PRESS RELEASE

AFIS™
ASSOCIATION FOR FAMILIES
OF INDEPENDENT SCHOOLING™

30th August 2026. London

PARENT GROUP CALLS FOR INDEPENDENT REVIEW OF EVIDENCE BEHIND GOVERNMENT'S PRIVATE SCHOOL TAX REFORMS

NEW ANALYSIS asks whether the evidence, assumptions and modelling underpinning the reforms were sufficiently robust and whether Government's forecasts stand up to scrutiny in light of the evidence emerging since implementation

An organisation supporting families using independent education is calling for an urgent independent review of the evidence and methodology used to inform and underpin the Government's recent fiscal reforms affecting independent schooling.

The Association for Families of Independent Schooling (AFIS) is publishing two linked reports and a supporting State School Resource Ledger examining the evidential chain behind the reforms, from assumptions about how families and schools would respond, through forecasts of pupil movement and state-sector demand, to the calculation of the expected fiscal consequences.

AFIS says its research does **not** conclude that the Government's forecasts are necessarily wrong. Instead, it identifies significant questions about the evidence supporting some of the assumptions on which those forecasts depended, the cumulative effects of successive fiscal measures, the accounting treatment of additional state-sector costs and how the original forecasts are now being tested against real-world evidence.

The Government estimated that VAT would eventually result in approximately **37,000 fewer pupils in private education than would otherwise have been the case**, with around **35,000 additional pupils entering the state sector**.

AFIS Founder and CEO Michelle Daniells said:

"The obvious question is whether the Government's sums add up. But the more interesting question is what had to be assumed before anyone could do the sums at all.

"Government had to predict how schools would respond, what fee increases families would actually experience, how families would respond, how many children would no longer attend independent schools, where those children would go and what additional demands would consequently fall upon state-funded education.

"Any one of those assumptions may have a perfectly good answer. We are asking for the evidence that allows those answers to be independently tested and, crucially, whether they still withstand scrutiny now that we have considerably more real-world evidence."

Limited evidence and behavioural assumptions

AFIS's overarching paper, **The Case for an Independent Review of the Evidence Base Underpinning Recent Fiscal Reforms Affecting Independent Schooling**, examines the evidence and methodology supporting the Government's forecasts.

The Office for Budget Responsibility described the effect on private-school pupil numbers as the **"main uncertainty in the costing"** and said there was **"limited evidence"** about how responsive demand for private-school places would be to increased fees and reduced service provision.

AFIS says this is particularly important because much of the expected long-run reduction in independent-school participation was forecast to arise not from existing pupils immediately leaving, but from **fewer new pupils entering independent schools**.

That means the population whose behaviour needed to be understood included prospective independent-school families, including families whose children were currently being educated in the state sector.

The review asks what evidence existed about the financial circumstances, educational preferences and likely price responses of those prospective families, and how assumptions about them were translated into the final forecasts.

It also examines assumptions about **school behaviour**, including the extent to which schools were expected to absorb VAT through efficiencies, reserves, reduced expenditure or changes in provision before passing costs on to parents.

Measures assessed separately, but experienced together

AFIS also raises questions about the cumulative effects of the financial pressures placed on independent schools over a relatively short period.

These included increased Teachers' Pension Scheme employer contributions, VAT on fees, removal of charitable business-rates relief, increased employer National Insurance contributions and wider wage and operating pressures.

Government tax assessments legitimately examine individual measures separately. AFIS asks whether there has also been sufficient analysis of their **combined behavioural effects**.

Michelle Daniells said:

"Tax measures can be assessed separately on a Treasury spreadsheet. They cannot be experienced separately by the family paying the bill or the school trying to balance its books.

"A school able to absorb one additional cost may respond differently when several pressures arrive together. A family able to absorb one fee increase may make a different decision when cumulative increases cross an affordability threshold. We are not claiming to know the scale of that effect. We are asking whether it has been properly examined."

What does it cost when additional pupils enter state education?

A companion report, **Review of the Accounting Boundaries Underpinning the Government's Published State Schooling Cost Estimates**, examines one part of the modelling in greater depth: how the additional public cost of pupils entering state-funded education was assessed.

Government used a Department for Education average school-revenue funding figure of **£7,690 per pupil aged 5–16** to illustrate a peak additional state-sector revenue consequence of approximately **£270 million a year** for around 35,000 additional pupils.

AFIS does not contend that the £7,690 figure was arithmetically incorrect. It asks whether average school-revenue funding was the appropriate cost concept for estimating the **marginal public-expenditure consequences** caused by additional pupils.

AFIS's State School Resource Ledger identifies at least **£2.93 billion a year of quantifiable public resource outside the particular £7,690 school-revenue funding boundary**, comprising approximately £2.01bn of pre-16 home-to-school transport, £600m of Universal Infant Free School Meals and £320m of Primary PE and Sport Premium.

AFIS stresses that the £2.93bn is **not an estimate of an additional policy cost**, should not be added to the Government's £270m illustration and should not be used to construct an alternative "true cost per pupil".

