	Surplus no. of places
2022-23	1341	1,445	104
2023-24	1296	1,445	149
2024-25	1228	1,445	217
2025-26	1212	1,445	233
2026-27	1191	1,445	254
2027-28	1186	1,445	259
2028-29	1179	1,445	266
2029-30	1178	1,445	267
2030-31	1180	1,445	265

The data demonstrates there is to be a predicted surplus of places in both the planning area, and across the entire borough. Please note that, for the purposes of these calculations, the Reception PAN for Hale School is still assumed to be at 60. Within the Hale and Weybourne planning area, there are four schools. The current number of places available is detailed in **Table 6**.

Table 6 – Schools in Hale and Weybourne Planning Area

School name	Year R places	Year 3 places
Badshot Lea Village Infant School	45	
Folly Hill Infant School	30	
Hale School	60	64
William Cobbett Primary School	30	80
Total places in planning area	165	144

Should the proposal to reduce the Reception PAN at Hale be agreed, there will be a small deficit of places within the Hale and Weybourne planning area. The neighbouring planning area of Farnham, which is in close proximity to Hale and Weybourne, also has a forecasted surplus of Reception places moving forward which will be able to mitigate the deficit resulted from the proposed Reception PAN reduction at Hale Primary School.

The second part of the proposed admissions alterations of Kite Academy Trust are to increase the Year 3 PAN at Hale School from 4 to 30. If the proposed change to the Year 3 PAN is made in line with the reduced Reception PAN of 30, the lower reduced number would move through the school and this in effect gives a capacity of 60 per year group in Key Stage 2. This would reduce the number of Year 3 places across the planning area by 4 as currently Hale Primary have a total of 64 places per year group in Key Stage 2.

Tables 7 and 8 show Year 3 pupil forecasts for the planning area of Hale and Weybourne, in which Hale School is located, and for the borough of Waverley as a whole.

Table 7

Hale and Weybourne			
School year	No. of Year 3 pupils	PAN for planning area	Surplus no. of places
2022-23	133	144	11
2023-24	161	144	-17
2024-25	156	144	-12
2025-26	148	144	-4
2026-27	139	144	5
2027-28	136	144	8
2028-29	134	144	10
2029-30	132	144	12
2030-31	132	144	12

Table 8

Waverley			
School year	No. of Year 3 pupils	PAN for borough	Surplus no. of places
2022-23	1401	1402	1
2023-24	1475	1402	-73
2024-25	1433	1402	-31
2025-26	1435	1402	-33
2026-27	1360	1402	42
2027-28	1275	1402	127
2028-29	1248	1402	154
2029-30	1225	1402	177
2030-31	1223	1402	179

The data demonstrates there is to be an initial deficit of Year 3 places up until 2025 with a predicted surplus of places in both the planning area, and across the entire borough from 2026 onwards. Please note that, for the purposes of these calculations, the PAN for Hale School is still assumed to be at 4 with a total of 64 Year 3 places within the school.

Should the proposal to increase the Year 3 PAN at Hale be agreed, the reduction of total places by 4 will increase the initial deficit of places up to 2025 within the Hale and Weybourne planning area. The change for Year 3 admissions will need to be carefully timed and be monitored to ensure that there are sufficient places against the demand for places. As with the Reception forecasts, the neighbouring planning area of Farnham which is in close proximity to Hale and Weybourne, also has a forecasted surplus of Year 3 places from 2024 which will be able to mitigate any deficit resulted from the proposed reduction of Key Stage 2 places at Hale Primary School.

Table 9 show the pupil place forecasts for Reception to Year 6 for the planning area of Hale and Weybourne, in which Hale School is located. **Table 10** shows the forecasts for the borough of Waverley as a whole.

Table 9

Hale and Weybourne							
Academic Year	Year R	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
2022-23	149	158	170	133	150	138	163
2023-24	142	152	165	161	136	154	142
2024-25	140	142	156	156	162	137	156
2025-26	139	140	146	148	157	163	140
2026-27	137	138	143	139	149	157	165
2027-28	137	137	141	136	140	150	159
2028-29	137	136	140	134	137	141	152
2029-30	137	136	140	132	135	137	143
2030-31	137	137	140	132	134	136	140

Table 10

Waverley							
Academic Year	Year R	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
2022-23	1,341	1,368	1,451	1,401	1,345	1,363	1,422
2023-24	1,296	1,392	1,428	1,475	1,445	1,377	1,398
2024-25	1,228	1,324	1,430	1,433	1,499	1,456	1,395
2025-26	1,212	1,251	1,358	1,435	1,452	1,507	1,469
2026-27	1,191	1,227	1,278	1,360	1,448	1,452	1,512
2027-28	1,186	1,203	1,251	1,275	1,369	1,447	1,457
2028-29	1,179	1,195	1,227	1,248	1,286	1,367	1,449
2029-30	1,178	1,192	1,221	1,225	1,259	1,284	1,372
2030-31	1,180	1,195	1,221	1,223	1,239	1,261	1,292

Impact from Housing Developments

The greatest impact on the availability of primary school places is expected to stem from the additional pupil yield from new housing developments. The local authority works closely with the boroughs and district planning authorities to ensure accurate housing data is shared and reflected in pupil place forecasts.

