

CONSULTATION RESPONSE

**VAT ON PRIVATE SCHOOL
FEES & REMOVING
CHARITABLE RATES
RELIEF FOR PRIVATE
SCHOOLS**

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 www.communitypolicyforum.com

 research@communitypolicyforum.com

 PolicyCommunity

Introduction

[Community Policy Forum](#) is an independent think-tank specialising in the structural inequalities facing Muslim communities in the UK. Due to a variety of challenges facing Muslim students and families within state education, Muslim schools play an important role in allowing young Muslims from disadvantaged backgrounds to achieve their potential.

Consequently, amongst Muslim communities, there is significant concern that the introduction of VAT on private school fees and the removal of charitable rates relief will disproportionately impact smaller faith schools and could lead to the closure of a number of these schools, resulting in upheaval for families that rely upon them.

Ultimately, we recommend that the [draft Finance Bill Measures](#) be amended to include thresholds based on a tuition fee cap at between £5,000 - £10,000, thereby ensuring that smaller schools are not disproportionately affected. A VAT exemption for institutions charging less than this amount would help mitigate the impact on smaller faith schools which provide a vital service to diverse communities.

The economic realities of Muslim schools

According to the Association of Muslim Schools (AMS), there are 141 independent Muslim schools across England and Wales, each with an average of 148 pupils. The average annual fees for these schools is £2,959 – significantly lower than the average for private schools, which is estimated to be between [£15,200](#) and [£20,800](#) for day pupils. Muslim schools maintain low fees through substantial financial support from local communities and mosques, placing them in a fundamentally different economic category compared to elite private schools, which are presumably the main target of proposed measures. Moreover, the [average](#) government funding per state school pupil for 2023-24 is £7,460, which is approximately £4,500 higher than the average fees charged by Muslim schools.

While the government [aims](#) to generate £1.6 billion from this new policy, taxing Muslim schools would contribute very little towards this target, yet could cause significant disruption to families and communities. Many families who rely on these schools are already in financially precarious situations and would struggle to cope with a 20% increase in fees, despite the vital contributions these schools receive from local communities and mosques. Rudi Elliott-Lockhart, CEO of the Independent Schools Association, has [noted](#) that these changes could disproportionately impact faith schools, many of which are already facing financial strain due to the cost-of-living crisis. As he warns, the added costs may leave many parents and schools without the means to absorb them, leading to the closure of some schools entirely.

By introducing these measures, the government hopes to generate revenue which could be redirected to fund public services, including state education, thereby contributing to a reduction in education inequality and enlivening social mobility. However, Muslim schools play a crucial role in supporting financially vulnerable communities and already make a significant contribution to closing the social mobility gap due to their ability to provide high-quality education to deprived communities.

Indeed, a substantial number of Muslim schools are situated in areas that [rank](#) among the most economically deprived in the UK. The local authorities represented in Fig. 1 all fall within the top 10% of most economically deprived areas of the country, and yet boast 35% of the country's Muslim schools.

Local Authority District	Rank (by income deprivation in England)	Muslim population as a % of the total population	Number of Muslim Schools
Birmingham	7	29.9%	13
Manchester	8	22.3%	4
Blackburn with Darwen	10	35.0%	7
Hounslow	11	16.7%	3
Leicester	18	23.5%	9
Bradford	27	30.5%	9
Bolton	29	19.9%	4

Fig. 1

The cost-of-living crisis has deepened economic inequalities, disproportionately impacting those already on society's margins. Rising prices for essential goods and services like housing, food, and energy have stretched household budgets to their limits, while inflation continues to outpace wages, pushing many into poverty and forcing them to make difficult choices between basic needs. Years of austerity have weakened public services, making it even more difficult for vulnerable groups to access the support they rely on. Meanwhile, the two-child benefit cap has been [described](#) as a "growing hole in the UK's safety net" that "is pushing families into deep poverty", with the Child Poverty Action Group [noting](#) that its removal could lift over a million children out of deep poverty.

Muslim communities have been particularly hard hit by these economic realities. [Research](#) by the Muslim Census reveals that 54% of Muslims have struggled to pay at least one household bill since August 2021, with 13% experiencing this hardship every month. Food insecurity is also rising sharply, with one in five British Muslims [using](#) food banks in the past year. These financial pressures compound existing socio-economic challenges: Census [data](#) reveals that 40% of Muslims in England live in the most deprived 20% of local authority districts. Further [analysis](#) by *The Guardian* found that over two-thirds (68%) of Muslims reside in areas with the highest unemployment rates, while Muslims have the [highest](#) unemployment rate of any religious group in England and Wales.

