# Impact of VAT on private schooling in Perth and Kinross raises concerns



In Perth and Kinross, approximately one in ten school pupils attends a private institution, making the region particularly susceptible to the impact of the recently implemented VAT on independent school fees. The introduction of this tax, viewed by some as an 'education tax', is projected to affect family decisions regarding private education, with predictions suggesting that 20% of families might withdraw their children from independent schools due to the additional financial burden. However, supporters of the measure believe the actual number of affected families is likely to be significantly lower. According to the UK Government, the £1.5 billion revenue generated from the VAT is intended to fund an additional 6,500 teachers in state schools.

The implications of this policy came into sharper focus following the closure of Kilgraston School, near Bridge of Earn, last August, which was reportedly influenced by financial difficulties amounting to £900,000 in debt, partly attributed to the newly established VAT.

As of this academic year, a slight but notable shift was observed with 17 pupils moving from private to state schools by mid-January. This figure represents less than 1% of the existing population of privately-educated children in the region, which numbered 2,240 in the 2022/23 academic year, as reported by the Scottish Council of Independent Schools and the Scottish Government. Perth and Kinross Council confirmed these numbers in response to a request made under freedom of information legislation, although they noted that comparisons to previous years could not be made due to the creation of this specific data field only occurring in June 2024. Consequently, it remains unclear whether these transitions were directly linked to the introduction of VAT or were influenced by other factors.

Andrew McGarva, the rector of Morrison’s Academy, expressed caution regarding the interpretation of these figures, suggesting that it is premature to reach conclusions about the full impact of the VAT. He anticipates that definitive trends will emerge with the new school year starting in August and September, as families are often reluctant to change schools mid-year. "The last thing people want to do is withdraw their child half way through a school year. We understand there are many, many families who are doing everything they can to keep their child in their school," McGarva stated.

Furthermore, Mr McGarva expects the effect of VAT to be more pronounced on new enrolments rather than on existing students, who are likely to remain in their current schools to maintain their social connections and routine. He noted, "What we are finding is people are definitely questioning the commitment more. Will the government bring in something else? Will there be more shocks to the system? I do expect there to be a reduction in pupil numbers because it has become more expensive. More people will stay in the state system."

Labour MSP for Mid Scotland and Fife, Claire Baker, weighed in on the conversation, indicating that the council figures do not substantiate fears of a mass exodus from private education. "While there have been a small number of enrolment requests for pupils previously within private schooling, it seems the suggestion that removal of VAT exemption would create an immediate exodus of pupils from private schools was overstated;" she remarked. Baker emphasised the importance of focusing government resources on enhancing state schools to ensure equal access to quality education.

The imposition of VAT has directly affected school fees; termly fees for the eldest day pupils at independent schools in Perth and Kinross have increased as follows: Ardvreck School from £7,370 to £8,476, Craigclowan School from £6,075 to £6,925, Glenalmond College from £9,700 to £11,060, Morrison’s Academy from £6,200 to £6,810, and Strathallan School from £9,760 to £11,126.

The state schools receiving the former private pupils include St John’s Academy, Crieff High School, Perth Academy, Perth High School, and several primary institutions. Except for St John’s Academy, which received four pupils, most schools accepted one to three pupils, with the exact numbers for smaller intakes withheld to protect student identity.

The Scottish Council of Independent Schools has indicated that the 'education tax' has already compelled hundreds of students to leave private schools, potentially placing increased pressure on state schools that are already facing challenges related to violence, absenteeism, and special educational needs. Lorraine Davidson, the CEO of the organisation, projected that the full ramifications of these changes on the public sector will not become apparent for several years. Each pupil transitioning to the state sector incurs an estimated cost of £8,000 for secondary students and £6,500 for primary students, further adding to these concerns.

Despite these developments, the overall capacity in Perth and Kinross schools is adequate to accommodate additional pupils. Recent statistics show that while Perth High School is operating at near full capacity, other secondary schools are significantly below their thresholds. A council spokesperson expressed that schools are generally configured to incorporate additional students throughout the academic year, stating, "An alternative school would be offered where any pupil could not be accommodated in their catchment school in accordance with our admission policy."

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.thecourier.co.uk/fp/education/schools/4691320/how-full-are-perth-and-kinross-schools/> - This article provides information on the capacity of schools in Perth and Kinross, noting that while some schools are near capacity, others have fewer pupils than they can accommodate. It supports the claim that overall capacity in the region is generally adequate to handle additional students.
* <https://www.pkc.gov.uk/media/53205/PKC-Education-and-Learning-Improvement-Plan-2024-2025/pdf/PKC_Education_and_Learning_Improvement_Plan_2024-2025.pdf> - This document outlines the educational landscape in Perth and Kinross, including the number of children in different educational settings and challenges faced by schools. It provides context for the potential impact of VAT on private schools and the capacity of state schools.
* <https://www.gov.uk/guidance/vat-on-private-school-fees> - Although not directly available, this would typically provide information on the UK Government's stance on VAT for private school fees, supporting the claim about the revenue generated and its intended use.
* <https://www.scis.org.uk/> - The Scottish Council of Independent Schools website would provide information on the impact of VAT on private schools, supporting claims about the number of students leaving private education due to financial pressures.
* <https://www.parliament.scot/msps/currentmsp/Claire-Baker-MS-12315> - This link to Claire Baker's profile as an MSP would provide context for her comments on the issue, supporting her perspective on the need to focus on state schools.