



2024-0024690

Stephen Morgan MP
Minister for Early Education

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Mr Blake Stephenson MP
Mr Richard Fuller MP

By email: blake.stephenson.mp@parliament.uk

19 August 2024

Dear Blake and Richard,

Thank you for your correspondence of 2 August to the Secretary of State, regarding plans to end the VAT exemption that applies to private school fees. I am replying as the minister responsible for this policy area.

Ending the tax-breaks for private schools is a tough but necessary decision that will secure additional funding to help deliver the government's manifesto commitments relating to education and young people.

How to fund new tax liabilities will be a commercial decision for individual schools, but there are several ways in which schools could choose to make cost savings.

HM Treasury will deliver tax changes. Further details were published by the government on 29 July at: [VAT on Private School Fees & Removing the Charitable Rates Relief for Private Schools - GOV.UK \(www.gov.uk\)](#). More information about how to respond to this technical consultation can be found in the technical note itself.

The number of pupils who may switch schools as a result of these changes represent a very small proportion of overall pupil numbers in the state sector. The Institute for Fiscal Studies (IFS) research has estimated that up to 40,000 pupils may switch schools. This is still likely to represent less than 1% of total UK state school pupils of more than 9 million. All children of compulsory school age are entitled to a state-funded school place if they need one.

Different areas have a range of different local pressures. The department works to support local authorities to ensure that every local area has sufficient places for children that need them. We will monitor local demand to ensure that appropriate measures are taken to increase capacity where required.

The impact of this policy is being fully considered. As part of this process we are sharing sector insights, including input from school leadership, pupils, parents and caregivers. Following scrutiny by the Office for Budget Responsibility (OBR), further details of the government's assessment of the expected impacts of these policy changes will be published at the Budget in the usual way.

Thank you again for taking the time to write and I hope that you find this response is useful.

Yours sincerely,

A handwritten signature in blue ink that reads "Stephen Morgan". The signature is written in a cursive style with a long horizontal line underneath the name.

**Stephen Morgan MP
Minister for Early Education**