

Surrey Tory MPs against school fees VAT

22 September 2024



Special Educational Needs families should be exempt from Government plans put VAT on independent school fees, six Surrey MPs have said.

Claire Coutinho, Jeremy Hunt, Ben Spencer, Rebecca Paul, Greg Stafford and Lincoln Jopp argue in a open letter to the chancellor Rachel Reeves, that VAT on school fees misunderstands the sacrifices many families make to give their children a better life.

They said the 20 per cent increase would force parents to send their children to state schools and increase pressure on the system – applications from parents “transferring from independent schools” in Surrey jumped from 116 between November 2022 to August 2023, to 382 the following year when Labour’s VAT plans on private schools gained traction.

The Conservative Surrey MPs said price rises disproportionately affect educational needs pupils as 93,000 children at special independent schools do not have Education, Health and Care Plans (EHCP).

If their parents are unable to afford the increases, they argue, children would have to attend schools less able to cater to their complex situations.

The Treasury argues that ending tax breaks on private schools will help recruit 6,500 new teachers while children in local authorities where their needs can only be met in private schools will not have the fees apply to them.

East Surrey MP, Claire Coutinho, said: “One in four children in Surrey attend an independent school.

“Their parents are saving the Government money by paying for their independent school, and paying for a state school place through their taxes.

“To penalise them for this and increase pressure in the state system is wrong.

“As a former minister for special educational needs, I am acutely aware about the impact that Labour’s tax changes will have on children with special and complex needs.

“These families, who have often faced uphill battles to find a school that meets their child’s needs, will now be taxed and many children who have settled in a school environment will be forced to move.

“Labour must reconsider this ideological policy and introduce an immediate exemption for SEND children.”

The Government argues that it has carefully considered the impact ending VAT will have on pupils, families and schools across both the state and private sector.

Ending tax breaks on private schools, it said, would help raise revenue to change education,.

The Government does not expect significant numbers to move to the state sector part way through the academic year, citing the stable number of children in independent schools since 2000 – despite a near 75 per cent “real terms increase” in average private school fees over that time.

Pupils in independent schools, funded by local authorities because their needs can only be met privately, will not have the fees apply to them as the council’s will be able to reclaim the VAT.

A government spokesperson said: “We want to ensure all children have the best chance in life to succeed. Ending tax breaks on private schools will help to raise the revenue needed to fund our education priorities for next year, such as recruiting 6,500 new teachers.

“Fees for students with an Education, Health and Care Plan that states their needs cannot be met in the state sector will have their private school fees paid by the Local Authority that can then reclaim the VAT they pay.”

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