**Oxfordshire County Council**

**Schools Forum – June 2024**

**Schools facing financial difficulties**

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| --- | --- |
| **Settings** | **Sector** |
| Academies |  | Foundation Stage | ü |
| Maintained Schools | ü | Primary | ü |
| PVI Nurseries |  | Secondary | ü |
| Special Schools | Tick | Special | Tick |
| Local Authority | ü | 16+ |  |
| Schools Forum | ü | High Needs |  |

**1. Items for Information:**

Oxfordshire Schools Forum discussed the proposal for Schools in Financial Difficulties at its meeting on 16 January 2024. The proposal from the local authority was to provide expert financial support for schools with a financial deficit and where appropriate, pay off some smaller budget deficits on a targeted basis. Schools Forum were keen that alongside this approach, financial training and support was provided to Headteachers and their senior leaderships to enable them to better manage some of the financial challenges they face. This report brings back to Schools Forum for information, the approach taken by the local authority in the light of Forum’s comments.

**2. Purpose of Report**

2.1 The purpose of this report is to report to Schools Forum the local authority plans for using the Schools in Financial Difficulties fund and to seek their advice and guidance.

**3. Recommendations**

3.1 School Forum is asked to note:

A)That the local authority will be funding training for headteachers, school business managers and chairs of governors to support them in managing their budgets. This training will be rolled out from September 2024.

B) That the local authority will be funding 1 school which currently faces unique financial challenges due to factors other than teachers’ pay in line with the guidance from the DfE. The local authority intends to fund one school £45,000 to cover the costs of an additional teacher from September 2024.

C) that the local authority review its policies in relation to funding schools expanding to support housing developments and their admissions arrangements to ensure they are fit for purpose

D) that the local authority will look to support other schools in unique circumstances throughout the financial year and will bring a report on the outcome of this approach to the meeting in early 2025.

**4. Background and overview**

4.1 Under the DfE Financial Support for local authorities supporting maintained schools 23/24 guidance issued in October 2023, Oxfordshire County Council was allocated £331,272 for schools in financial difficulties.

 4.2 The guidance states that:

*Schools in financial difficulty should continue to reach out to their local authority, as they usually would. We expect that local authorities will continue to provide the full range of support that they usually offer. In the first instance, this may mean having a supportive conversation with the school, to discuss its situation and understand its challenges, to determine the most appropriate form of support.*

Furthermore, the guidance states that:

*It should be noted that this funding is not solely intended to cover schools which are in deficit as a result of the 2023 teachers’ pay award. It is to support schools facing substantial overall financial challenges, which may be driven by factors other than teachers’ pay.*

And that

*Local authorities should report to their schools forum on how they are using the money.*

4.3 As reported to Schools Forum at its meetings of 16 January 2024, the proposal from the local authority was to use this funding to provide expert financial support for schools with a financial deficit and where appropriate, pay off some smaller budget deficits on a targeted basis.

4.4 At that meeting, the Schools Forum raised its concern that some school heads and governors may not have the requisite expertise to manage their budget deficits.

4.5 In the light of the issues raised by the Forum, the local authority intends to use some of the available funding to develop and implement a programme of financial training for school headteachers, school business managers and chairs of governors. An estimated amount of £5k has been set aside for this purpose. This will enable a termly workshop for Heads, Chairs of Governors and Business Managers to attend to support them in understanding their finances. Dates for this training have been confirmed for the autumn term.

4.6 The guidance from the DfE is clear that under this funding:

*this does not mean that every school with a deficit within that local authority should be given additional funding. The DfE expect funding to be allocated on a case-by-case basis, taking into account the severity of the school’s position and prioritising those in greatest need.*

4.7 Having reviewed the guidance and the deficits faced by some maintained schools, the local authority intends to fund Radley primary school with a contribution of £45k towards its deficit.

4.8 The local authority believes that Radley primary school faces a number of unique challenges brought about by the operation of the funding formula combined with the need to expand the school to respond to local housing need. The root cause of this financial problem is the funding gap caused by growing numbers in the school.

4.9 An extension to the school was approved by OCC and was completed in 2023. This extension was based on a predicted growth of housing in the area and the subsequent need to expand the school. The school has received 2 tranches of growth funding of £33k each in previous years (a total of £66k), but this is insufficient to cover the costs of employing additional staff to accommodate the extra pupils.

4.10 In addition, the yearly funding cycle, which is based on the previous year’s numbers, puts the school at a disadvantage.

4.11 The October 2022 census showed the school as having 102 pupils on roll. This figure then determined the school’s budget share for 2023/2024. However, by October 2023, the number on roll had risen to 126. This means that the school is not receiving funding for the extra 24 pupils, resulting in a shortfall of at least 70k. There will be a similar funding gap for the next year as numbers are expected to rise to 141 in September 2024, but the school will only be funded on the numbers from the October 2023 census which were 126. This shortfall in funding will continue until at least 2029. It is estimated that this ‘lagged’ funding model has meant that the school will receive £180k less funding than its pupil numbers will warrant.

4.12 This situation is further compounded by the admissions arrangements. The school has a Published Admission Number (PAN) of 30 in YR, Y1 and Y2 but only 15 in KS2 year groups. This is resulting in admissions appeals as more pupils move into the area but are not being admitted because KS2 year groups are full although there may be space for younger siblings at the lower end of the school. This is resulting in mixed age classes in KS2 as school leaders are having to change the organisation of classes yearly to meet demand. In addition, according to January 2024 figures, the school admitted a lower proportion of pupils with SEND as compared to similar schools (2% as compared to the Oxfordshire average of 7.6% of school roll).

4.13 The authority intends to ‘hold’ the remaining pot of funding to enable other schools who face challenging circumstances to access this funding. A report on the outturn of the fund will be reported to Schools Forum at its meeting in early 2025.

**5. Recommendations**

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B) That the local authority will be funding 1 school which currently faces unique financial challenges due to factors other than teachers’ pay in line with the guidance from the DfE. The local authority intends to fund one school £45,000 to cover the costs of an additional teacher from September 2024.

c) that the local authority review its policies in relation to funding schools expanding to support housing developments and their admissions arrangements to ensure they are fit for purpose

D) that the local authority will look to support other schools in unique circumstances throughout the financial year and will bring a report on the outcome of this approach to the meeting in early 2025.