



SOMERHILL

A LEADING INDEPENDENT PREP SCHOOL FOR GIRLS AND BOYS

3rd October 2024

Dear Parents,

I hope that your children have enjoyed the start of term and a warm welcome to those of you who are new to Somerhill this year.

As you will be aware, the UK Government has announced both that it will be introducing Value Added Tax (VAT) on school fees from 1st January 2025 and that independent schools, including Somerhill, will no longer be eligible for charitable rates relief from 1st April 2025. The introduction of VAT is earlier than expected and, as a result, poses additional challenges to both parents and schools to plan accordingly.

As a first step in the process, the government issued a technical note on 'Applying VAT to Private School Fees and Removing the Business Rates Charitable Rates Relief for Private Schools' ([linked here](#)) and opened a consultation that closed on 15th September 2024. Although we anticipate further clarity following this and the Autumn Budget on 30th October, we are conscious that parents need clarity as soon as possible about how our fee structures may be affected.

We have been planning continuously as these proposals have unfolded. Our budgets for the 2024-25 academic year were predicated upon our ability to reclaim VAT on certain goods and services to reduce costs. While reclaiming VAT does represent a saving, it is unfortunately a small one. Schools are a people business and, as such, most of our costs are in salaries, which render no opportunity for reclaiming VAT.

We have always been adamant that Somerhill will do whatever we can to mitigate the impact of the introduction of VAT, while not compromising the overall educational experience of our pupils or the financial health of the school. We are fortunate to have developed good reserves through prudent spending and careful planning in past years. To support our parents during this unprecedented time, we will now draw upon these reserves to supplement the day-to-day efficiency savings and reclaimable VAT the governors have identified. As we have planned, these combined measures will also cover the additional tax costs Somerhill will now face due to the withdrawal of charitable rates relief.

As such, the governors have agreed a fee reduction for the Lent and Trinity terms, so that we may evenly share the burden of the VAT cost with our parents. With the reduction in place, the addition of VAT will represent a 10% increase on current costs for parents, halving the impact for our families of the 20% VAT applied. Somerhill, through fee reduction, will effectively absorb 10% of the additional cost to reinforce our commitment to our partnership with you all.

Tudeley Road | Tonbridge | TN11 0NJ | reception@somerhill.org | 01732 352124 | www.somerhill.org

Somerhill is a trading name for Somerhill Charitable Trust Limited. Registered in England No. 2331296. Registered Office as above. Registered Charity No. 1002212.

Please see the attached table for a breakdown of fees by age. Nursery and Kindergarten fees will remain VAT exempt and are unchanged from the Michaelmas Term. Fees for 2025/26 will be reviewed and confirmed to parents in April 2025 as part of the school's normal annual process.

Please note that 'fees in advance' schemes remain subject to review by HMRC. From what the government has indicated so far, fees for the Lent and Trinity terms for this academic year will not attract VAT provided agreements were entered into and fees were paid before 29th July 2024. As the government provides further clarification on this, I will write again with further updates.

In the meantime, I would like to take the opportunity to thank you for your continued commitment, trust and support during this new era for independent schools as we work to ensure that Somerhill continues to flourish. We offer an excellent educational experience with outstanding facilities for our pupils, and we take pride in their all-round progress and achievements during their time at Somerhill.

Kind regards,



Mark Jiskoot
Chair of Governors

	Michaelmas Term 2024 fee	Lent and Trinity Terms 2025 fee (excluding VAT)	20% VAT	Lent and Trinity Terms 2025 fee (including VAT)	Overall increase
5 Day Nursery/Kindergarten	£4,745	£4,745	NA	£4,745	0.0%
Reception – Year 2	£5,325	£4,881	£976	£5,858	10.0%
Year 3 – 8	£6,895	£6,321	£1,264	£7,585	10.0%