LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE  
CALL FOR VIEWS ON THE NON-DOMESTIC RATES (SCOTLAND) BILL  
SUBMISSION FROM MICHAEL MACPHEE

Dear Sir,

I'm a parent of two school age children, both currently educated in Scotland, both at fee-paying schools.

I have skin in this game. In truth, we all do.

I’m also a taxpayer who has benefitted from the UK’s excellent business environment and contributed materially to government coffers as a consequence.

The business I helped to grow today employs north of 1200 people in Scotland, and is a major source of wealth generation and opportunity creation in our country.

I’m a believer in free enterprise, unsurprisingly, therefore, and its benefits for society. We need our government to be of the same persuasion and act accordingly.

There are various key points to make about the benefits of a dual system of private and publicly funded education:

First and foremost, education is too important to politicise.

Education is one of the core charitable causes / public benefits. To remove its status is to go against one of the legal pillars on which our society is founded and has been built. To pick off a small number of fee-paying schools on the basis of an ideological witch hunt from within a huge educational charitable sector on the basis of their charging fees creates a clear present iniquity and sets a precedent that ought, logically, to carry through to thousands of other educational bodies and as far as care homes and the like into the bargain. These schools do good, do public good, both directly and indirectly and while they are at it reduce a burden of expenditure from the public purse.

Secondly, with regard to education or nearly anything else, let 1000 flowers bloom. Try every system, including academies, and selection/ grammar schools, and aim to learn from what works and carry it across to all other forms. Constant improvement will be the outcome. Believe in human ingenuity. Fee-paying schools have the further healthy incentive, one lacking in the public sector, that they either provide something that is useful or go out of business. A helpful aspect if best practice and improvement is the aim. Make the most of the upside. Using charitable status, for example, to encourage fee-paying schools to help out and interact with public neighbours is a good idea. As is vice versa.

Thirdly, any society depends on hard working (tax paying) aspirants of all types. Send them a message that they are to be oppressed and you will not only lose them
but also lose all those great many voters and future taxpayers aiming to attain the same thing.

By suppressing choice in education or making it unattainably exorbitant you would not improve publicly funded education nor even increase funding for it.

The law of unintended consequences applies here. What appears at first to be an easy opportunity to raise tax where there is currently none will quickly reduce the quantum of tax available to spend. The total sum of tax raisable by this change for <60 schools in Scotland would amount to some £7m. A 3% drop in the number of fee-paying pupils would more than offset this in terms of the direct cost to the Exchequer of increased immediate demand for state education. In practice, the actual effect would be far more drastic. Fee-paying schools, just like our excellent Scottish universities, would be fiscally obliged either to go out of business or to find ways of charging more. The consequence of the latter would be to confer their benefits increasingly on the children of rich foreigners and remove them from people more likely to generate future prosperity for Scots and in Scotland.

The objective of local government and government generally should be to create an environment where economic success is facilitated, encouraged, applauded and then taxed reasonably for the benefit of all, but especially those most in need. Destroying aspiration or hunting it down in the manner proposed, and sending a message that social engineering decked out as equality is the primary objective will not optimise the collection of taxes overall, which is the underlying problem.

At the margin, parents will either move out of Scotland or educate their children south of the border as an increasing proportion of teaching talent ebbs in that direction. Scotland will simply drive its current and future human capital abroad for the umpteenth time in our history. We need them more than they need us.

Very sincerely,

Michael MacPhee