As a result, many Muslim families already rely on the generosity of local communities and mosques to subsidise school fees and allow their children to attend Muslim schools in their area. It is these families that will inevitably be the hardest hit by increased school fees, and many may be forced to withdraw their children from these schools and rely on state schools in their area that do not provide the specialised support that these children require. With

mainstream schools often struggling to accommodate their religious and cultural needs, these children are placed at a significant disadvantage in terms of academic achievement and personal development (as discussed further below). Consequently, the closure of Muslim schools will be of considerable detriment to communities that rely on them for their children's education and overall well-being.

Why are Muslim schools important?

Muslim communities in the UK have the youngest demographic of any religious group, with a median age of 27 (13 years younger than the national average, according to the [2021 Census](#)). This youthful demographic is significantly represented in primary, secondary, and higher education, holding vast potential to contribute positively to society. However, systemic failings in the education system, particularly affecting Muslim and ethnic minority students, are creating barriers that hinder their ability to achieve their full potential. In this context, Muslim schools play a vital role by providing educational environments that support religious freedom and cater to families with limited financial means, offering an alternative when state schools may not adequately reflect their religious and cultural needs.

Facilitating academic achievement

Importantly, Muslim schools consistently rank among the best schools in the country. In the 2022/23 academic year, five of the top ten secondary schools in England by [Progress 8 scores](#) – which measure pupils' progress from primary school through to GCSEs – were independent Muslim schools: Tauheedul Islam Girls' High School, Blackburn (2nd); Eden Girls' Leadership Academy, Birmingham (5th); Eden Boys' School, Birmingham (6th), Eden Girls' School, Coventry (8th); and Tauheedul Islam Boys' High School, Blackburn (9th).

This highlights the exceptional academic standards of Muslim schools and their capacity to help students reach their full potential. The outstanding performance of these schools also signals the important correlation between supporting religio-cultural identities and achieving academic success. By assisting students unlock their full potential, Muslim schools contribute to the broader national objective of raising educational standards, improving social mobility, and addressing educational inequalities between communities of different ethnic and religious backgrounds.

Parent-school engagement

[Research](#) indicates that positive parental engagement in schools enhances children's learning and development. However, Muslim parents within our research groups often report feeling disconnected from mainstream schools, which erodes trust and alienates them and their children. Many are hesitant to voice concerns about topics like PSHE (Personal, Social, and Health Education) and RSE (Relationships and Sex Education) due to [fears](#) of being misunderstood or labelled as a “fanatic” or “fundamentalist”.

Furthermore, Muslim parents' reluctance to engage with schools also stems from the potential impact on their child's relationships with peers and teachers. Some parents worry that expressing concerns could lead to their children being sidelined from their peers, being perceived as reinforcing Islamophobic stereotypes, or referred to the PREVENT programme

for concerns over extremism. These issues reflect a broader pattern of disengagement between British Muslim communities and institutions such as the government, social services, and the NHS, often due to experiences of Islamophobia and discrimination.

Recent protests around RSE highlight the consequences of schools' failure to engage effectively with parents, contributing to mistrust between schools and local communities. Muslim parents in our research expressed anxiety about RSE content and its alignment with their religious beliefs. Although there is no consensus on what RSE syllabi should or should not include, and at what age, it is clear that lack of meaningful engagement between Muslim parents and schools is pushing many parents to consider alternatives like homeschooling or Muslim schools.

While the long-term goal must be to rectify the relationship between mainstream schools and parents, Muslim schools are currently an important mitigation against increasing patterns of homeschooling amongst Muslim families. Many Muslim parents feel more comfortable engaging with Muslim schools as they align with their values and religious practices. This collaboration between schools and families fosters stronger communication and trust, helping address any concerns parents may have about their children's education.

Nurturing religious identities

Nurturing and supporting pupils' religious identities is integral to their overall school experience. It cultivates a strong sense of belonging, validation, and self-worth, which boosts their confidence as active members of the educational community and has long-term positive benefits to their trajectory as active and engaged members of society. Under [Article 9](#) of the Human Rights Act 1998 (freedom of thought, conscience and religion), schools also have a legal responsibility to uphold pupils' rights to practice their faith through everyday actions such as prayer, fasting, and wearing religious dress. Schools also have a duty under the Public Sector Equality Duty to advance equality of opportunity among students and staff with protected characteristics, including religion. However, Muslim pupils frequently face barriers to securing accommodations for religious practice, such as prayer spaces, flexibility for fasting in Ramadan, and inclusive uniform policies.

For example, the prayer ban at Michaela Community School in Brent, north London illustrates how restrictive policies can alienate and discriminate against Muslim pupils. The ban, which was [upheld](#) by the High Court, disproportionately affects Muslim pupils and undermines their religious freedom, as guaranteed by the Human Rights Act. By preventing Muslim pupils from practicing their faith, the policy undermines inclusivity and equality and fails to meet the [Public Sector Equality Duty](#). The pupil that brought the legal challenge against the school [stated](#) that the ban had "fundamentally changed" how she feels "about being a Muslim in this country", describing it "like somebody saying they don't feel like I properly belong here."

