LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

SUBMISSION FROM ANONYMOUS

I am writing in response to the implementation of the Barclay Review of Non-Domestic Rates (Scotland), and specifically the impact of the change in approach for Independent Schools regarding their charitable status.

I have concerns about the way Independent Schools are being singled out for 2 key reasons, which I’d like to expand on; the direct impact on my family, and the wider inequity of the approach being taken.

Impact on my family

We have 12 year old twins currently attending ESMS Independent School in Edinburgh, and we live on the outskirts of Kirkliston. Our children were originally in Cramond Primary, before moving to ESMS from Primary 6.

At the moment our combined earnings, whilst still good, are below £100,000 per annum. Fees amount to about 25% of our gross income. We choose to stretch ourselves financially in order to send both children to ESMS, for reasons I’m happy to expand upon but don’t think particularly relevant here. This has meant sacrifices in a number of areas, including holidays, clothing, eating out (or ordering in) as well as other areas. We are comfortable with this as it was a decision we took as a family and one we all review each year.

The children are well aware of the privileged position they are in.

If the school fees were to go up, even by a small amount, as a result in the change in Non-Domestic Rates (as has been intimated by the school), then the decision to attend the school will be taken out of our hands.

Removing the children from their school would result in both children having to attend the local secondary school, and the knock on impact on local council/school finances, class sizes, transport, etc. It’s not clear this side of financial impact on the State has been factored in to any proposal.

Moving school brings another problem given our location, in that their current catchment of Queensferry is (quite literally) a building site, and will be for the next few years. In addition, it’s already been identified that this school is going to be overcrowded and a new school is required for the children of Kirkliston and it’s environs. This could result in our children being moved to an already at-capacity new school in Queensferry, before moving to another new school in Kirkliston.
Whilst it’s great that new schools are being built, it’s also worth noting that there are usually a significant amount of ‘snagging’ issues in any new development - this doesn’t lend itself to a great learning experience.

Being moved to 2 new schools during such a formative time for our children is obviously a concern I’m sure most people could understand.

I’m worried that by taking the decision to change the Rates status of Independent schools, you are significantly impacting the lives of my children in a negative way, whilst also negatively impacting on your budgets.

**Inequity of approach**

I have some concerns around the rationale for making this proposed change, and the singling out of a small percentage of registered charities.

From what I understand the logic is that state schools do not receive the charitable status rebate on their Non-Domestic Rates, whilst Independent Schools do. I find this argument somewhat specious given it’s largely a budgetary transfer between two different council functions. If Non-Domestic Rates were to increase by 100%, it would have absolutely no impact whatsoever on schools as the schools budget would go up by a similar amount to cover the increase (or the council would have to reduce net spend on Education).

In addition to this, I understand that the charge rebate is not to be applied to either pre-school nurseries, Universities or certain other learning institutions.

As a significant amount of pre-school nurseries are private businesses, some of which are very large businesses, I find it difficult to understand why they would qualify for charitable status, whilst independent schools (which are defined and registered as charities) do not.

I believe Universities are also to retain the charitable status rebate. I do not understand how this distinction works either.

A number of Universities make significant amounts of money from overseas students (a quick check tells me that St Andrews University has students from over 137 different countries). Why are these students (and their parents) benefitting from the rebate, whilst my children do not.

It appears that institutions which focus on pre-school and further education are deemed eligible whilst other institutions are not.

From what I can gather, schools which focus specifically on Music will also retain the
charitable status rebate. By implication, it appears that it’s okay to pay for your children to improve musically, but not to pay for them to improve in any other way. For a country which acknowledges that it must improve academically, why are we focussing on one specific element?

Each of these examples makes the decision to select Independent schools alone for the cancellation of the rebate seem rather inequitable.

To summarise, the decision to remove Independent Schools from charitable status from Non-Domestic Rates will have a significant impact on me and my children, whilst also being having a negative impact on the local taxpayer. In addition to this, the policy appears someone flawed an iniquitous.

I would encourage you to reconsider the proposed approach.