



VAT on School Fees - FAQ's

What is VAT, and why is it being added to school fees?

Value Added Tax (VAT) is a tax imposed by the Government. Starting in January 2025, independent school fees will include VAT due to a policy change removing tax exemptions for such fees.

When will VAT on school fees take effect?

VAT will apply to school fees from January 1, 2025.

How much will VAT increase my child's school fees?

You can find the updated, VAT-inclusive fees for the Spring Term 2025 on our website.

Why is VAT charged at 20%?

This rate is set by recent government legislation and must be applied to fees.

Why cannot the school offset VAT with reclaims from other expenses?

Most school costs are in non-VAT areas (e.g., staff salaries, food) or are VAT-exempt. While some minor VAT reclaims are possible, they don't offset the new costs introduced by the Government.

Can the school recover VAT on previous projects?

The school may recover a small amount of VAT on eligible capital projects over £250,000 completed in the past 10 years, though this sum is expected to be minimal.

What steps has the school taken to reduce the impact of VAT on fees?

We have carefully explored ways to mitigate costs, including consultations with legal and tax experts through relevant independent school bodies.



How will the VAT-inclusive fees be reflected in my upcoming invoice?

The upcoming invoice for Spring 2025 will show the VAT-inclusive total.

Can I pay the VAT separately, or is it included in the total school fees?

VAT will be included in the total school fee amount on your invoice, so it will not be payable separately.

Is there a chance that VAT on school fees could be removed in the future?

As this is a government policy decision, it's unlikely to change in the short term. The Independent School Council is making a legal challenge which is well documented in the press and online but this will take a number of years until its conclusion.

How will the VAT impact school services or staffing?

While there will be some financial adjustments, our priority is to maintain high standards in education and staffing without compromising on the quality of our services.

Are fees paid in advance before 29 July 2024 subject to VAT?

Fees paid in advance before 29 July 2024 are considered exempt from VAT for school terms beginning after 1 January 2025.

Can I still use a prepayment scheme to prevent VAT being applied to future fees?

No, it is not possible to use a prepayment or Fees in Advance scheme to prevent VAT from being applied to fees for school terms starting after 1 January 2025. You may still pay fees in advance, but these payments will be subject to VAT.

Are other schools facing the same VAT implementation?

Yes, all UK independent schools are subject to the same VAT policy as part of the Government's recent legislation.



Will VAT apply to extracurricular activities?

Extra-curricular activities which are educational in nature will be subject to VAT , however, any before or after school childcare, or childcare-based holiday clubs, will continue to be exempt from VAT.

Who should I contact if I have more questions about VAT on fees?

For further queries, please contact our Finance team directly: finance@spsp.org.uk

