LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

SUBMISSION FROM KEN RICHARDS

I have read all the details in connection with the Non-Domestic Rates (Scotland) Bill and I found the contents very disturbing particularly with the proposed removal of independent schools to claim charitable relief from non-domestic rates. I fail to see how it is considered appropriate to do this for the following reasons.

1) The effect of this action will result in independent schools having to raise their fees and this in turn will force some parents to remove their children and require them to be educated in the state schools. It is believed that it costs approximately £6500 per annum to educate a child in the state maintained school so the impact on local authorities will be substantial.

2) In Edinburgh, many of the local authority schools do not have the capability and the facilities to accept an increase in pupil numbers, and this action would further exacerbate the problem. The local authority would require to provide further capital to build additional facilities to accommodate the increase in numbers. This is occurring when the state schools are already under pressure to handle the present numbers.

3) As far as I can ascertain, this removal of rates relief, only applies to 56 independent schools which are registered charities but many other charities involved in the education of youngsters are not to lose their rates relief. That cannot be equitable.

4) There is no mention in the Bill of the fact that State Schools receive full VAT exemption whilst independent schools’ exemption is only partial. If the removal of rates relief is to bring all schools into parity, then full VAT exemption must apply across the total sector.

5) To mitigate their increase in costs, the independent schools will require to undertake a review of their operating costs and this is likely to impact on the state schools. Where currently independent schools assist the state schools with the provision of facilities and teachers, either free or at a reduced charge, these arrangements would be withdrawn or at least an increase in charges would be introduced. This would bring further strains to the local authority budgets.

For these reasons, I fail to understand why this action is being proposed, since the likely cost of children transferring from the independent schools to the state schools, will cost the taxpayer, more than the entire rates increase, proposed in the Bill. It is therefore illogical.