LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

SUBMISSION FROM ELAINE LEITCH

It is my view that the premise on which the Barclay review is based is flawed and is misrepresenting the position.

The Barclay recommendations claims that while independent schools benefit from reduced rates bills, council schools pay rates. This is said to create a disadvantage for council schools. With respect, the bigger picture needs to be looked at:

1. State schools are able to recover VAT on all relevant expenditure. Independent schools don’t charge VAT on fees but nonetheless have to pay VAT on many items of expenditure. State schools have the advantage here.

2. Local authority schools’ rateable value is included in the overall funding package the school receives from the relevant local authority. Each and every part of state schools funding comes from general, central and local taxation. State schools don’t have to worry about rateable values, whereas for an independent school, rateable values will have to be factored into its overall budget. This is unfair. It does not create a level playing field.

3. The business rates paid by independent schools are derived from fee income – from parents, the vast majority of whom, are taxpayers.

4. Independent schools’ facilities are generally shared by and with the wider community, e.g. swimming pools / pitches / theatres. The expectation that such schools will continue to share their facilities is counterintuitive to the proposal to remove business rates relief.