

## Agenda Item 6



### Report Status

For information/note ☐  
For consultation & views ☐  
For decision ☒

### Report to Haringey Schools Forum – 16 January 2025

**Report Title: Unspent Growth Fund 2024-25 distribution proposal**

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#### Report authorised by:

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#### Purpose:

**To inform Schools' Forum members of the proposal to distribute unallocated Growth Fund to undersubscribed primary schools falling into specific categories (5 criterion)**

#### Recommendations:

1. To consider a proposal on the allocation back to undersubscribed schools of £143,836 estimated unused growth fund as detailed below
2. Alternatively, Schools' Forum may wish to distribute unspent funds equally to all schools in a lump sum, as in previous years

## 1. Introduction

- 1.1. Under the Schools Finance (England) Regulations of 2012, local authorities, with the agreement of the Schools' Forum, are permitted to retain DSG to form a specific schools' contingency to support those schools that, with the prior agreement of the LA, are permanently expanding and those schools experiencing significant in-year pupil roll increases. This specific schools' contingency is known as the Schools Growth Fund.
- 1.2. The funding changes introduced in April 2013 allow a local authority, with the approval of its Schools' Forum, to top slice a contingency for in year increases in pupil numbers. The fund applies equally to maintained schools and academies and is designed to cover required in-year growth in forms of entry and not general variations in numbers experienced during the year.
- 1.3. This funding is equivalent to pro-rata financial-year equivalent to 7 months, from September to March, funding for the number of additional pupils expected to join the school in the Autumn as a result of the temporary expansion within a particular year group. Academies are currently funded for the whole 12 months and council recoups funding for the 5 months from the ESFA.
- 1.4. This funding is intended to support the additional revenue costs associated with the expansion; teaching and support staffing costs, resourcing classroom equipment and share of senior management salaries cost.
- 1.5. Payments from the Schools Growth Fund are profiled over the period for which they cover and are paid with the monthly budget share payments to schools.
- 1.6. Officers are required to report all payments made against the Growth Fund to Schools' Forum at least once a year. Any unspent Growth Fund is usually carried forward and added to the formula allocations for the following financial year.
- 1.7. This year an unallocated Growth Fund from 2023/24 of **£143,836** has been carried forward to the 2024-25 financial year. Schools' Forum can decide to distribute these funds equally as a lump sum to all schools or to allocate it for another purpose.
- 1.8. This paper sets out a new proposal for members to consider the option of an allocation back to undersubscribed primary schools of £143,836 unallocated growth fund in 2023-24. The methodology and criteria for this is set out at para. 1.17 below.

## Background

- 1.9. Following many years of borough-wide rising demand as a result of the growth in Haringey's population, the number of primary aged children joining Haringey primary schools has been in steady decline since 2014/15, a trend observed across London. School funding is primarily determined by the number of children on roll and falling rolls equates to reduced funding to deliver education across the borough.
- 1.10. The Council has a statutory duty to ensure there are a sufficient number of school places for pupils and that places are planned effectively. Published Admission Numbers (PANs) reflect the maximum number of pupils schools can accommodate in each year group: this is derived from dividing the whole school PAN by the number of year groups within the school. Reductions to PANs have been implemented in recent years in schools across both the East and the West of the borough, however, they have not kept pace with falling numbers, leaving the surplus still above viable levels.
- 1.11. The Council monitors surplus reception places, a key measure of demand, and aims to maintain between 5 and 10% surplus across all Haringey primary schools. In June 2024, the

reception vacancy rate in Haringey for entry to September 2024 was 10.3% overall with some school planning areas carrying a higher surplus rate. Without taking further action, surplus reception places are forecast to rise above 15% by 2027/28.

- 1.12. Furthermore, there is a significant surplus across all primary schools in Years R - Year 6. Based on the 2024 School Place Planning report and May 2024 census, there is a Determined PAN of 21,780 across Haringey primary schools versus pupils on roll of 19,011. The difference is 2,769 which represents a surplus against PAN of 12.7%.
- 1.13. Allowing surplus places to remain above 10% through inaction would directly and negatively impact the financial viability of Haringey schools, which will have an impact on education standards. This is because schools with less income have less money for staff salaries, for extracurricular activities, for equipment, to pay bills and carry out maintenance work. The quality of education and classroom support offered for children in these schools would deteriorate in time, as the affected schools would have to deplete surplus funds or go into deficit to maintain their current education offer.
- 1.14. High levels of surplus places results directly in a reduction in income, which can lead to deficit budgets. Falling rolls is a major theme that runs through the budget planning considerations of many schools in financial difficulty. Several schools are currently managing small year group sizes that prove to be uneconomical and require adopting a more flexible approach to resourcing i.e. vertical grouping (children from different years groups taught together) and capping of in-year classes (Years 1 - 6).
- 1.15. To manage and balance budgets, many Haringey school leaders have had to make efficiencies and innovations, which include reducing costs and exploring opportunities to increase income, for example, by hiring out facilities. However, in many cases these options have already been taken and budgets are still under pressure before they must deal with the financial impact of surplus school places.

