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Managing the challenge of falling pupil numbers in Swanage

Proposed Merger of St Mark's CE Primary and St George's CE Primary: *Seeking approval to proceed to consultation*

It is recommended that trustees read the two accompanying papers first:

- *Summary of working group meeting, February 2026*
- *Draft engagement and consultation plan*

1. Purpose of this Paper

To seek Trust Board approval to proceed to stakeholder engagement and consultation on the proposal to merge St Mark's CE Primary School and St George's CE Primary School & Pre-School into a single 2–11-year-old primary school on the St Mark's site, with a PAN of 15, from September 2027. Trustees will be able to review the output from the consultation process before considering whether to formally submit a Significant Change Application to the DfE around September 2026.

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2. Background and context

Trustees are familiar with the falling pupil number issue affecting the Purbeck area more generally, and Swanage in particular. The Trust Board has been kept abreast of the extended deliberations of the working group which has been tasked to examine these issues in detail on its behalf. Pupil numbers in both schools are forecast to continue falling, creating significant educational, financial, and operational risks. September 2026 anticipated intake, as was demonstrated at the last Board meeting, continues to support the relevance of this proposal. The working group has now completed its review of viable structural models and recommends progressing the merger proposal to consultation in anticipation of then making a significant change application to the DfE.

Our recent School Resource Allocation discussion regarding these two schools confirms that, from September 2026 (subject to final financial approval), there will be seven classes across these two schools: three in St. George's and four in St. Mark's. If the two schools are then left on that combined basis of seven classes, without any further interventions in response to continued falling pupil numbers, we anticipate a cumulative deficit of just over -£3million by the end of 2034/35. Its in-year operating deficit within this same timeframe will be around -£500K.

This analysis confirms the significant financial risk of taking no action.

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3. Summary of the main options considered

Option A: *Continue as two separate small schools, becoming progressively smaller proportionate to falling pupil numbers.*

Not recommended because:

- Leads to very broad mixed-age teaching across just two classes in each school (by Sept 2030 in St. George's and two years later in St. Mark's).
- Viewed as educationally limiting with entire key stages learning in the same single classes.
- Considered uncompetitive locally in terms of parental preferences.
- Considered a significant risk to the successful recruitment and retention of quality staff.
- Sensitive to very small variations in intake numbers.

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Option C: *Remain as two legally separate schools but each with a different designation: Infant school (at St. George's) and Junior school (at St. Mark's)*

Not currently recommended because:

- Operationally more complex as we would continue to occupy two sites.
- More expensive to run and limited opportunity to reduce staffing and other costs given the need to run two separate sites; difficult to run efficiently.
- Requires families to split journeys and/or manage transport between sites.
- Only viable if substantial income-generating external provision can occupy part of the estate—no viable partner identified yet, but efforts will continue in this regard. This is a key element in determining whether this option might become recommended.
- Should such an opportunity be found, this option carries the benefit of preserving a second primary lump sum.

Option B: *Single primary school on the St Mark's site (PAN 15, max 105 on roll)*

Recommended option because:

- Educationally coherent, enabling stable class configurations and reasonable breadth of mixed-age teaching (comparable to current Wool CE Primary arrangements, with four classes overall).
- Financially the most sustainable of all options. Being on one site provides opportunity to further refine expenditure through ongoing budget-setting processes.
- St Mark's site can accommodate the existing combined full roll immediately, without capital works.
- We would have capacity to increase PAN in the unexpected event of pupil numbers rising locally. Could increase up to a PAN 30 school, max 210 on roll. This is therefore the most sustainable option.
- Limitations at St. George's site mean that the combined school population would not be able to move in together for longer, adding further to cumulative deficits; there would then be limited opportunity for expansion should pupil numbers increase in the future.

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4. <u>Summary of financial analysis of each option</u>

Finances have been forecast for 10 years across a variety of options (note option B of a single site is divided into two options, comparing occupying St. George's site with occupying St. Mark's site). This analysis has been interrogated by both the working group [redacted].

Option	In-Year Financial Trajectory	10-Year Cumulative Position	Key Financial Risks / Notes
Baseline: Leave as two separate schools with seven classes in total between them.	Increasingly large deficits each year from 2026/27 onward (e.g. **–£110k** in 2026/27; **–£508k** by 2034/35)	**≈ –£3.0m cumulative deficit**	Intolerable level of financial risk. Not presented as an option, but a 'do nothing' comparison baseline position.
Option A: Two separate schools become smaller proportionate to falling numbers.	Moderately large annual deficits (e.g. **–£30k to –£240k**, then fluctuating)	**≈ –£1.1m cumulative deficit**	Assumes controlled admissions and falling PAN; both schools down to two classes; retains two sites, structural inefficiencies and wide mixed-age classes.

