



June 2024

Dear Parents

Strategic Update: BGS position on the proposed introduction of VAT on school fees

With the announcement of the election in July, the proposed introduction of VAT is now dominating the headlines.

We are acutely aware of the need for you to understand our approach to Labour's proposed policy so that you can manage your ongoing financial commitments to the school. While the situation is evolving rapidly, and the detail of this proposed policy may not be known until after the election we always aim to be as transparent as we can and therefore want to provide you with an overview of our strategic thinking.

BGS is in a strong position. We have an extremely healthy roll and rank within the top 20 girls' schools by size within the UK. We are financially secure without any external debt. We are committed to ensuring that we maintain an outstanding forward-looking education that develops the intellect, confidence, passions and attributes our young people need to navigate the 21st century world.

Throughout our planning we are working on the assumption that the VAT would be 20% as this is the stated pledge by Labour. We are committed to the principle of sharing the impact of VAT with our parental body, so the additional cost to you due to VAT is reduced. Our plan is for the school to mitigate a substantial percentage, more than half, of the cost of VAT, if it is introduced. We will provide you with more clarity on what this will mean in practice once details and timing of the proposed policy are known.

Over the last decade we have been exceptionally prudent with our fiscal management whilst still investing in the fabric of the school. We will utilise some of our limited reserves to off-set a proportion of the cost of VAT as we transition through the first couple of years of the new policy. We will also start the implementation of other measures so we can maintain that approach as far as possible in the years ahead. In the mid-term we have deliberately paused any planned major capital projects, but we are committed to maintaining and incrementally improving our excellent estate, investing in essential pedagogical programmes, technological upgrades and pastoral support which enhance our educational offer.

Please be assured that in planning for the possible introduction of VAT, the Senior Leadership Team, together with members of the governing body have carefully considered a number of options and scenarios in immense detail. We have taken into account the possible timing of a policy change, as well as other political, societal and economic issues which could impact student numbers, our costs and our longer-term financial position.

BEDFORD GIRLS' SCHOOL

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Headmistress MRS GEMMA GIBSON

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We hope this provides a level of reassurance that we are in a strong position and demonstrates that we have planned carefully to help you manage your financial commitment to the school whilst ensuring the long-term sustainable success of BGS.

We hope to welcome you into School during the Summer Term.

Kind Regards,

Neil Harris
Chair of Governors

Gemma Gibson
Headmistress

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