LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

SUBMISSION FROM STUART McCAFFER

I am writing in response to the potential removal of rates relief from independent schools.

Firstly the schools are charities. OSCR has tested them frequently and rigorously and found them to be bona fide charities. There are 24,500 Scottish charities so why out of all of these charities, are approximately 60 deemed unworthy of rates relief. It is surely wrong to cherry pick which charities are eligible and which ones are not on a political whim.

If people disagree with independent schools, lets have the full debate but to punish these charities in this way is unfair and unjustified. These charities educate children – surely there can’t be a more charitable aim. They are large employers of both teachers and non-teaching staff. They encourage music, sport, drama, and many other extra curriculum activities which encourage participation levels in Scotland. They offer substantial sums in bursaries to families who cannot afford the full fees. What this all means is that parents pay for their own children’s education and also contribute to the cost of bursary children’s education. Parents pay to employ staff and to give their children as wide a range of activities and experience as possible. This is all in a not for profit basis. The parents already pay 20% of the rates cost so it is grossly unfair to try and put this up to 100%.

Government promote diversity in so many areas but apparently not in education. Government should be delighted that some parents choose to pay separately for their children education. This frees up resource to be spent on the state education sector. Through this rates change, fees will need to rise significantly which is on top of large teachers pay and pension increases. This is likely to deter parents from sending their children to independent schools. Ironically this will then put more pressure on the state sector as it will need to accommodate more pupils. So not only is the proposal unjust, it is also economically illiterate.

On the topic of fairness which has been raised as a justification as state sector schools pay full rates. This is just an accounting transaction as no money changes hands. Schools are fully funded and are not impacted by any increases in rates. Independent schools pay hard cash for 20% of the rates cost so in some ways they are already paying more than the state sector. The 100% rates exemption allowed to private nurseries also looks a real anomaly when compared to the treatment of school charities. Also the treatment of ALEO’s is unfair. They were also meant to be hit with full rates – they are after all independent leisure clubs that were set up with the aim of obtaining 80% of the rates funding from central government. The Barclay
review said that this was unfair and that ALEO’s should pay full rates. However these ALEO’s were subsequently excluded. This is again illogical – why shouldn’t they just have to pay their fees up like independent schools. Why is leisure allowed an opt out when education has to pay full rates.

This whole area has not been thought through properly. It stinks of political motivation. The funds raised from this removal of rates relief will be cost neutral when you take into account the additional cost of former and potential independent school children entering the state sector.

I implore you to look beyond this petty politicking and consider the bigger picture. These are good charities which deserve the same small public support as all other charities.