



15th October 2024

Dear Parents

Financial Update and VAT Announcement

Following communication earlier in the term, we are writing to update parents of action that the school has taken in response to the Government VAT policy and to publish the school's indicative fee structure for the following two terms of this academic year in light of the policy and future legislation.

As a school we made a submission to the Treasury Technical Consultation outlining the possible impact the policy could have on our school and community as a whole. We also engaged positively with our local MP, Jess Brown-Fuller, who actively participated in the Parliamentary debate around the possible impacts of the policy on schools.

HM Revenue & Customs (HMRC) have, however, now confirmed that the policy will definitely come into effect from 1st January 2025 despite warnings from the sector and unions that schools will not be ready.

While there remain some details that are not yet confirmed, there has been some clarification on the following aspects of our provision that will attract VAT:

- Reception fees to all pupils irrespective of age (*4 and 5 year olds who are in Reception*)
- SEND support lessons with the exception of support provided through an EHCP
- Educational specialist lessons, such as music and speech & drama
- Fees payable in lieu of notice

We would like to reassure you that the Governors and school continue to be focused on ensuring that we offer a high quality education and a breadth of opportunity for our pupils throughout their Oakwood journey, alongside our motivation to minimise any increased financial impact on our families. Our fee increase for the 2024/25 academic year at 4% was set with consideration given to both inflation and the staff pay rise that is aligned with state schools, and was set at a level below that of many independent schools; this fee rise did not assume or pre-empt the impact of VAT.

Through our strategic financial planning, coupled with strong pupil numbers, the ability to claim input VAT on some items of expenditure, focused cost and efficiency savings and accepting a lower financial surplus this year, we can now announce that for the Spring and Summer terms in 2025, we will **reduce** termly fees by **5%** (before VAT) to all parents who have not paid fees in advance, which will lessen the impact of VAT from 20% and mean a fee increase inclusive of VAT of **14%**. These calculations have been structured based on our current knowledge of the Government policy and budget due to be announced on 30th October; we would therefore like to advise parents that there could be necessary changes if there are unexpected announcements at this time.

In addition, for the remainder of this academic year, we have decided as a school to absorb the VAT being applied to specialist lessons in SEND, music and speech & drama, ensuring that there are no further additional costs for parents at this time. We appreciate how important these aspects of Oakwood life are to a very large number of families and our motivation is for these to continue without additional financial impact in the short term. However, these fees will increase from September 2025 to reflect the impact of VAT.

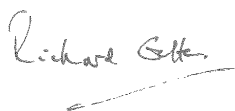
We will confirm the VAT treatment of after-school clubs which are not providing just childcare, e.g. sport instruction, shortly after half term and in advance of club bookings for the Spring Term 2025. It is likely that charges for some after school clubs will need to increase from January due to VAT. Club charges are billed to parents in arrears, therefore the cost of Spring Term clubs will be added to Summer Term fee invoices.

Please refer to the indicative fee structure changes outlined below for the Spring and Summer Terms 2025:

Current Termly Fee		Indicative Termly Fee Spring & Summer Terms 2025	
Reception	£3,830	Reception	£4,365
Year 1 & 2	£4,120	Year 1 & 2	£4,695
Year 3 & 4	£5,735	Year 3 & 4	£6,540
Year 5 & 6	£6,170	Year 5 & 6	£7,035

We recognise that this remains an increase in fees from January 2025 for our Oakwood families and therefore we continue to be focused on minimising the financial impact in the future years. We thank you for your patience and words of support as we navigate the school through these challenging and unsettling times. The strength of our school community is clear and we remain committed to working closely with all Oakwood families now and in the future.

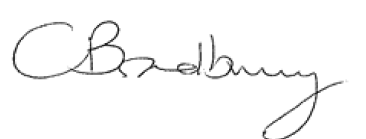
Kind regards



Mr Richard Geffen
Chair of Governors



Mrs Kathy Bourne
Chair of Finance
& General Purposes



Mrs Clare Bradbury
Headteacher