LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE
CALL FOR VIEWS ON THE NON-DOMESTIC RATES (SCOTLAND) BILL

SUBMISSION FROM RUTH FINDLAY

I am writing to you as a parent of two children who attend Cargilfield Preparatory School in Edinburgh. I have read in detail the supporting documents and the actions taken by various committees over the last decade or so and I am incredulous to find you have chosen to continue down the route of removing the rate relief for Independent Schools in Scotland despite the recommendation from the Office of the Scottish Charity Regulator, which has carried out a thorough review of Independent Schools. The OSCR specifically notes “On disbenefit, we noted that there were arguments current in society that the existence of an independent school has a negative impact on state schools in the same area that independent schools have a divisive influence in society. We could not find any strong evidence to support these views in the context of the charity test, which requires us to look at any disbenefit resulting from the activities of the charity itself.”

I suggest that you take the advice of your regulating body and desist from amending the non-domestic rates (Scotland) Bill. With regards to Cargilfield Prep School which my children attend, the regulatory body noted that it provides bursary support, sibling discounts, scholarships and gratis community use, including recently being the base for a charity run to raise funds for the MS Society Scotland. One risk with this bill is that it will see more families moving into state provided education which is already bursting at the seams and struggling to provide for the students within the state system; which we also support through our taxes.

The removal of rates relief makes no sense when looked at through three key lenses – financial, fairness and societal:

Financial

You claim that £7m of financial ‘benefit’ will be provided through removal of rates relief. However, if only 1 in 30 children move into the state school sector that benefit would be entirely negated. One in thirty is more than likely as a minimum. More than 1 in 30 moving would see a net increase in the cost of providing state schooling. There is also the additional financial burden on independent schools. If this recommendation is brought forward into law then there will be an additional cost of £100,000 p.a. that Cargilfield will need to manage, other schools will have similar or even higher amounts to pay. As a parent I imagine a significant portion of this will be through increased fees, thereby undoing the hard work instigated and supported over the last decade across all the Independent Schools in Scotland. Put this together with the increase in employer contributions to the STPS, 33 % increase from 1 September 2019 there is likely to be a rush to the border for those who can avoid Scotland’s continuing discriminatory tax system. Further, it is likely that this bill will negatively impact the availability and security of teaching and teaching support jobs in the independent sector and greatly hinder the ability of these schools to attract and retain good teaching staff, with the natural negative consequences on the Scottish economy.
Fairness and Parity with state sector

You claim that rates relief for independent schools is unfair because state schools pay full rates. This is untrue, state schools do not pay rates. Rates are accounted for and managed by local authorities, therefore no state school ever has to budget or pay for rates. However, state schools ARE eligible for VAT reduction. Cargilfield already pays more VAT (as do all Scottish independent schools) than schools in the state sector, which would be categorically unfair. Why are you not considering reducing VAT for the independent sector if fairness is your aim? Additionally, the treatment of rates for nursery provision attached to independent schools is unfair and will lead to the bizarre situation where Cargilfield nursery will pay full rates, but the local private nursery will not.

Societal Impact

Independent schools, in order to pass the very stringent charity testing in Scotland, provide a range of free services to local communities, which in all likelihood would cease to be provided free of charge in future. Cargilfield itself provides a wide range of opportunities for the local community, specifically Cramond Primary but also reaches out to the wider Scottish Schools Community by holding days such as Wind Instrument / Orchestral days.

Independent Schools and Cargilfield in particular provides military bursaries, bursary support, sibling discounts, and scholarships. My oldest child has been awarded a scholarship and, once his sister joins him, will receive a bursary from Strathallan, which will assist us greatly in being able to send them there. However this may be withdrawn in future due to the impact of this proposal on rates relief. I imagine all of this financial assistance as well as the level of the current fees will be under threat if this is passed into law. I urge you to consider again all the beneficial work the Independent Schools in Scotland do and ensure this bill is not passed into law.