LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

SUBMISSION FROM SIMON MILLS

I write as the Headteacher of Robert Gordon’s College, a large (1,600 pupil), co-educational independent day school that has educated pupils in the North-East of Scotland for over 270 years, (since 1750), and is a central part of the Scottish educational infrastructure. Each year around 170 pupils are added to the undergraduate population who go on to serve their country with enormous potential in all areas of civic life. Educational standards and academic attainment are amongst the highest in Scotland, with a very broad base of pupils supported from the local community. One in eight of the Senior School pupils are educated on a means tested bursary, mostly at 100% of fees remission, which at 14% is equivalent to the proportion of children on free school meals in Scotland. This requires £1.6million spent on bursary support annually by the school, which has a huge commitment to the education of young people in the North-East of Scotland. Over 385 jobs are supported by the school in the local community, and it adds £3.79 million to the local regional economy each year in Gross Added Value with 98% of the spend locally. The economic impact of the school on Aberdeen and Aberdeenshire has been independently assessed by the Aberdeen Chamber of Commerce in 2017 in a published report that is available at https://www.rgc.aberdeen.sch.uk/community/community-involvement-and-public-benefit

It is with great concern that we saw the Barclay Review advise that independent schools in Scotland receive a loss of relief for their non-domestic rates under the Non-Domestic Rates (Scotland) Bill (NDRB). All of the Scottish independent schools have passed the public-benefit test for charitable status as set by OSCR. The NDRB undermines this public benefit test and endangers the invaluable work of Scottish independent schools as the only charities in Scotland that are set to lose their rates relief. This is despite the fact that they provide huge benefit for the nation of Scotland - and all its children - at whatever type of school they attend. It is only the 56 independent Scottish schools out of a total of 24,500 Scottish charities have been targeted for this purpose. This excludes Scottish universities who also educate Scottish young people for the benefit of the nation. This anomaly is without good reason and creates a clear and unjustifiable two tier charity system. This is neither fair nor equitable, and no good reason by the Scottish Government has been given for this inequity. Scottish independent schools already provide additional rates income to Scotland, whereas Scottish maintained (state) schools are only charged rates in a circular paper transaction where the money is provided directly from local government.

Each year the Scottish independent schools save the national purse of the Scottish people £456 million of Gross Added Value which otherwise Scottish taxpayers would have to raise and find to educate the 30,000 children and young people who are educated in the excellent provision of Scotland’s long established independent school sector. (Figures taken from the BiGGAR economic impact report available at http://www.scis.org.uk/facts-and-figures/economic-impact-report/). This value far exceeds the small amount of revenue the NDRB would seek to gain from this new tax on educational charities.
The mistaken and short sighted approach of charging full business rates on these educational charities is to force each of these organisations to raise their fee costs to parents to balance the increased taxes of the Scottish state, thus compelling a certain percentage of Scottish families to have to seek local school places at very great additional cost to the state and Scottish taxpayer. In Aberdeen it has been independently calculated by the Aberdeen and Grampian Chamber of Commerce in an Economic Impact Report (2017) that Robert Gordon’s College saves the City and Shire of Aberdeen £9.5 million each year. That is to say more than nine primary school budgets (approx £1 m each pa) or one secondary academy budget is saved to the Local Authority. This has now risen to an annual saving to Aberdeen City and Shire of £11 million per annum in 2019. That is a most significant amount and when the additional savings from the three other local independent schools of Aberdeen are added in the net effect is even greater. For a city that is looking to save £47m this year that is a significant additional amount of funding to find from the local taxpayers. On this basis alone the proposals in the NDRB are highly damaging to the national interest of Scotland. It would also reduce accessibility to these very high quality educational establishments that seek these educational benefits for pupils from a wide variety of backgrounds.

This is an act of economic and educational short sightedness and not one that is in the Scottish national interest. Independent schools add huge educational and economic value to the Scottish economy and nation. They are part of the rich tapestry of primary and secondary educational provision in Scotland developed over hundreds of years. The thousands of jobs created and many millions of pounds saved to the national purse and taxpayer through educational places created are matters of huge national importance in saving cost to an already hard pressed maintained educational provision by the Government. It is therefore extremely foolish and of negative impact to Scotland to seek to impose further significant cost burdens on the Scottish independent schools through the Non-Domestic Rates Bill.