Confidential to Trust Board

Strategy for managing falling pupil roll: update for Trustees, July 2023
(Including update on growth activity)

1. Latest context

As the latest three year financial plan comes together, we can see the impact of falling pupil numbers over time. If CLP were 100% full in every year group, in every school, there would be 5682 pupils on roll.

Lagged pupil numbers			
2022/23	2023/24	2024/25	2025/26
5383	5317	5235	5193
			-190

190 further vacant places represents around £960,000 of lost potential income. The situation is not quite as stark as those figures imply because, in practice, as pupil numbers and income fall, so schools reduce their expenditure, especially around staffing. However, schools will be under some strain in making the necessary adjustments, and reducing expenditure (especially salary costs) will be particularly difficult in some schools (such as when pupil numbers decline but not sufficiently to 'lose' a full class). This is further compounded by other financial pressures, most notably the shortfall between nationally-negotiated pay awards and additional funding.

As a consequence of this, the latest financial plan anticipates CLP's overall reserves position to be below the 4-6% target range for the first two years. Coming into target in the third year is largely dependent upon each school delivering on its planned assumptions, especially around staffing.

Year 1		Year 2		Year 3	
%	£	%	£	%	£
3.4	*889K*	*4.3*	*1,121K*	*5.6*	*1,512K*

2. Likely impact in individual schools

It is almost certain that every school will be impacted by falling pupil numbers to some extent. We have some schools carrying/forecasting vacancies for the first time despite being typically full with waiting lists. Examples include Courthill (forecast to peak at 20 vacancies in this financial plan, 95% full), Lilliput (peaking at 13, 96%) and Queen's Park (peaking at 15, 96%). Although these schools remain 'nearly full', 15 vacant places is not insignificant, representing lost income of approx. -£76K per year. However, the following provides a summary of which schools are likely to feel the greatest impact:

School	% full Forecast End of Y3	Reserves End of Year 3		Comment
		%	£K	
Corfe Castle	54	-23	-93	-23% reserves is a +9% improvement over three years due to year-on-year in-year surplus. Pupil numbers likely to drop further beyond Y3 to around 48% full (approx. 50 - 56 pupils). From Sept 25, without more significant reorganisation, this becomes a school of two classes. PAN reduction to 8 would enable two mixed-age classes of 24 / 32 respectively.
Heathlands	80	-18	-214	-18% reserves is a +15% improvement over three years due to year-on-year in-year surplus. 2022/23 has seen an unexpected influx of 60+ pupils. Numbers may settle at around 75 – 80% full but will need monitoring to see the trend.
Oakdale	79	+11	+222	Although reserves are high, +11% is a -2% decline over three years due to a very high in-year deficit in Year 3. The PAN reduction from 180 to 128 (from 6 to 4 classes) has already removed surplus places but may not have been deep enough. The combined PAN of the two main 'feeder' schools is 150 but a significant proportion historically choose

				other schools (notably, Ocean Academy). The new HT may influence parental decisions from Sept 2025.
Old Town	86	+1	+12	There is a modest surplus by the end of Y3 but this would likely be deficit the following year. A particular problem is that although pupil numbers are lower, they do not lend themselves to PAN reduction / removal of classes (e.g. 154 children = 25/26 per class). This school will be a drain on reserves without an easy fix if 86% becomes the norm.
Queen's Park	96	-0.5	-8	At 96% full, this school ought to be able to find a stronger financial position. However, currently it remains in deficit through most of the three year plan. There is no opportunity for a PAN change (as per OTIS) and so some other work is required here, most likely around staffing arrangements, to bring the school into a position of surplus.
St. Clement's	92	+3	+36	This would have been 71% full if we hadn't reduced the PAN. Although Y3 ends in positive reserves, the school's in-year position declines by -164K from Y2 to Y3. 2023/24 intake requires three small classes before PAN of 60 takes effect in Sept 2024. This cohort will be a three-year drain on reserves and then an issue into Bethany. A long-term financially viable model is required.
St. Mark's	55	-7	-43	Although showing deficit reserves, it is improved by +6% over three years due to in-year surplus which will then become problematic again from Y4 onwards. Despite considerable efforts, intake for Sept 2023 is just 5 pupils invoking a move to mixed-age teaching from Sept 2023 (YR/1 mixed). With no evidence that numbers will be higher for the foreseeable future, this school will likely reduce in size over time to match Wool (PAN 15) or even Corfe Castle (possible PAN 8).
W'ham St. Mary	85	+6	+59	Although positive reserves, these are diminishing over three years by -4% due to in-year deficit. Like Old Town, pupil numbers are lower but do not lend themselves to PAN reduction / removal of a class (25 per class). This school may be a drain on reserves without an easy fix.

[redacted] We anticipate that the other three Purbeck potential joiners will remain 90%+ full.

3. Update and likely actions against the 7 key levers of the strategy for managing falling roll

Lever		Current known main focus for 2023/24
1	**Improvement & promotion**	All schools must continue to strengthen their overall provision as much as possible and promote their school fully.
2	**Secure trust growth**	Successful on-boarding of four new schools in Dorset. Secure growth of one further school, ideally with a NOR of 420+ (fuller update on growth activity below). This will protect the central budget (and central service) from the impact of broader falling roll.
3	**Engage with LA pupil place planning**	Evaluate the impact of the BCP-wide PAN reduction requests and re-engage ahead of the next admissions consultation (Oct-Jan). BCP anticipates that those non-CLP schools who refused the request to lower their PAN may 'come round' in the following year. Dorset Council is not minded to undertake a similar piece of work. However, the four new Purbeck schools joining puts this situation into our overall influence. Dorset Council has indicated a willingness to engage with CLP on lever 4.