The work instead highlights the distinction between **average funding** and the additional expenditure caused by extra pupils entering state-funded provision.

The review also identifies further public resources which AFIS has deliberately not quantified where funding origin, attribution, overlap or the risk of double counting cannot yet be established sufficiently robustly.

Michelle Daniells said:

"There are limits to what a small, parent-led organisation can responsibly reconstruct from published information. Some of these questions can only be answered properly by Government and the public bodies holding the underlying data.

"We are not trying to replace the Government's £7,690 with a bigger AFIS number. We are asking which public-expenditure mechanisms actually respond when additional pupils enter state-funded education, for which pupils, in which places, at what point and by how much."

Is Government testing its forecasts against what actually happened?

AFIS says the case for review has become stronger as post-implementation evidence has begun to emerge.

The paper examines pupil-number changes, school closures and capacity loss, fee and cost absorption, pupil destinations, post-16 movement, local state-sector capacity, demographic change and other factors that need to be considered when comparing actual outcomes with the original forecasts.

AFIS cautions strongly against simplistic comparisons. For example, Government's forecast of approximately 37,000 fewer private-school pupils is a **policy-effect forecast relative to a counterfactual**, whereas subsequently observed changes in pupil numbers reflect all causes, including demographics, economic conditions and migration.

Similarly, Government's forecast of additional school closures cannot properly be tested simply by counting every independent school that has subsequently closed.

AFIS argues that this makes a transparent post-implementation evaluation framework particularly important.

HMRC said the VAT measure would be kept under review through communication with affected taxpayer groups and stakeholders, as well as education departments across the devolved governments.

AFIS is asking what has subsequently been monitored, which stakeholders have been consulted, how actual outcomes are being distinguished from wider demographic and economic changes, and what evidence would cause the original assumptions or forecasts to be revised.

Being a minority should not mean a lower evidential standard

The report also raises a wider public-policy principle.

Independent-school pupils comprise a relatively small proportion of the UK school population. AFIS argues that the quality of evidence applied to decisions affecting a population should not depend upon its numerical size, perceived affluence or political popularity.

Michelle Daniells said:

"Independent-school families are often reduced in public debate to a single statistic — the seven per cent. But a relatively small population is not necessarily a homogeneous one.

"Being a minority should not mean that the evidential standard applied to decisions affecting those children and families can be lower. The evidential standard should be consistent.

"You can support VAT on school fees and still believe Government should accurately assess its consequences. This should ultimately be about **evidence before ideology**."

Government information sought

AFIS has sought further underlying analysis from HM Treasury, HMRC and the Department for Education through Freedom of Information requests and material obtained through FOI work.

AFIS also acknowledges **Charles Bardswell**, who has shared material obtained through his own Freedom of Information work and published through WhatDoTheyKnow. Responses disclosed to date have provided additional information about some of the assumptions and calculations underlying the published modelling, including areas in which analytical judgement was required rather than directly applicable empirical evidence.

AFIS says further relevant material may remain unpublished or outstanding and cautions that the absence of publicly identifiable analysis does not establish that no such analysis was undertaken.

The reports have also been shared with Michelle Daniells' local MP, former Education Secretary **Damian Hinds**, who has offered to pass the work through ministerial channels to HM Treasury and Education Secretary, Lucy Powell.

AFIS has also been invited to apply to intervene in forthcoming Supreme Court proceedings concerning VAT on independent-school fees. The evidence-gathering underpinning the reports is informing AFIS's preparation for its proposed intervention.

AFIS is calling for an independent review capable of examining the underlying analytical record, testing the original assumptions against subsequent evidence and advising whether any findings warrant changes to the policies, their implementation or their evaluation.

Michelle Daniells said:

"We are not asking a review to begin from the premise that Government got it wrong.

"We are asking it to reconstruct the evidence chain: **What was known? What was assumed? What was modelled? What has actually happened?**

"If independent scrutiny confirms that the original analysis was robust, that should strengthen confidence in the reforms. If it identifies material weaknesses or outcomes substantially different from those anticipated, Government should consider what response the evidence warrants.

"Evidence-based policymaking cannot mean examining the evidence until the moment a policy is implemented and then stopping."

ENDS

Notes to editors

AFIS has published:

1. **The Case for an Independent Review of the Evidence Base Underpinning Recent Fiscal Reforms Affecting Independent Schooling**: the overarching evidence review.
2. **Review of the Accounting Boundaries Underpinning the Government's Published State Schooling Cost Estimates**: the detailed accounting-boundary analysis.
3. **AFIS State School Resource Ledger**: supporting resource audit and evidence trail.

All documents are available to DOWNLOAD here: AFIS Case for Evidence Review: Fiscal Policy Reforms & Independent Schooling

The Association for Families of Independent Schooling (AFIS) is a non-profit organisation advocating for families using independent education and promoting parental choice and diversity of educational provision.

MEDIA CONTACT
Michelle Daniells, Founder & CEO
The Association for Families of Independent Schooling™ (AFIS™) C.I.C.
+44 (0)7949 153319
michelle@afis.org.uk
www.afis.org.uk