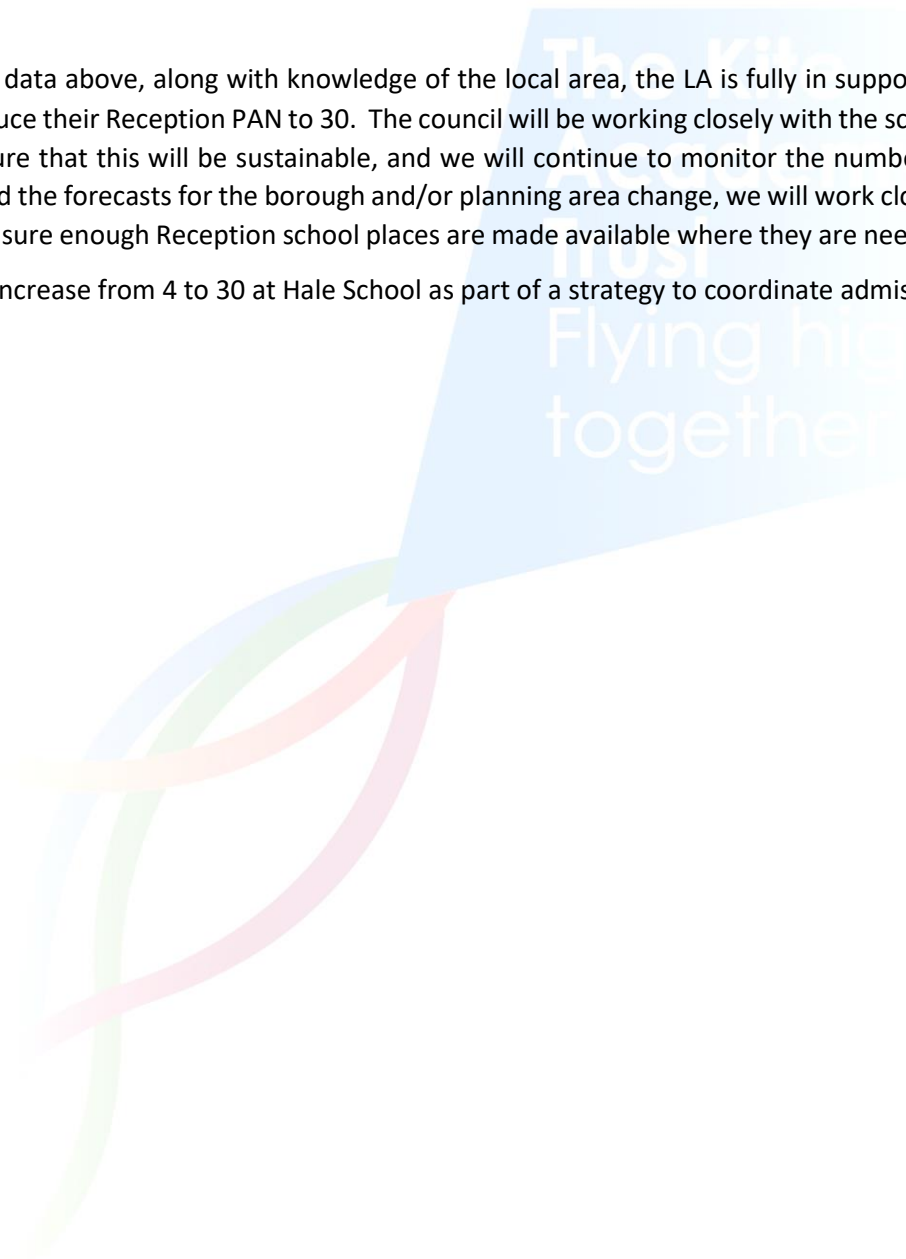
Data provided by Waverley Borough Council in April 2021 indicates that over the next 3 years, (2021-2024) almost 1000 homes are projected to be built across all Farnham wards. In contrast, there are only 87 homes projected to be built within the wards immediately surrounding Hale School over the next decade. Therefore, the additional pupil yield which will be local to Hale School is likely to be 2-3 pupils per year group and this yield is shared amongst all schools within the planning area.

The forecasts suggest that there is likely to be a surplus of places maintained throughout the forecast period and so the local authority is able to support the request of Hale School to reduce its Reception PAN from 60 to 30 and for the Year 3 PAN to be increased to 30 as part of the corresponding PAN reduction.

Conclusion

Taking into consideration the data above, along with knowledge of the local area, the LA is fully in support of Hale School's intention to reduce their Reception PAN to 30. The council will be working closely with the school and its academy trust to ensure that this will be sustainable, and we will continue to monitor the number of pupils coming forward. Should the forecasts for the borough and/or planning area change, we will work closely with all the local schools to ensure enough Reception school places are made available where they are needed.

In relation to the Year 3 PAN increase from 4 to 30 at Hale School as part of a strategy to coordinate admission the LA is supportive.



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Trust Board Determination

At their meeting on 8th February 2022, the Trust Board considered the data presented in this report, the responses received to the consultation and the statement from the local authority. The Trustees determined that, in order to ensure the sustainability of Hale Primary & Nursery Academy, the PAN for initial entry (Reception) should be reduced to 30 for Reception. For Year 3 entry, the PAN should be increased from 4 to 30.

The Trustees will continue to monitor the number of pupils applying for school places in the area and, should the place planning forecasts change, the PAN at Hale Primary will be reviewed. The Trustees are committed to working closely with the local authority to ensure there are enough school places available in the communities where they are needed.

John Allan

Chair of Trustees

Kite Academy Trust

Tel: 01252 984930

Email: john.allan@kite.academy



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