LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

SUBMISSION FROM PHILIP TODD

I am concerned that the Scottish Government proposes to remove mandatory non-domestic rates relief from a very small sub-sector of the charity universe. The charities in question are all independent schools, and number about 60 out of a total of around 24,000 Scottish charities registered with The Office of the Scottish Charity Regulator (OSCR).

OSCR was established under the Charities and Trustee Investment (Scotland) Act 2005 and this Act defines charitable purposes and the criteria for being a charity.

A Scottish Charity must meet the two parts of a "charity test" which are: 1) its purpose must consist of one or more of the charitable purposes; and 2) it must provide public benefit in Scotland or elsewhere.

All Independent Schools meet both parts: their charitable purpose being "the advancement of education" and all have passed the "public benefit" test.

To remove mandatory non-domestic rates relief from independent schools, this bill must have the power to remove "the advancement of education" as a charitable purpose (though I do not believe the bill does have this power) and the Scottish Government must remove mandatory non-domestic rates relief from all the approx 12,500 charities that exist for "the advancement of education". If this bill does not have this power then a different bill, amending their charitable status, must first be enacted before the Government can consider removing mandatory non-domestic rates relief from these 12,500 charities. These 12,500 charities include all the independent schools, universities and other providers of higher education. To single out one sub-sector is unfair, possibly illegal, and appears to be driven by a political ideology that is mis-placed and inappropriate.

If the Scottish Government wants to make charities work harder to retain their charitable status then it should raise the bar of the "public benefit" test, but to "single out" 60 charities and increase one of their major costs five fold (but not for the 12,440 other charities in the same sector) is unfair and surely beneath the high standards of fairness that we would expect from our government.