



The Scottish Parliament
Pàrlamaid na h-Alba

Darren Jones,
Chief Secretary to the Treasury
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I am writing to express concerns that have been raised with me about the Government's proposed imposition of VAT on the private school sector in Scotland.

While education is devolved to the Scottish Government, VAT policy is not, and the Treasury's technical note on VAT on independent schools suggests that Scottish nurseries and schools could be disadvantaged as a result of specific elements of devolved policy which intersect with the VAT policy.

This is due to the unique structure of Scottish nurseries, where school-age children are often present due to deferral options under the Education (Scotland) Act 1980 and the Scottish policy of Getting it Right for Every Child, which automatically permits deferral. This means that under the VAT proposals as presently drafted many nurseries will be forced to impose VAT on the entire nursery cohort simply because one child enrolled is of school age.

Secondly, I would like to question the fairness of applying VAT to afterschool clubs run by independent schools, while similar clubs outside the school setting remain exempt. For instance, an external provider would need to charge VAT for sessions held in an independent, school but not for those held elsewhere, creating an unjust disparity.

Additionally, there is uncertainty in differentiating between 'educational' and 'non-educational' after-school care. After-school care includes activities such as sports, crafts, and learning through play. How will the UK Government ensure that children's development isn't hindered by this complex VAT distinction?

Finally, applying VAT to music tuition will increase costs by 20%, potentially reducing participation and affecting the livelihoods of tutors, particularly in Scotland, where employment opportunities are fewer. This could have long-term consequences on cultural education and employment for many self-employed instructors.

On behalf of parents and independent schools in my South Scotland region I therefore urge the Government to reconsider these aspects of the VAT policy. It risks disproportionately affecting smaller schools and limiting opportunities for children across the UK.

Yours sincerely,

Craig Hoy MSP
MSP South Scotland