There are two arguments one could conceive for imposing a charge on independent schools. The first would be that it would be an effective way to raise taxes, targeting individuals with above-average means to pay. The second is that independent schools are socially divisive so any reduction in the proportion of children attending them is a good thing. The proposal to remove the non-domestic rates exemption from charitable independent schools does not provide an effective answer to either of these arguments.

Not an effective way to raise tax

These schools are inherently not profit-making, so any increase in their Rates bill will necessarily be reflected in some combinations of three ways:

1. An increase in their fees.
2. A reduction in bursaries offered to children who for financial reasons would not otherwise be able to attend these schools.
3. A reduction in other services or facilities offered by the schools.

Certainly the first two of these, and probably the third also, will mean that some parents currently opting to privately educate their children will opt in future for the state sector. This will increase the financial burden on state education provision, which is already significantly over-stretched. Research estimates that if as few as 3% of children switch to the state sector, the cost of this will outweigh any gain from increased Rates income.

Not an effective way to reduce social division

Bursaries are a key way independent schools support talented children to benefit from their facilities. As noted above, the Rates increase would almost certainly lead to a reduction in bursaries offered, reducing the opportunities for children from less financially privileged backgrounds to receive this benefit. It would also increase the general financial bar to attendance at these schools. Both these factors would act to expand the social / financial gap between independent school and state school families.