LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

SUBMISSION FROM EMILY STEVENS

I am strongly against the Scottish Government considering legislation which will remove the 80% mandatory rates relief which Independent Schools in Scotland currently receive in their capacity as registered charities. In Belhaven Hill School's case this is around £65,000 per annum and in Loretto School's case this is around £207,000 per annum.

This will have a detrimental impact on the future of both these, and all other Independent Schools in Scotland.

Independent Schools will be forced to pass on this increase in rates to parents in the form of increased fees. The vast majority of these parents will not be able to afford this increase and so will have no alternative but to transfer their children to the already overstretched state Education Sector.

Parents who chose to educate their children in the Independent Sector already make enormous financial sacrifices in order to afford to do this and yet receive no rebate or compensation for not taking up their entitlement to a school place in the State Sector.

Some parents may choose to move their children out of Independent Schools in Scotland and into Independent Schools in England (or elsewhere in Europe) where fees will be relatively lower. This will create a "brain drain" in Scotland as those children will be unlikely to return to Scotland to live and work in a place where they feel less patriotism (having been educated away from home) and where they will also be paying higher Income Tax than in the rest of the UK.

The additional impact of increasing fees will mean that Independent Schools will become the domain of the "super rich". This will only service to reduce the standards of the education at these schools.

Of course, the ultimate risk is that if increased costs cannot be passed on in the form of increased fees, then Independent Schools will have to erode reserves until they will have no alternative but to close. Independent Schools already experience a very fine line between liquidity and illiquidity, whereby a small drop in numbers means that the school can no longer survive. The increased costs arising from the removal of rates relief will only result in forcing the less well off Independent Schools to close and so create staff redundancies, not to mention the impact such closures will have upon local communities.

The money raised by the abolition of rates relief will be far outweighed by the additional cost the Scottish Government will have to find in order to educate the children that will flood into the State School System.

Independent Schools already do a huge amount to support their local communities and charities and this will automatically be lost if the Independent Schools sector folds.
I would urge the Scottish Government to think long and hard about their very blinkered, prejudiced, discriminatory and short-sighted proposal to penalise the Independent Schools Sector and the very detrimental and long-term devastating impact this will have on both the Scottish Economy and beyond.