As such, denying Muslim students the right to practice their faith can have profound consequences for their personal development, mental health, and educational outcomes. [Research](#) by the Social Mobility Commission highlights that "the failure to accommodate religious norms, develop understanding of Muslims' needs, or provide information about the lives of ordinary Muslims [within religious education] directly impacts young Muslims' sense of belonging which compounds feelings of isolation and can limit their aspirations." In this

regard, restrictions on prayer, fasting, or religious dress can erode pupils' confidence and hinder their full engagement in school and broader society.

In contrast to mainstream schools that often struggle to accommodate religious needs, Muslim schools offer a supportive environment where pupils can freely practice essential aspects of their faith, such as prayer, fasting during Ramadan, and observing religious dress. By fostering a healthy sense of self and confidence in their identity, these schools enable pupils to feel more secure and accepted. This means they may face fewer obstacles to their learning and participation in school activities, which can maximise their attainment potential and overall self-development.

Teachers and role models

A 2017 [report](#) by the Social Mobility Commission highlights the significant barriers faced by British Muslim pupils, one of which is the absence of role models in schools. The absence of diversity among school staff impacts Muslim pupils, who lack adult figures to whom they can meaningfully relate. [Research](#) by UCL's Institute of Education shows that 26% of schools in England have no Black, Asian and Minority Ethnic (BAME) staff, and 46% have no BAME teachers, despite BAME students making up 31% of the student population. This lack of representation extends to senior leadership teams, which are predominantly white.

The Social Mobility Commission has [noted](#): "The lack of Muslim role models in school, including Muslim teachers, further compounds the poor experiences of many young Muslims and can contribute to their low aspirations or under-attainment. In contrast, where Muslim teachers are present in schools, this is perceived to have a direct impact on young Muslims' confidence, self-esteem, aspiration and educational and post-educational attainment."

The absence of role models has far-reaching negative effects, impacting not only a pupil's educational experience but also making them less secure in their identity and belonging in wider society. Facing educational and racial barriers without relatable figures to guide them can lead Muslim pupils to feel less valued due to their ethno-religious background, reinforcing feelings of exclusion. Non-BAME teachers often also lack the knowledge and experience to effectively address the specific challenges BAME students face, further underscoring the importance of diversity in schools.

On the other hand, the positive influence of Muslim teacher role models on Muslim pupils is well-documented in research articles, academic blogs, and interviews with Muslim educators. One academic blog [notes](#) that having positive role models creates a nurturing environment that boosts academic aspirations and improves attainment among BAME pupils. A greater presence of BAME teachers in turn helps to address educational inequalities experienced by BAME pupils, directly narrowing the achievement gap. Furthermore, focus group discussions with BAME teachers [highlight](#) the awareness that teachers themselves have of their potential to be role models, with many stressing the necessity for BAME pupils to have figures they can relate to and "focus on" for inspiration.

Therefore, the need for diverse role models is crucial to transforming students' educational journeys from one marked by underachievement to one of success, empowering them to become confident and engaged members of society. Muslim schools provide students with teachers and leaders who share their faith, giving students role models who can guide them

academically and spiritually. This helps students feel more supported and understood, enhancing their personal and academic development.

Islamophobic bullying

Racially and religiously-motivated bullying against Muslim pupils is alarmingly prevalent in British schools. Cases recorded by the [Islamophobia Response Unit \(IRU\)](#), a charity supporting victims of Islamophobia, reveal that Muslim pupils frequently endure verbal abuse, including racist slurs like “P*k*” or “terrorist”, as well as physical attacks. Bullying often spikes following incidents of political violence in which the perpetrator happens to be Muslim. Following the attack on Westminster Bridge, Muslim children as young as nine [reported](#) being called “terrorists” and threatened with violence. Concerningly, according to [Childline](#), some resorted to or expressed a desire to self-harm due to the relentless abuse, especially hijab-wearing girls that are visible targets for bullying. This abuse severely impacts pupils’ mental health, academic performance, and social development, leaving many feeling isolated, fearful, and reluctant to attend school, ultimately undermining their long-term development and future opportunities.

Muslim schools, by contrast, are better equipped to combat issues like Islamophobia as they inherently promote respect for Islamic practices. This supportive environment ensures that students are not targeted or marginalised, allowing them to focus on their academic success without the added pressure of religious or racial discrimination, thereby aiding their overall development and well-being.

