Confidential to Trust Board

Strategy for managing the impact of falling roll

What is the issue?

National trends[1]:

The DfE's latest pupil projections for the next decade predict that there will be a decline in primary pupil numbers from 2024-25 onwards. The number of pupils in state-funded primaries is set to fall by almost a fifth by 2032 (figure 1).

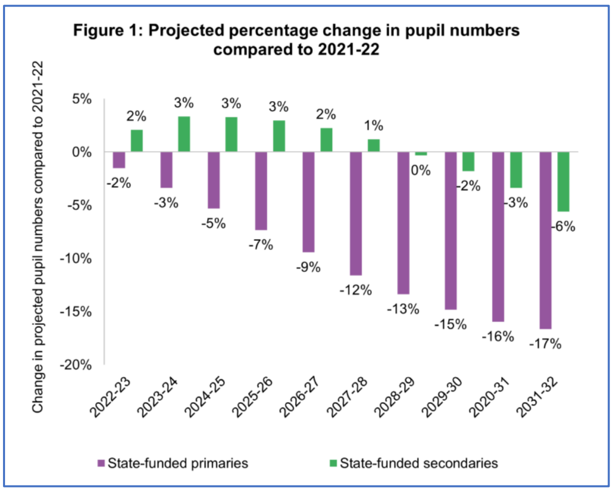

Figure 1: Projected percentage change in pupil numbers compared to 2021-22

This is already creating challenges for schools and local authorities. The reduction in finances means that schools will have to make difficult decisions to balance budgets. This could be reducing the number of staff or narrowing the curriculum offer and extra-curricular opportunities, impacting negatively on quality of education. In some cases, school and local authority leaders may have to make difficult decisions to merge or close schools.

Local trends:

We can already see this trend reflected in our Local Authority areas. All of the pupil place planning areas within BCP are forecasting a fall in pupil numbers. The resultant surplus level will vary from place to place, ranging from 20% to 40%. There is no expected change in this pattern for the foreseeable future. A similar trend exists in Dorset Council. [redacted]

Why does this matter?

1. Pupil number directly impacts on school funding: fewer pupils, less money.
2. Schools can flex their staffing accordingly through the budget-setting process. However, if pupil numbers fall below a critical point, this can cause a school to make decisions which are detrimental to quality of education and richness of school experience.
3. Reducing pupil numbers can be especially difficult if numbers are not 'neat'. For example, pupil numbers in multiples of 30 or 15 lend themselves to sensible PAN reductions and classroom organisation. However, where class sizes sit above 15 but below 30, options are more limited especially at KS1 given infant class size legislation. A school seeing a drop of ten in its pupil numbers will not typically be able to lose a whole class (and therefore be able to reduce their teacher numbers) but would lose around £45,000 funding per year (noting that this figure is higher than the cost of a full time, newly qualified teacher).

What is the solution?

This is a complex problem which requires management on multiple fronts. Some of the solutions affect all of the schools all of the time, such as the need to increase promotional activity. However, other solutions need to be managed on a per-school basis according to the impact in the school's local area, such as when considering PAN reductions and school organisation.

The aim is to achieve a position where each school's funding is as secure as possible and this requires that:

1. **School organisation across CLP is as efficient as possible**
2. **Each school's PAN is the most efficient possible given its context**
3. **Reserves are used flexibly where efficient school organisation / PAN cannot yet be achieved**
4. **Every school is as popular as it possibly can be**

A summary of solutions is provided in the following table.

[1] Source: Articles in Schools' Week (July 2022, January 2023)

