GOVERNMENT AND COMMUNITIES COMMITTEE
CALL FOR VIEWS ON THE NON-DOMESTIC RATES (SCOTLAND) BILL

SUBMISSION FROM: COLIN MACNEILL

I do not believe that the proposal to remove eligibility for charitable relief on non-domestic rates is grounded upon transparent logic.

The removal of eligibility does not, as proposed, bring independent schools into line with the state schools who have no relief for non-domestic rates. The fact is that state schools do not have to find cash in their budget to pay rates – such payment is entirely notional. So removal of the eligibility for relief for independent schools will increase the disparity between them and their counterparts in the state sector.

The removal of eligibility will increase fees for independent schools. That will in turn lead to some pupils leaving the independent sector and being educated in the state sector. That will increase the education burden on local authorities to a greater extent than is counterbalanced by the £7m payable to local authorities as a result of the withdrawal of relief. This will be particularly burdensome in the City of Edinburgh where a much higher proportion of the pupil population attends an independent school than nationwide.

The removal of eligibility is likely to have an adverse impact on the availability of independent schools' facilities to community based projects and organisations. The independent schools will have to charge for such use of facilities on a commercial basis.