Option	In-Year Financial Trajectory	10-Year Cumulative Position	Key Financial Risks / Notes
Option B(1): Single primary on St Mark's site	Best-performing option; periods of small surpluses/ deficits (e.g. **+£72k** in 2027/28) followed by stabilised deficits around **–£80k to –£100k**	**≈ –£0.54m cumulative deficit**	Lower long-term losses; unlocks site efficiencies; strongest staffing / sustainability model; expansion easy if needed; high confidence in opportunity to further reduce deficit by being on one site.
Option B(2): Single primary on St George's site	Mixed results; some positive years but larger deficits in later years (e.g. **–£148k** by 2034/35)	**≈ –£0.73m cumulative deficit**	Less favourable site capacity; harder to consolidate quickly; no flexibility to respond to unexpected increase in pupil numbers.
Option C: Two separate schools, Infant and Junior	Persistent significant annual deficits (e.g. **–£146k**, **–£236k**, **–£132k** in final year)	**≈ –£0.94m cumulative deficit**	Retains duplicated costs; transport implications for parents; only viable if another income-generating educational provision exists (e.g. satellite provision)

Option B1 provides the strongest financial position. Although it still demonstrates an in-year deficit in 2034/35 of -£98K, that in-year deficit is lower than that in option A (-£145K) and, crucially, it allows for a better quality of education since the extent of mixed age teaching is far more tolerable. Furthermore, with both schools combined on a single site, the opportunity to further improve the financial position through reducing expenditure and achieving further efficiencies is greater, as we have seen at Wool CE Primary.

Summary of why B1 is financially stronger:

- Consolidates onto one site earlier, reducing estate-related overheads.
- Enables the Trust to run fewer classes from Sept 2027 onward (but avoids having to reduce below four classes).
- Removes duplication in leadership, admin, and other support functions and creates opportunity to reduce other costs associated with dual sites.
- St Mark's site avoids the need for capital investment to absorb the full roll.
- It still allows for potential limited income generation through surplus classrooms (as the school site will still not be full).

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5. Summary of Rationale for the Recommended Proposal (Option B1)

Educational: Ensures sustainable class structures, improves curriculum breadth, and supports staffing stability.
Financial: Lowest long-term deficit profile and quickest route to structural efficiency.
Estates: St Mark's is the only site capable of absorbing the full roll without capital works whilst offering future expansion opportunity.

[redacted].

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6. Engagement and Consultation Arrangements

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A separate, draft engagement and consultation strategy has been provided, and the working group continues to focus its energies on planning in this area. In summary, engagement and consultation is planned for late April – July, broadly following this sequence and rough timeline:

- Current and ongoing: Engagement with formal partners (Diocese, Local Authority, DfE)
- Late April: Engagement with full LGB (following initial briefing with a smaller number of influential local governors)
- May: Staff
- June / July: Wider community consultation including key written materials to identified consultee groups / individuals, invitation to attend information sessions, mechanism for feedback and comment.
- July / September: Consultation report to Trust Board.

The basis of the consultation will be to share the problem (with a strong focus on the risk of diminishing quality of educational experience over time), share the options explored, identify the option currently considered preferable, invite comment and observation.

7. Next steps before proceeding to consultation

A significant change application to the DfE must demonstrate alignment with the Local Authority's pupil place planning along with Salisbury Diocese' support. Regardless of this DfE requirement, the working party considers it critical that this proposal is presented with the explicit, full and complete support of both the Local Authority and Salisbury Diocese. [redacted].

We now require both partners to confirm their support in writing and ideally provide a clear statement that they are happy to have shared with public consultation materials. The working group considers that consultation must not be initiated until that that written support is secured.

Additionally, we anticipate that a significant question through consultation will relate to the likely future use of the St. George's site. This building is in the heart of Langton Matravers, and it is reasonable to assume that local residents will have acute concerns about this. It is therefore critical that an accurate and honest answer can be given to this question. Salisbury Diocese is therefore being similarly required to provide absolute clarity on this point before consultation can be initiated.

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8. Recommendation

Subject to securing the support outlined in section 7, the Trust Board is invited to:

Approve proceeding to formal stakeholder engagement and consultation on the proposal to merge St Mark's CE Primary and St George's CE Primary & Pre-School into a single 2 – 11 primary school on the St Mark's site (PAN 15), with an intended implementation date (subject to consultation and DfE approval) of September 2027.