LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

SUBMISSION FROM THE GLASGOW ACADEMY

The Glasgow Academy

The Glasgow Academy, founded in 1845, is the oldest continuously independent school in the city. Currently, we guide over 1,400 children a year through their educational career from ages 3-18. The Academy relocated to Colebrooke Street in 1878, having previously been based at Elmbank Street in the Charing Cross area of the city. The Academy expanded on its Kelvinbridge site with a new science block in 1903, the gradual purchase of the former residential homes which form Colebrooke Terrace from 1924, the construction of various new buildings, including the Carghill Hall (1957), Music School (1994), a new Prep School (2008) and the award-winning science and technology building, The Saunders Centre (2015).

In 1991, The Glasgow Academy merged with Westbourne Schools for Girls and became fully co-educational. The Academy is principally located at Kelvinbridge but we also run two satellite schools for Nursery, Kindergarten and P1-4 pupils in Milngavie and Newlands. We put a particular emphasis on our early years and preparatory provision of which over half of our pupils are currently enrolled. Our footprint across the city – north, south and west - means that we can service children from across the Greater Glasgow area.

Non-Domestic Rates (Scotland) Bill

We welcome the opportunity to respond to the Local Government and Communities Committee’s call for written evidence regarding the Non-Domestic Rates (Scotland) Bill.

Although disappointed, we accept the changes outlined in the Bill which proposes to remove charitable relief from independent schools apart from schools of which pupils are selected based on music ability or potential or developing musical excellence or a “special school” which caters for pupils who require Additional Support for Learning.

Some are arguing for the removal of discretionary reduction in business rates enjoyed by independent schools in order to bring them in line with local educational authorities. While local education authority schools notionally pay business rates this is taken directly from core funding from government. Independent schools on the other hand do not receive any funding from the government except when working in partnership with the state.
Those arguing for the removal of discretionary reduction in business rates for independent schools are doing so without recognising the opportunity cost in terms of loss of investment in education. Independent schools are being uniquely targeted as charities due to a perception of their relative ability to pay. The consequence of increased costs to the sector via tax is to reduce the funds available to provide:

1) the best education experience in the school community;
2) expand the provision of supported places;
3) limit the abilities of independent schools to work in partnership with local education authorities to provide access to facilitate a curriculum that is hard to provide universally in the state sector.

We are concerned that independent schools are just one small group of charities that been selected over all the others. Of the 24,274 Scottish charities only independent schools are the focus of attention. We would wish to know why this is the case. Universities, for example are structurally very similar to our schools. Like us, universities are fee-charging independent charities, and like theirs, our core purpose is the provision of education. This proposal makes an arbitrary distinction between schools, universities and other educational charities, thereby calling into question the consistency between charity law and creating discrete and discriminatory, rather than level, playing fields. We have been scrutinised intensely by OSCR over more than 10 years, more thoroughly with greater publicity than any other sector. We have passed the OSCR’s Charities Test, so we now struggle to understand why this proposal wishes to challenge the results of this highly professional process by singling out independent schools this way.

Since our inception our core purpose has been to operate as an educational charity. As we operate on a not-for-profit basis, any operating surplus we acquire is reinvested into the school through our pupils, staff and facilities. A significant sum of our surplus is reinvested into providing bursaries for children to attend the Academy. Total means-tested bursaries awarded in the academic year 2017/18 amounted to £793,536 – 5.5% of the school’s total fee income. In total, 113 pupils received a bursary, representing 14% of the eligible school roll.

At The Glasgow Academy we work with educational authorities in Glasgow through partnership working which includes supporting the provision of early years education; providing access to higher classes in subjects where there is a shortage of provision in local authority schools; and opening up the use of the school’s facilities.

To conclude, while we accept the changes, the removal of discretionary reduction in business rates will impact on our ability to provide shared services with local education authorities and award bursaries to attend the Academy in future. With
this in mind we would warn against future legislative changes that decrease our operating surplus and prevent us from reinvesting into the school.