#### **What has been done already?**

- 1.16. In summary, the Council and school leaders have already taken the following actions:
  - reduced the planned admission number (PANs) at schools that don't fill up.
  - combined different year groups to keep schools financially viable.
  - reduced the number of teaching and/or support posts to balance budgets
  - Introduced mixed age teaching (i.e. mixing two year groups into one class)
  - Reduced expenditure on other support staff, ICT and teaching resources
  - Offered fewer enrichment activities for pupils
  - Reviewed contracts and other expenditure to maximise efficiency

#### **Proposal – Can Schools' Forum support primary schools financially? Unused growth fund distribution**

- 1.17. We have been considering how we can support primary schools which are undersubscribed, in the most fair and equitable way. We consider that the following criteria can be used to determine which schools are most in need of funding, specifically due to falling rolls.

#### **Methodology – 5 key criteria for consideration**

- a) Funding is provided where schools are providing a class for pupils, but the cost of keeping this class open is outweighing the funding provided by the number of pupils in the class.  
*For example – a class of 30 with 15 children on roll.*
- b) Where a school is operating an empty class and refusing to reduce their PAN or cap their in-year admission classes despite evidenced lower demand in the local area. In this case,

funding should not be allocated for these empty classes, as this could encourage schools to maintain empty classes in order to obtain funding via Growth Fund.

*For example – a school with a PAN or admission limit of 90 and only 45 children on roll would receive funding for their second class but not their third.*

- c) Funding will be provided regardless of whether schools are actually operating with merged or mixed age-range year groups.
- d) Where a school can in theory operate with classes only **marginally** above their PAN, funding should not be provided, as the expectation would be for schools to lower their PAN or cap their in-year admission numbers in line with current forecasts and local demand. To enable this, a number will need to be set for how many children above 30/60/90 a school should have on roll before being funded for the next full class.  
*For example, a school with 61 or 62 children on roll would not receive funding for a third class.*
- e) The amount of funding allocated should **not be more than the amount of AWPUP per-pupil funding**, as the ideal is for schools to be funded for pupils on roll and to make the relevant organisational changes by reducing the number of classes or the number of teachers/ support posts to balance budgets, where necessary.

### Proposal

- 1.18. Taking these five points into account, the LA will look at where primary, infant and junior schools have undersize classes due to falling rolls. The LA can consider this across all year groups in December each year, following the publication of the October census, and will calculate the total number of vacant places in schools based on the above criteria. By this time, the Admissions Service will have ensured that all schools prior to the October census have maximised their funding by admitting as many pupils as possible so they are full to capacity.
- 1.19. Following these calculations, the unspent growth fund will then be distributed equally to the relevant schools, based on the number of vacant places they are currently maintaining.

### Examples

- a. The below example calculations are based on assuming that the limit for criterion 5 is **34 per class**, however, Schools' Forum may wish to elect a different number. The attached spreadsheet at *Appendix 1* includes a **full example calculation based on an earlier underspend of £149,303** where the limit for criterion 5 is set at **32 per class**.

*Departmental guidance sets out that all classes over 30 (excluding 'excepted' pupils) can cause prejudice to the provision of efficient education or resources. Funding will not be provided to schools that have independently elected to offer children above their admission limit.*

- b. In this scenario where 34 is the limit, the funding allocated would be distributed to schools based on a total of 199 vacancies. For example, if a total £10,000 of unspent growth fund was available, schools would be funded at £50.25 per vacancy. Each of these four example schools would receive £1,457 (School A), £3,969 (School B), £2,663 (School C) and £1,909 (School D) of funding respectively.

School A	<b>Rec</b>	<b>Y1</b>	<b>Y2</b>	<b>Y3</b>	<b>Y4</b>	<b>Y5</b>	<b>Y6</b>
<b>Admission Number</b>	60	60	60	60	60	60	60
<b>Number on Roll</b>	50	27	53	51	60	62	62

<b>Vacancies</b>	10	33	7	9	0	-2	-2	
<b>Funded Vacancies</b>	10	3	7	9	0	0	0	29
								<b>TOTAL</b>

School B	<b>Rec</b>	<b>Y1</b>	<b>Y2</b>	<b>Y3</b>	<b>Y4</b>	<b>Y5</b>	<b>Y6</b>	
<b>Admission Number</b>	60	60	60	60	60	60	60	
<b>Number on Roll</b>	37	32	47	41	53	46	57	
<b>Vacancies</b>	23	28	13	19	7	14	3	
<b>Funded Vacancies</b>	23	0	13	19	7	14	3	79
								<b>TOTAL</b>

School C	<b>Rec</b>	<b>Y1</b>	<b>Y2</b>	<b>Y3</b>	<b>Y4</b>	<b>Y5</b>	<b>Y6</b>	
<b>Admission Number</b>	60	30	60	60	60	60	60	
<b>Number on Roll</b>	25	19	28	26	42	30	47	
<b>Vacancies</b>	35	11	32	34	18	30	13	
<b>Funded Vacancies</b>	5	11	2	4	18	0	13	53
								<b>TOTAL</b>

School D	<b>Rec</b>	<b>Y1</b>	<b>Y2</b>	<b>Y3</b>	<b>Y4</b>	<b>Y5</b>	<b>Y6</b>	
<b>Admission Number</b>	30	30	60	30	30	60	30	
<b>Number on Roll</b>	30	21	29	29	29	27	37	
<b>Vacancies</b>	0	9	31	1	1	33	-7	
<b>Funded Vacancies</b>	0	9	1	1	1	3	23	38
								<b>TOTAL</b>

## Recommendations

1. To distribute back to schools £143,836 of unused growth fund based on the formula and methodology set out above **or** to continue distributing remaining funds equally as a lump sum to all schools as set out in *Appendix 2*.