LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

CALL FOR VIEWS ON THE NON-DOMESTIC RATES (SCOTLAND) BILL

SUBMISSION FROM MELVYN ROFFE, GEORGE WATSON’S COLLEGE

Response to Section 10 of the Bill, proposing the removal of Mandatory Non-Domestic Rates Relief from Independent Schools.

1. The Bill’s provisions make the flawed assumption that independent schools operate in isolation from the local economy, that they provide few if any benefits (charitable or otherwise) to the local community and consequently that the only financial impact to local councils would be an increase in Non-Domestic Rates income. In reality, however, independent schools make a very significant and positive economic and social impact on the communities in which they are situated and the provisions of the Bill would undermine that impact.

2. In Edinburgh, a recent report commissioned by Edinburgh independent schools and undertaken by Biggar Economics demonstrated that independent education has a greater positive impact on the economy even than the food and drink industry. It provides many hundreds of well paid and secure jobs in teaching and a wide variety of support functions. Many of these jobs are, furthermore, family friendly, if for no other reason than they are term-time only contracts and allow parents to look after their children during school holidays. Independent schools are also a major market for goods and services in the city.

3. Contrary to the impression often by our detractors, independent schools do not have large reserves or work on large surpluses. This means that every pound extra in costs that is caused by the removal of NDR relief will have to be found by cutting costs (with an impact on the purchase of goods, services and employment) and by increasing fees.

4. At present, parents who chose to send their children to George Watson’s College, make a voluntary contribution of nearly £30 Million per annum to the education economy in the City of Edinburgh from their taxed income and in doing so also release the state from the responsibility of educating nearly 2,500 children in council schools. Any increase in our fees above the rate of increase in salaries that will be necessitated to pay for the additional cost of Non-Domestic Rates risks a reduction in enrolment at independent schools as some parents will inevitably find it more difficult to afford the cost of school fees. If children are removed from, or do not begin their education at, independent schools, they will have to be found places at state schools. In Edinburgh, as in many other council areas, many state schools are already full and so this transfer of pupils is likely to cause not only increased revenue cost for councils but also a requirement for greater capital spend over a short period of time.

5. Amongst the costs that schools may have to reduce to meet the increased rates demands will be spending on means-tested bursaries. Any reduction in such bursaries
will inevitably restrict the range of pupils who can attend mainstream independent schools. Amongst other groups, this is likely to have a detrimental impact on the social mix within the schools and the schools’ ability to cater for the needs of pupils with a range of SfL needs and talents such as for music or sport. It should be realised that mainstream independent schools work with parents (and sometimes grant-giving trusts) to provide education for a wide range of pupils with particular talents and support needs, often where parents have found the state provision inappropriate or difficult to access.

6. It is often wrongly asserted that the proposal to remove NDR relief is to provide a “level-playing field” with state-funded schools. However, state-funded schools do not pay NDR in any meaningful sense as money is simply re-circulated from schools to councils. However, independent schools, in contrast to council schools, have to meet the full cost of VAT on goods and services. If the aim of the Bill was genuinely to even up the fiscal basis of education in Scotland, there should be an equivalent emphasis on exempting independent schools from the impact of VAT.

7. Independent schools across Scotland, not least in Edinburgh, make a full range of other contributions to the community through the voluntary work of their pupils and staff and through partnerships which bring benefit to the community. For example the Erskine Stewart’s Melville Schools operate sports facilities in partnership with the City of Edinburgh Council, whilst George Watson’s College works in partnership with Boroughmuir HS and James Gillespie’s HS and the Swire Chinese Language Foundation to provide the Swire Chinese Language Centre Edinburgh which currently provides classes in Chinese Language and culture with fully qualified and registered teachers to some 1,800 pupils in state schools in the city, including many in areas of high social need. These and other benefits such as the use of school facilities at reduced or no cost to community groups would be undermined if independent schools had to pay significantly increased Non-Domestic Rates costs.

8. The Committee may wish to ask the Scottish Qualifications Authority what proportion of its Nominees are employed by independent schools in Scotland and what the impact on its operations would be if, in order to reduce costs to pay for higher NDR bills, the employing schools were to withdraw permission for Nominees to work for the SQA.