PREVENT

Since the introduction of the PREVENT Duty in 2015, the education sector has [accounted](#) for a disproportionate share of referrals, making up one-third (33%) of all referrals in England and Wales – more than any other sector. In the year ending March 2023, 39% of [referrals](#) came from education, with nearly two-thirds (63%) of referrals involving individuals under 20 years old, and almost one-third (31%) related to children aged 14 and under.

PREVENT has had a chilling effect on free speech and democratic engagement in schools. Our research reveals that Muslim pupils feel pressured to avoid expressing their views. One pupil shared, “I tell my white friend what to say; it would be acceptable from her, but not from me because I’m wearing Hijab”, illustrating how students, particularly Muslims, fear being referred to PREVENT for discussing sensitive topics like religion and politics. Our research found that this reluctance extends to families, with many parents advising their children to remain silent on controversial issues, including avoiding participation in Palestine Societies, as expressing solidarity with Palestine has led to young Muslims being reported for extremism.

Thus, PREVENT serves as a mechanism for silencing Muslim pupils, restricting their ability to engage in meaningful debate, activism, and academic discourse. A [report](#) by Rights and Security International concluded that PREVENT is “stifling the fundamental rights and freedoms of children across the UK, including their rights to freedom of expression, belief, and education.”

Rather than fostering environments where young people grow into engaged and empowered citizens, PREVENT has cultivated a climate of self-censorship, leaving pupils insecure about

their capacity to participate fully in public life. This not only [undermines](#) democratic principles within education settings but also has lasting effects on pupils' academic performance and personal development, ultimately harming their future opportunities.

As a consequence, many Muslim students and families feel more comfortable in Muslim schools because the staff have a better understanding of normative Islamic practices – meaning that children are less likely to be erroneously referred to PREVENT due to a lack of understanding or a misinterpretation of a child's cultural and religious reality.

Human rights considerations

As demonstrated in our recent [evidence](#) to the UN Human Rights Committee, the UK is currently struggling to uphold its human rights obligations towards children, particularly under the UN Convention on the Rights of the Child (CRC). This is evidenced by concerns surrounding the implementation of the PREVENT Duty in schools, including:

- **Discrimination and freedom of religion (CRC Articles 2, 8, 30):** PREVENT disproportionately targets Muslim communities, rendering it structurally Islamophobic. This pressures Muslims to alter their identity and religious practices to avoid being referred to PREVENT.
- **Freedom of thought and expression (CRC Articles 13, 14, 15):** Muslim pupils frequently self-censor or withdraw from classroom discussions, fearing they may be branded “extremist” and referred to PREVENT.
- **Right to education (CRC Article 29):** PREVENT undermines the relationship between Muslim pupils and their teachers, as students view teachers as extensions of state surveillance under PREVENT, eroding trust and hindering educational development.
- **Best interest of the child (CRC Article 3):** PREVENT inverts traditional safeguarding, focusing on protecting others from a child rather than safeguarding the child's welfare. This dynamic harms trust between students and pastoral staff, undermining children's welfare and well-being.
- **Parental rights (CRC Articles 5, 18):** Parents are often excluded from the PREVENT process and, when involved, feel pressured to comply out of fear that non-compliance may lead to intervention by social services.

Moreover, restrictions on Muslim religious practices in schools, such as prayer and fasting, violate the right to religious freedom and expression enshrined in the Human Rights Act, the European Convention on Human Rights (ECHR), and the International Covenant on Civil and Political Rights (ICCPR).

Consequently, supporting independent Muslim schools allows the Government to better meet its human rights obligations towards children, thereby ensuring the UK's compliance with its international treaties.

Conclusion

Muslim schools play a critical role in addressing the educational, social, and economic challenges faced by Muslim communities, particularly in the context of rising inequalities. These schools provide a culturally and religiously supportive environment for children from disadvantaged backgrounds, facilitating academic success while nurturing their religious identity and sense of belonging. The proposed introduction of VAT on private school fees and the removal of charitable rates relief threaten the survival of many Muslim schools, which already operate on low fees supported by local communities across England and Wales. If implemented without exemptions for smaller schools, these measures could force closures, disproportionately affecting families that depend on these institutions for their children's education and well-being.

Ultimately, Muslim schools contribute significantly to closing the social mobility gap, offering students from disadvantaged communities the opportunity to succeed in an environment that reflects their cultural and religious needs. Preserving these schools not only supports educational equality but also strengthens the UK's compliance with its human rights obligations and continues to support the aspirations of all children, particularly those from marginalised backgrounds.

Given the clear benefits provided by Muslim schools for the achievement and self-development of their pupils, it is vital that the Government **amends the Finance Bill to include a VAT exemption for schools with tuition fees below a threshold between £5,000 to £10,000**. This would safeguard these essential institutions while enabling the broader goal of generating revenue for public services, such as state education, to be met.



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