

Tailored financial planning for school fees

When considering an education for your child we hope that the reputation of the School and the opportunity of visiting during a working day will satisfy you that the School provides the right ethos and learning environment for your child. While this is of prime importance we are conscious that you also need to consider how you will meet the cost of fees for the years which follow.

While we believe the investment in your child's education remains the best means of giving a strong foundation for their future life, we recognise it involves a substantial financial commitment. No two families are the same, nor are their financial circumstances, and therefore it is impossible to generalise when it comes to determining the best means of financing the tuition fees.

While in an ideal world parents would all like to put money aside when their child is born and save for the future, we are aware that for the vast majority of parents this is very difficult, and ultimately they rely on their current income to meet current fees.

However, through some financial planning it is often possible to lessen the burden. In some instances parents find that having taken on the commitment they later find difficulties in continuing to meet fees. Through proper financial advice it is often possible to find a means of easing the situation.

Independent financial advice

The School has approached the four independent financial advisers in Dundee, listed below, who are familiar with the School and can provide a financial advisory service to parents on how best to meet future fee commitments.

The School does not offer any particular recommendation in respect of the four advisers who are bound by the code of conduct set for all independent financial advisers.

On approaching an adviser the first consultation will be free, and at this stage you will be advised of the fee arrangements if you choose to proceed. The consultants are not linked to any particular financial institution and therefore any products they propose should be entirely appropriate to your circumstances. There is no obligation to take matters further following the initial meeting. If as a result of the consultant's advice you proceed with a financial package, the adviser is required to provide you with details of any commission he will receive. Some advisers offer a fee arrangement whereby any commissions pass to the client.

Henderson Loggie Financial Services

Royal Exchange, Panmure Street, Dundee, DD1 1DU

Contact: Mr Jim Wilson Tel: 01382 207060 or Email: jgw@hendersonloggie.co.uk

Blackadders Solicitors

34 Whitehall Street, Dundee, DD1 4AF

Contact: Mr Michael Kidd Tel: 01382 229222 or Email: Michael.kidd@blackadders.co.uk

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Thorntons Solicitors

50 Castle Street, Dundee, DD1 3RU

Contact: Mr Graeme A Young Tel: 01382 229111 or Email:

gyoung@thorntonsws.co.uk

Verus Financial Planning

Miller, McIntyre, Gellatly

Chapelshade House, 78/84 Bell Street, Dundee, DD1 1HW

Contact: Mr Jonathan Gibson Tel: 01382 223455 or Email: jgibson@verusfp.co.uk

The High School of Dundee cannot accept responsibility for advice or information given by the financial advisers listed above.

School fee planning

Henderson Loggie Financial Services Limited has prepared some excellent guidance, given below, which illustrates some of the methods which may be used in helping with tuition fees. We hope that this will provide a starting point, but we would urge you to seek professional advice so that you can be sure you have chosen the correct option for your own particular circumstances.

As a parent, you need to be confident that you can afford the fees throughout the course of your child's education. With adequate planning, you can avoid problems at a later date. Independent financial advisers can offer comprehensive advice about the most appropriate ways to provide for and protect future school fees.

In general, parents seek advice about:

- spreading the cost of fees
- investing a lump sum
- setting up a regular savings scheme to provide funds to cover future fees.

By obtaining advice that is specific to your circumstances, you can be sure the adviser is taking into consideration your attitude to risk, your current tax position, and your existing investments and assets as well as your income.

Spreading the immediate cost of school fees

A number of schemes are specifically designed to help parents who, having embarked on educating their children independently, experience difficulties in fully funding school fees from their annual taxed income. The purpose of such plans is to improve cash flow, thereby making school fees more affordable.

In simple terms, this involves spreading part of the school fees over a longer period of time. For example, you may be able comfortably to afford 60% of the school fees from your income but the additional amount may put a strain on your finances. In this situation, it may be possible to take out a loan for the remaining 40%, allowing you to spread the cost over a longer period of time, such as 10 to 15 years. Such a plan, which could also be an unsecured loan, might include such features as

borrowing that can be repaid at any time without penalty, competitive or on some occasions no arrangement fee, or a competitive interest rate.

It should be noted that in cases where a scheme requires security over your home, this may be at risk if you do not keep up the repayments on a mortgage or other loan secured on it.

Investing lump sums for school fees

If you can invest a lump sum for the specific purpose of meeting future school fees, you have a number of options available. Investing capital early on can prevent or reduce the need to rely on your annual income when the time comes. As with all savings and investments, these plans do not commit you to spending the money on fees when the money is ultimately put to use.

Regular saving for school fees

If you wish to use a regular savings plan to help alleviate the future costs of school fees, then you should consider starting to save as soon as possible. Many people choose to commence school fee planning even before their children are born. You could also use a savings scheme to put money aside while your children are in Junior School, so that the savings can be drawn on as they progress through the Senior School, where the fees are higher.

School fees protection

There are a number of events that can result in financial difficulty, and a need to withdraw your child from school at a time when security and stability are particularly important. It is possible to protect your children against such unforeseen events as death, long-term incapacity, critical illness, unemployment or redundancy with a tailored insurance policy. These policies help to ensure the safety of your investment, and maintain the continuity of your child's education.

Taking the next step

This guidance has intentionally avoided recommending any specific investments. Instead it has set out a number of scenarios, and provided broad details of the different methods of funding education. It is to be hoped that it will illustrate that there are a number of ways in which you might be in a position to afford tuition fees for your children and equip you with the basic information you should consider before discussing your needs with a qualified adviser.