

Children and Young People Overview and Scrutiny Committee

7 August 2025

Member's Item: Implications of removal of exemption from VAT for Private and Independent Schools in Medway from January 2025

Report from: Lee-Anne Farach, Director of People and Deputy Chief Executive

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Summary

This report sets out a response to the Member's item, raised by Councillor Joy concerning the implications of removal of VAT exemption for independent schools in Medway from January 2025.

1. Recommendation

- 1.1. The Committee is asked to note the Director's comments in response to the Member's item.

2. Budget and policy framework

- 2.1. Under Medway Constitution Overview and Scrutiny rules (Chapter 4, Part 5, Paragraph 9.1) Councillor Joy has requested that an item on this issue is included on the agenda for this meeting.

3. The issue

- 3.1. Councillor Joy has requested that an item be placed on the agenda to better understand:
- What impact has the VAT increase had on the number of school places at independent schools in Medway?
 - What impacts has this had on the school places available within maintained schools and academies in Medway?
 - What engagement has the council had with senior leadership teams and proprietors of independent schools in Medway?

- What are the financial impacts of SEN children placed in independent schools by Medway Council?

4. Background

- 4.1. Medway Council does not have admissions responsibilities for independent schools in the same way as it does for state-maintained schools. Admissions data and roll numbers for the last 4 years were requested from Bryony School, King's Rochester, St Andrew's School, Gad's Hill School, and Rochester Independent College. Bryony School and King's Rochester shared this information. There was no response to the request from remaining schools.

		Total places at the school	Pupils on roll (end of year)
2021/22	Bryony School	112	122
	King's Rochester	737	618
	St Andrew's School	Data Not Given	Data Not Given
	Gad's Hill School	Data Not Given	Data Not Given
	Rochester Independent College	Data Not Given	Data Not Given
	Total	849	740
2022/23	Bryony School	112	118
	King's Rochester	737	671
	St Andrew's School	Data Not Given	Data Not Given
	Gad's Hill School	Data Not Given	Data Not Given
	Rochester Independent College	Data Not Given	Data Not Given
	Total	849	789
2023/24	Bryony School	112	98
	King's Rochester	737	672
	St Andrew's School	Data Not Given	Data Not Given
	Gad's Hill School	Data Not Given	Data Not Given
	Rochester Independent College	Data Not Given	Data Not Given
	Total	849	770
2024/25	Bryony School	112	78
	King's Rochester	737	572
	St Andrew's School	Data Not Given	Data Not Given
	Gad's Hill School	Data Not Given	Data Not Given
	Rochester Independent College	Data Not Given	Data Not Given
	Total	849	650

- 4.2. Bryony School and King's Rochester have shown a decrease in the number of children on roll at the end of the current academic year 2024/25.
- 4.3. Bryony School will be closing at the end of the academic year. In communication with the council, they have confirmed that while the removal

of the VAT exemption has not helped, this was not determining factor, but rather the expensive lease process at their junior site.

- 4.4. The table below shows the number of children transferring from Medway independent schools into Medway state-maintained schools, and those transferring from Medway state-maintained schools into Medway independent school over the last 4 years. These figures represent admissions of pupils through the local authority admissions process and does not include any in-year admissions processed directly by own admission authority schools.

	Transfers from Medway Independent into Medway State maintained	Transfers from Medway State maintained into Medway Independent
2021/22	6	14
2022/23	13	36
2023/24	18	33
2024/25*	27	22

*to 24 June

- 4.5. In the current academic year there has been increase in the number of children transferring out of Medway Independent Schools, compared to the previous 3 years, however overall numbers are low.
- 4.6. The represents a net gain of 5 children into Medway schools, which has minimal impact on the number of places available.

5. Actions

- 5.1. The school admission team work with any school in the process of closing to advise parents and ensure all pupils affected by the closure find suitable alternative education provision.
- 5.2. As soon as the council were notified of the potential closing of Bryony School, the schools admissions team contacted the school to offer support and advice to parents and carers.
- 5.3. The school circulated a letter to parents on our behalf advising of the admissions process, how parents could access vacancy information and the process of referring children to the Fair Access Panel if there were no available places within two miles of the family home address.
- 5.4. 3 families have contacted the team for help in securing a place at a Medway maintained school. All 3 children secured a school place locally.
- 5.5. The financial impact of the council placing SEN children in independent special schools is significant, last year Medway Council spent £18m on independent specialist provision for Medway children. The council continues

to work to develop inclusion and ensure all children with SEND are included in their local community and attend their local schools

- 5.6. In terms of the removal of the VAT exemption, this does not have a financial impact for Medway Council as the VAT is claimed back as part of the existing section 33 processes for reclaiming VAT.

6. Risk management

6.1.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Shortage of school places	Children who are no longer attending independent schools due to the removal of the VAT exemption may wish to access a Medway Council maintained school	There are sufficient in-year places and fair access will be used as a mechanism to place any children who cannot be offered a place at a school within a reasonable distance	C III

For risk rating, please refer to the following table:

Likelihood	Impact:
A Very likely B Likely C Unlikely D Rare	I Catastrophic II Major III Moderate IV Minor

7. Legal and financial implications

- 7.1. There are no direct financial implications arising from this report.
- 7.2. The local authority spent approximately £18million in the 2024/25 financial year on educating children and young people with education health care plans at private and independent schools.

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Appendices

None

Background papers

None