# Private school enrolment drops by 13,000 amid new VAT on fees, raising fears over sector’s future



The recent exodus of students from private schools in the UK has reached unprecedented levels, with a decline of over 13,000 pupils reported in the past year. This significant drop, cited as the largest since the Independent Schools Council (ISC) began tracking student enrolment in 2012, has been attributed mainly to the implementation of a 20% VAT on private school fees, effective from January 2025. The ISC’s census revealed a decrease in student numbers from 551,578 to 538,215, marking a stark shift as families reconsider their educational choices in light of rising costs.

Headteachers and educational leaders express grave concerns that the government’s projections underestimated the impact of this policy. Initially, the government anticipated a loss of only 3,000 students for the academic year 2024-25, a figure that the ISC believes is overly optimistic. The council's data suggests that many parents are already opting for state education, driven by financial pressures sparked by fee hikes that have averaged an increase of £4,000—approximately 22%—over the past year, leading to average fees of around £22,000. For boarding schools, costs can exceed £60,000, further exacerbating the financial burden on families.

Aatif Hassan, chairman of Dukes Education, which oversees 27 independent institutions, underscores the implications of the VAT on educational diversity. "These figures do not reflect the full damage inflicted on the education sector by the imposition of VAT," he remarked, highlighting that the true effects will likely continue to unfold in the coming academic year. Families already enrolled in private education face difficult choices, balancing the need for continuity in their children's learning against rising expenses and potential shifts to state schools, which could mean adapting to new curriculum requirements.

Critics of the VAT policy argue that it fundamentally undermines the sector. Julie Robinson, chief executive of the ISC, cautioned that the long-term ramifications are alarming. She noted, "Our data shows a significant decrease in pupil numbers... Anyone who’s interested in the government’s VAT policy as a revenue raiser should be seriously concerned by these numbers." The government has touted that the introduction of VAT will yield £460 million in 2024-25, part of a broader £1.8 billion initiative to bolster state education by funding 6,500 new teachers by 2029. Nevertheless, educational leaders question the validity of these estimates in the face of the potential drain on independent schools.

The ISC's figures also indicate that some small independent schools are struggling under mounting pressures, with many at risk of closure due to dwindling enrolments and increasing operational costs exacerbated by the recent cessation of charitable business rates relief and rising national insurance contributions. The correlation between the decrease in private pupil enrolment and the impending tax has prompted some educators to advocate for urgent legal challenges against the VAT policy.

While the government maintains that the changes are necessary to ensure equity in education, the rising fees are already displacing many middle-class families. Sarah Lambert, a parent navigating the new financial landscape, stated, “The rise in fees has left us reconsidering our options entirely.” The impact of these changes may extend beyond mere statistics; Anna McDonald, a SEND (special educational needs and disabilities) advocate, warns that state schools, already stretched for resources, could become overwhelmed by the influx of new students, particularly those requiring additional support.

The ramifications of the VAT decision not only carry economic implications but also threaten to reshape the educational landscape in the UK. As many as 90,000 private school pupils may transition to state education, according to some forecasts, signalling a transformative moment that could redefine access and standards in both sectors. The conversation around the future of education in the UK is becoming a pressing debate, reflecting a nation wrestling with balacing fiscal policies and the quality of education for all children.

In conclusion, this unprecedented drop in private school enrolment serves as a harbinger of larger systemic challenges within the sector, highlighting the critical intersection between policy decisions and educational accessibility. Moving forward, stakeholders across the education spectrum must navigate these turbulent waters to ensure that the pursuit of equitable education does not come at the expense of quality learning experiences for children across the UK.

### Reference Map

1. Paragraph 1, 2, 3, 4, 5
2. Paragraph 6, 7
3. Paragraph 8
4. Paragraph 9
5. Paragraph 10
6. Paragraph 11
7. Paragraph 12, 13
8. Paragraph 14