Solution	Why this solution is important	Additional commentary
1.Maximise schools' improvement and promotional activity	Each school must become a 'school of choice' in its local area so that it is competitive and can attract the highest possible proportion of available pupils. This requires two things: 1. Best possible performance; every school good+ 2. Highest possible level of prospective parental awareness	School improvement continues to accelerate and we have seen several schools shift from RI to Good. For example, Heathlands has seen an increase in on-time 1st preference applications for Sept 2023 (21 against 14 last year) and the Ofsted outcome may have had some impact here. Schools with falling roll are promoting their schools as fully as they can. Is there more that we can be doing in this area?
2.Engage with LA strategic planning	Local Authorities have a statutory responsibility for pupil place planning. They must endeavour to work with schools and admissions authorities (such as MATs) to balance the supply and demand of school places. Through this, surplus places are kept at a tolerable level and schools are better protected against falling numbers.	BCP has launched a strategy to reduce surplus places and CLP has engaged closely with this work. We now anticipate that there will be five fewer YR classes across CLP schools' planning areas from Sept 2024; BCP had aimed for nine so the surplus will not be reduced as much as hoped. Dorset Council has not undertaken any such work with its schools. CLP schools will now need to consider (3) and (4) within this context.
3.Consider PAN adjustments as required	The PAN determines the maximum number of pupils admitted to Year R. This needs to be set at a number which takes account of the school's intake trend as well as forecast numbers in the catchment area. It is more efficient to have a lower PAN and be full than it is to run with a larger PAN but small class sizes and many vacancies.	PAN adjustments have been made at Wool, Oakdale and St. Clement's & St. John's (with Bethany naturally following SCSJ in due course). In Wool, we have seen the benefit of reducing the PAN from 30 to 15, allowing transition to an appropriate mixed-age class model. In-year 'caps'[2] have been used to support this transition. The Oakdale PAN may still be too high and PAN reductions may need to be considered in the other Dorset schools, most notably St. Mark's.
4.Review school organisation as required	School organisation in every local area reflects decision-making over time and long term pupil number forecasting. If demand drops for a sustained period, it can lead to inefficient arrangements: too many schools creates excessive staffing costs (especially at leadership level) and excessive premises costs.	It may be necessary to consider reviewing school organisation to find more efficient ways of working. For example, two smaller schools can fall under a single point of leadership; a separate small infant and junior can become a single primary. SCSJ and BJS may lend themselves here as both schools are set to become small and will carry heavy staffing costs at leadership level. .
5.Ensure that reserves are used flexibly	Changes to school organisation and PAN are not always appropriate; even where changes are made, impact on efficiencies is not immediate. For example, PAN reductions must be planned two years in advance. This can leave schools financially insecure where there is an imbalance of pupil number and school operating model.	MATs can use their reserves more flexibly to supplement the income in those schools which have not yet been able to settle at the most efficient operating model. CLP needs to establish a mechanism through which one school's high reserves can be used to support another school's deficit reserves; this is not necessarily an ideal long-term arrangement but can buy more time for the 'struggling' school to find that efficient operating model.
6.Explore opportunities for growth	A MAT's financial resilience is determined by combined pupil number (and then in ensuring it has the most cost-effective way of organising its schools). The central budget is created by taking a % of each school's GAG and each school's GAG is directly linked to pupil number. It therefore follows that falling pupil number leads to a lower central	CLP is currently exploring some growth opportunities. Subject to due diligence and risk assessment, some growth is important in ensuring that our central budget remains resilience. We need to mitigate the negative impact that schools' falling roll will have on the central budget and therefore the quality and breadth of the central service.

[2] In-year cap: admissions authorities are allowed to cap pupil number as they see fit in any year group other than the entry year.

	budget and inevitable restrictions on the support and services that schools can expect.	

Solution	Where is the 'main effort' required for each school?
1.Maximise schools' improvement and promotional activity	This is necessary for all schools but is even more important for those feeling the strain of falling roll: • BJS, CCP, CIS, HPA, OJS, SCSJ, SMPS, WSM, WPS
2.Engage with LA strategic planning	This is also necessary for all schools but even more important in those areas where surplus is expected to be the highest: • BCP: OJS, SCSJ, BJS, HPA • Dorset: SMPS, WSM
3.Consider PAN adjustments as required	• HPA: A PAN of 15 may become more appropriate if numbers are not reliably above 20. • OJS: The new PAN of 128 assumes 4 classes of 32. Main feeder Stanley Green is reducing its PAN to 60 from Sept 2024 at BCP's request – this is more likely to support a PAN of 96 at OJS. • SCSJ / BJS: PAN reduction to 60 at SCSJ will need to be followed similarly at BJS for Sept 2025. • SMPS: Currently, intake for Sept 2024 is very low and Dorset figures indicate possibly 58% full. Consideration of PAN of 15. • WSM: As per SMPS, but less significant.
4.Review school organisation as required	• SCSJ/BJS: Separate detailed paper sets out a proposal to create a split-site primary across these schools (as per St. Luke's).
5.Ensure that reserves are used flexibly	The following schools have high reserves and therefore have a potential role to play in supporting others: • BPSP, CIS, HPS, LIS, LPS, OJS, SLPS
6.Explore opportunities for growth	N/A