LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

SUBMISSION FROM ANONYMOUS

I would like to object to section 10 Non-Domestic Rates (Scotland) Bill and the intent to remove rates relief from independent schools.

I should start by saying I am the parent of two young children at St Mary’s Prep in Melrose. I think this is important because it is all too easy to become lost in facts, figures and speculation when we should remind ourselves we are discussing children, staff and the wider communities in which schools like St Mary’s are situated.

Much is made of the discrepancy between the state schools 100% liability to rates and the relief granted to independent schools. In truth this is a false comparison as no money is transferred between the Local Authority and school. It is simply a paper exercise. However the impression given is that the independent schools enjoy an unfair advantage which is not the case. Even if it were true, the proper response would be to reduce the rates to those in line with independent sector and it is this that makes me wonder if this is nothing more than an ill-conceived revenue generating exercise. In fact the 20% paid by independent schools is new money, raised by parents who, by not using the state schooling sector make them net contributors. This also ignores the fact that state schools enjoy full VAT relief whereas the exemption is but partial for independent schools. So there is no parity.

This disparity is carried into the treatment of independent schools as charities. OSCR rightly endeavours to hold all charities to a universal standard. However, this approach is undermined by the proposed public benefit test, imposed solely upon 56 schools from 24000 other charities, which include other fee paying educational bodies. No other charities are.

It is calculated that the removal of NDR relief will raise around £7 million/year. Whether this would be spent on education is not known; however the money would have to come from the sale of school assets, a reduction in charitable activity (bursaries) and increases in fees for parents. This will have undesirable outcomes:

First, independent schools, like St Mary’s make an enormous contribution to the local community by sharing facilities and involving local schools and clubs in activities. It is entirely foreseeable that some of the assets that might be sold would include playing fields, courts and halls which run counter to the Scottish Government’s encouragement of Local Authorities provision of affordable community based facilities, a feature ignored by the Bill. So while £7 million might be raised, the damage to the community would far greater.
Second, many parents will not be able to afford a fees increase, resulting in a migration of children to an already over-burdened state system. If but 1 in 30 children were to leave the independent system and enter the state, the costs would exceed any revenue gained from NDR.

Third, these schools create and support many jobs and services in their area; so any further financial burden will have an inevitable deleterious effect on the local economy. As you are no doubt aware, repeated studies have shown, a higher proportion of money is retained within a locality if it is spent on/in local goods and services. A very great benefit to society and very difficult to achieve.

Above and beyond the considerations noted above, these schools organise and host a huge range of activities open to the public throughout the year. St Mary’s has, for example; the CLIC Sargent fundraising nativity in the run up to Christmas; the Farr Out Challenge for primary schools up and down the Tweed Valley and beyond, Bang Goes the Borders, a hugely popular public science festival. The school has a thriving musical tradition performing to patients in Borders General Hospital. The list is incomplete and fraction of what goes on. These and other activities demonstrate an ethos shared throughout the school from staff to pupils to parents in contributing to the common good and something that should be encouraged. I am sure St Mary’s is not alone in all that it does or the virtues it promotes.

I would close as I started and remind the committee schools are charities and as such do much good in helping children when misfortune strikes in terms of pastoral care and financial aid. I would like to thank the committee for this opportunity to voice my concerns. I am sure we are motivated by what is in the best interests of our people and hope that the small selection of salient points noted above shows the withdrawal of NDR relief would be a mistake. If you would like me to expand on any of the above I would delighted to help.