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

## Bibliography

1. <https://www.thetimes.com/uk/education/article/private-school-exodus-of-13000-dwarfs-ministers-predictions-sm6pf5qv5> - Please view link - unable to able to access data
2. <https://www.ft.com/content/ecefe39b-f0df-4547-b4b1-4d86f0f77d05> - This article discusses the impact of the UK's 20% VAT on private school fees, effective January 2025. Parents like Sarah Lambert are finding it challenging to afford private education, leading some to consider state schools. The Independent Schools Council (ISC) predicts a significant exodus of students from private to state schools, with potential long-term effects on the education sector. The policy aims to raise £1.5 billion for state schools but has sparked debate over its fairness and potential consequences. ([ft.com](https://www.ft.com/content/ecefe39b-f0df-4547-b4b1-4d86f0f77d05?utm_source=openai))
3. <https://www.reuters.com/world/uk/labours-move-tax-private-education-leaves-britain-divided-2024-09-30/> - Labour's decision to impose a 20% VAT on private school fees has divided Britain. The policy is expected to generate £1.5 billion annually, potentially funding 6,500 new state school teachers. However, it also means a 20% rise in private school fees, troubling many parents. Critics argue the policy could burden the state education system, while proponents view it as a step toward equitable education. The policy is expected to reduce private school attendance by 3-7%, equating to 20,000 to 40,000 students. ([reuters.com](https://www.reuters.com/world/uk/labours-move-tax-private-education-leaves-britain-divided-2024-09-30/?utm_source=openai))
4. <https://moneyweek.com/personal-finance/managing-higher-private-school-fees> - The introduction of a 20% VAT on UK private school fees has led to significant cost increases. Families could pay up to £111,300 more to educate a child from age 5 to 18, including boarding. In London, this increase could reach £129,500. The added VAT raises the total average cost of private education to £461,431 for day school and £667,900 for day plus boarding. While the government anticipates modest fee hikes, around half of schools are raising fees by 15% or more. This policy aims to generate £1.7 billion annually by 2029/30 for the state education sector, funding 6,500 new teachers. However, critics argue it could disproportionately affect middle-income families and potentially force over 80,000 children out of private schools, raising concerns about state schools’ capacity. The potential for school closures—77 have already announced plans to shut—and implications for SEND students further complicate the issue. Families are urged to explore financial planning strategies, such as using grandparents’ support, seeking scholarships, or relocating, to manage the heightened costs of private education. ([moneyweek.com](https://moneyweek.com/personal-finance/managing-higher-private-school-fees?utm_source=openai))
5. <https://www.theguardian.com/education/2024/oct/04/private-schools-say-drop-in-pupil-numbers-due-to-impending-vat-on-fees> - Private schools attribute a 1.7% drop in pupil numbers to the impending addition of VAT to school fees. The Independent Schools Council (ISC) surveyed 1,185 member schools and found that parents are already removing their children from independent schools due to the government's plans to charge VAT. This trend is expected to continue, with many small schools at risk of closure. The ISC is considering legal action against the VAT policy and is seeking to delay its implementation. ([theguardian.com](https://www.theguardian.com/education/2024/oct/04/private-schools-say-drop-in-pupil-numbers-due-to-impending-vat-on-fees?utm_source=openai))
6. <https://www.telegraph.co.uk/news/2024/10/11/private-school-pupil-exodus-vat-report/> - The author of a key VAT report admits that the exodus of private school pupils could be twice as bad as initially predicted. The Institute for Fiscal Studies (IFS) estimated that between 3 and 7% of private school pupils could move to the state sector due to the VAT policy. However, Luke Sibieta, the author of the report, suggests that the proportion could be as high as 15%, potentially leading to 90,000 private school pupils switching to state schools. This indicates a more significant impact than previously anticipated. ([telegraph.co.uk](https://www.telegraph.co.uk/news/2024/10/11/private-school-pupil-exodus-vat-report/?utm_source=openai))
7. <https://www.telegraph.co.uk/money/labour-vat-raid-drives-10000-pupils-out-of-private-schools/> - Private schools lost over 10,000 pupils last month in advance of Labour’s VAT raid. The number of students attending private schools fell by 1.7% year-on-year in September, equivalent to 10,540 fewer students, according to the Independent Schools Council (ISC). The ISC calculated that educating these additional pupils in the state system would cost the Department for Education £92.8 million. Julie Robinson, chief executive at the ISC, stated that parents are already removing their children from independent schools due to the government's plans to charge VAT. This trend is expected to continue, with many small schools at risk of closure. ([telegraph.co.uk](https://www.telegraph.co.uk/money/labour-vat-raid-drives-10000-pupils-out-of-private-schools/?utm_source=openai))