LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

SUBMISSION FROM PAMELA LAIRD

Objection

I wish to place on record my objection to the policy behind and effect of the introduction of section 10 of the Non-Domestic Rates (Scotland) Bill which seeks to remove the ineligibility for the reduction and remission of rates payable by charitable and other organisations from "lands and heritages which are wholly and mainly used for the purpose of carrying on an independent school (the "Proposed Abolition"). I understand that should this bill in its current form receive Royal Assent, this provision would come into force with effect from 2020.

Double tax jeopardy

I am the parent of a 15 year old pupil at an Edinburgh independent school. I enrolled my daughter at this school when she was 4 years old due to the perilous state of state education in Scotland. I am a higher rate taxpayer and receive no corresponding reduction in the amount of tax I pay as a result of my opt-out from state education. I have historically had no issues with this. If the Proposed Abolition goes ahead, I will be penalised by having to pay twice for my child's education through having both to contribute via the tax system (with no corresponding education benefit) and pay for (increased) school fees out of taxed income.

Effect of increase in school fees and fallacy of perceived economic benefits

If the Proposed Abolition proceeds, this will undoubtedly result in a substantial corresponding increase in school fees. Families which made the decision many years ago to privately educate and carried out financial planning on the basis of the status quo will be penalised with the likely result in some children having to be withdrawn from their schools and placed in the state sector.

Many families struggle to put their children through an independent education; they make many sacrifices because they prioritise a decent education over, for example, family holidays or new cars. Many families at my daughter's school are in receipt of financial assistance. The effect of the Proposed Abolition will undoubtedly be threefold:

1. Many families will have to withdraw their child(ren) from independent schools which will be very disruptive for the families involved, and in particular, the children if they are in the midst of SQA exam courses.

2. As a result, the state sector, which is already over burdened, will become increasingly so due to an influx of pupils withdrawn from their independent schools due to the financial effects on families of the Proposed Abolition; class sizes will increase; resources will become increasingly scarce. Local authorities will have to pump money into the state education system to cope with an increase in pupil numbers.
3. As a result, the perceived economic benefits to the economy from the Proposed Abolition will not materialise.

Inconsistent policy

The policy behind the Proposed Abolition is also inconsistent in many respects; e.g.

1. Why are independent schools singled out and not any other charities? Scottish Independent Schools have satisfied the "charities test" as set out in the Charities and Trustee Investment Act 2005. An independent regulator has carried out extensive reviews on these schools and determined that they provide a "public benefit". I am aware of the extent to which the facilities (both sports and otherwise) at my child's school are made available to local community and its groups. What will happen to the provision of these community resources should the Abolition proceed? It is likely that schools will have to start charging community groups for use of their facilities.

2. Why should private nurseries and early years facilities which also charge fees, have domestic rates relief extended to them when most independent schools also provide early years education?

3. Why are special needs schools to have relief extended to them when most independent schools have specialist teachers to support pupils with additional learning needs?

4. Why are independent music schools to have relief extended to them when most independent schools have very active and successful music departments in which pupils learn to play a huge variety of instruments, play in orchestras and chamber groups and sing in school choirs? These schools also aim to achieve "musical excellence".

Summary

In summary, this is a flawed piece of legislation whose underlying rationale and justification is unsound. The Committee should have regard to the April 2019 briefing published by the Scottish Council for Independent Schools for an empirical analysis of the effect of Section 10.