4	**Generate income from under-use premises**	Explore all opportunities that can be found. Currently, the following discussions are underway to different extents, and none are confirmed: Oakdale junior: Linwood Special School setting up an EYFS/KS1 base for autistic children using six classrooms. Could generate income of around 100K per year from Sept 2024. Old Town Infant: Existing Winchelsea satellite increase by one further class. Could generate income of around 25K per year from Sept 2024. Purbeck schools: Especially St. Marks, Corfe Castle (and St. George's). Dorset Council appears keen to explore ways in which our surplus premises can support their wider strategic developments such as increasing places for specialist provision. Corfe Castle: Neighbouring pre-school legally join the primary school. As the pre-school feels that it is no longer able to thrive independently, consider the merits of the pre-school joining. This may not directly increase reserves but it will reduce the risk of pre-school closure which could have a catastrophic effect on the school's viability.
5	**Make PAN adjustments as required**	Consideration of this must be given to all schools who have shown higher vacancies / challenging numbers going into Sept 2023. Some of the schools highlighted in the previous table may be particularly relevant here. Consider appropriateness of PAN of newly joining schools. Any proposed PAN changes would require consultation in autumn and determination of 2025/26 admissions policy by 28th February 2024.
6	**Use reserves more flexibly**	Continue to explore this area with HTs, further developing the 'continuum of  options'. Trustees reconvene on this debate ahead of Reserves Policy review in March 2024.
7	**Review school organisation**	There are two likely areas of consideration here: St. Clement's & St. John's and Bethany: As anticipated, the financial plan shows a large in-year deficit emerging at SCSJ in Year 3 and, without significant intervention, this will grow from there. Purbeck schools: As the four new schools join CLP, a long term strategy for CLP school organisation in that area must be developed. This strategy needs to consider pupil numbers, uneven distribution of numbers between schools, PAN, best organisation of education between sites to minimise negative impact of excessive mixed age classes and use of surplus premises to generate additional income.

4. Update on growth activity

School(s)	Update
Stoborough CE VA Primary Swanage Primary	Considered by Advisory Board on 19th June. Approved with the following conditions: 1. More specific information must be provided about how school improvement will be supported; 2. As CLP grows, and as future vacancies arise in the Trust Board, additional educational experience is recruited to the Board; 3. All four Purbeck schools legally convert on the same date; 4. PMO assessment approved for Swanage.

	Governors' community/staff consultations from 25th May – 30th June. Swanage consultations generally quiet and positive. Governors wrote to parents again about two weeks into consultation with responses to questions. Governors also had an extraordinary meeting to discuss management of parent concerns, the outcome being that they will invite parents to a final online Q&A session on 4th July, after consultation has ended. TCaF application for £250K submitted on 3rd July. We will hear outcome of this in November ahead of conversion on 1st December.
St George's CE Primary Lulworth & Winfrith CE VC Primary	All necessary information has been provided to the Regional Director's office ahead of Advisory Board consideration on 18th September. We will commence consultation processes immediately after summer. TCaF application exactly as above (it can be submitted prior to AB decision).
Kingsleigh Primary	We are one of the schools 'preferred two MATs' and they wish to further their exploration with us. We will continue this engagement into 2023/24. Whilst the school is in this decision-making period, we will offer open access to CLP's training/networking package. We've also had a follow-up meeting with the school to discuss our earlier responses to their financial queries. As it stands, when they compare their 6.3% central contribution (about 220K) with the savings they will make elsewhere in their budget, they anticipate a shortfall of about 160K. Clearly, this is a barrier to them joining CLP and it is interesting to note that they have found the same issue with the other MAT they are exploring. is going to work on the detail around this with the School Business Manager between now and September. However, I anticipate that it will throw up two issues which will require our future attention: 1. The joining of a large school will likely enable a lowering of the central recharge for all schools and we will need to consider what that might be (our financial modelling so far assumes 5.9%); 2. Irrespective of (1), we will need to think differently. We may find that the consistent central slice arrangement does not translate well to schools over a certain size as their potential MAT savings do not correlate with their sizable recharge. We may need to consider a differing recharge or introducing a 'cap': for example, *schools in CLP will usually contribute 5.9% of their GAG or 175K, whichever is the greater* (this last point to illustrate a way of thinking, not an actual proposal!).
Muscliff Primary	An email from the HT at the end of May stated that CLP's presentation to the governors had been 'well received'. At their next meeting, governors will be setting out a series of questions for CLP to consider and we expect additional requests to further their exploration. We will therefore continue this engagement into 2023/24 and, as with Kingsleigh, offer open access to CLP's training/networking package. We anticipate the same financial re-thinking will be required.
Corfe Castle Pre-School	We have opened community consultation on this proposal (14th June – 11th July). We commenced due diligence during w/c 19 June. A written or verbal update will be provided at this meeting.