LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

SUBMISSION FROM JAMES SIMPSON

I am writing to you with regard to the proposed changes to non-domestic rates of independent schools in relation to the Non-Domestic Rates (Scotland) Bill as I believe this is an unfair bill and one which should be revised.

We, as a nation, are very proud of the education system that we offer to all of our children and, by the Governments own admission, education should be the number one priority for Scotland. Independent schools are part of this country’s education system and I cannot understand why the government seems to be singling out independent schools and specifically penalising them with this act.

2005 saw the introduction of the “Charities and Trustee Investment (Scotland) Act” and introduced a new independent regulator for Scottish charities, including most independent schools. The Act also introduced a charity test for all registered charities, including a public benefit test. Following this, all independent schools were assessed against this act with some schools being forced to make some changes. All independent schools now meet this criteria and have retained their charitable status. It therefore seems somewhat unfair that the 56 independent schools are having their non-domestics rates reviewed when the other 24,000 charities in Scotland are not.

Furthermore, with all nurseries and early year facilities being eligible for 100% rates relief, this means that the government is introducing a two-tier system where profit making nurseries are exempt from non-domestic rates where independent schools are not. Why should any profit-making business be entitled to rates relief when a recognised charity is not?

The review also does not take into account the financial contribution parents make to the state by choosing to send their children to independent schools. Scottish Government figures indicate that educating a child in a state-maintained school costs on average £6,500 per year.

Every child going to an independent school saves the government this money. Should the corresponding increase in school fees caused by a result of these rates changes become too much for any parent, then the state will be obliged to educate this child within the state education system with the associated on-costs in doing so. The loss of just 3.33% of pupils from independent schools moving into the state system would cost the Scottish taxpayer more than any revenue generated from this bill.

The paper also fails to take into account the economic contribution independent schools make each year. The Biggar Economics review, published in 2016 estimated that the independent school sector generated £455.7 million Gross Value Add for the Scottish economy and supported over 10,000 jobs across the country.
I hope that you will consider my points during your committee review.