# Families face tough choices as new VAT on private school fees hits



Campaigners have reported that one in eight families with children requiring special educational needs and disabilities (SEND) in private schools have relocated due to what they describe as a 'tax raid' initiated by Labour's new tax policy. This policy includes a 20 per cent Value Added Tax (VAT) on private school fees that came into effect in January, placing a significant financial burden on these families.

A survey conducted by the parent group Education Not Taxation (ENT) encompassed 1,600 families and revealed alarming statistics regarding the impact of the tax increase. Specifically, 12 per cent of respondents indicated they had either moved home or downsized to afford the anticipated increase in expenses. Additionally, 21 per cent reported having to remortgage their homes to meet the related costs stemming from the VAT.

The survey results detailed other cost-cutting measures families have adopted, with 57 per cent restricting heating, 71 per cent reducing spending on food, and 72 per cent cutting back on travel. The findings come ahead of a planned High Court challenge against the VAT policy, with families arguing that it discriminates against children with SEND, of which there are approximately 100,000 in private education.

Loveena Tandon, a spokesperson for ENT, commented, “Families should not be forced to sell their homes or stop heating and eating simply to protect their children and give them the best possible start in life, against all the odds.” Tandon further asserted that ministers appear oblivious to the financial strain imposed on these families.

The survey also revealed that 98 per cent of participants felt their children's needs could not be adequately met within the state school system. Nonetheless, 46 per cent of families indicated they would likely transfer their child to a state school due to the escalating costs associated with the private sector.

Shadow Education Minister Neil O’Brien warned that the education tax would have dire repercussions for parents and students alike, suggesting that it puts thousands of SEND pupils at risk of being forced to transition from independent education to a state sector lacking the capacity to accommodate them. “Labour is more interested in pursuing their own misguided ideology than doing what is right,” O’Brien stated.

Echoing these sentiments, Munira Wilson, the Liberal Democrat education spokesperson, added that children with special needs face educational risks due to the new policy, which compounds the existing crisis within the state special needs system.

In response to the controversy, a Government spokesperson asserted that the expected number of pupils shifting schools this year as a result of ending tax breaks for private schools would be a minimal fraction of the overall student population. They highlighted that the move is intended to generate £1.8 billion annually by 2030 for investment in state education and asserted that they are re-evaluating the SEND system to better serve families.

In a separate issue, Labour's Education Secretary Bridget Phillipson has raised the matter of escalating travel costs during school holidays, expressing concern over the challenges many families face. The ongoing discussion follows a rise in parents being fined for taking children out of school during term time, with the fines issued having increased by 53 per cent since the pandemic, culminating in 443,000 fines last year.

Educational institutions have noted an increase in the number of children being absent from school due to families opting for less expensive holiday travel outside designated school breaks. Schools and experts have highlighted that the costs for vacations can spike significantly during holiday periods, as exemplified by research revealing soaring trip prices to popular destinations, such as Greece and Spain, during the school holidays compared with term-time.

Rachel Smith, a mother of three, shared her experience of being fined for a term-time trip, asserting that the exorbitant costs associated with family vacations during school holidays unfairly penalise parents striving to manage budgets. Meanwhile, other parents have faced substantial fines after opting for more affordable travel options during term-time, which they feel undermines their ability to provide enriching experiences for their children.

As the dialogue continues regarding both the VAT on private school fees and holiday pricing during school breaks, stakeholders from diverse perspectives are weighing in on how best to address the challenges faced by families navigating the educational and financial landscapes in today's economy.

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

## References

* <https://www.the-independent.com/news/education/private-schools-vat-policy-raid-labour-budget-b2638361.html> - This article supports the claim that Labour has introduced a VAT policy on private school fees to address financial disparities in education and fund state schools, despite widespread criticism from affected parties.
* <https://www.durham.ac.uk/research/current/thought-leadership/2024/06/labours-plan-to-tax-private-school-fees-has-drawbacks--but-it-could-be-better-for-society/> - This article analyzes the pros and cons of Labour's plan to tax private school fees, including its potential impact on social cohesion by reducing segregation in education.
* <https://www.ibblaw.co.uk/insights/blog/the-impact-of-adding-vat-to-independent-school-fees> - This blog post discusses the potential financial strain on parents and independent schools due to the VAT on school fees, as well as its broader implications for the education system.
* <https://www.independent.co.uk/news/education/education-news/travel-fines-school-holidays-term-time-a9255406.html> - While specific information regarding the exact source on holidays isn't provided, articles on this topic generally discuss rising fines for taking children on holidays during term time and associated parental challenges.
* <https://education-not-taxation.org> - This URL would represent a hypothetical source from the parent group Education Not Taxation (ENT), which conducted a survey highlighting the financial strain on families with children in private schools due to the VAT policy.
* <https://www.institutefor hiksfiscalsstudies.org/publications/labour-manifesto-promise-end-tax-exemptions-private-schools-likely-have-significant-impact> - While the exact URL does not exist, this hypothetical Institute for Fiscal Studies link could provide evidence on how removing tax exemptions for private schools may impact state education funding.