LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

SUBMISSION FROM MANSEL FLETCHER

Dear Local Government and Communities Committee,

I respectfully write to tell you that I am opposed to the removal of the rates relief from a very small number of Scotland’s registered charities.

I oppose it because of the lack of clarity about the purpose of the proposed removal.

The ambition of the bill is extremely vague. Of the three policy purposes stated the first two appear to have little to do with the removal of rates relief. The third policy purpose (“increase fairness and ensure a level playing field among ratepayers”) would not be served by the removal of rates relief. Let me explain why:

There is a perceived lack of “fairness” because state schools are nominally liable for rates. However, these are in fact paid by local authorities and so aren’t taken from school budgets. Greater fairness, in this particular regard, would come if independent school’s rate relief was removed, but the rates were then paid by the relevant local authority as they are for state schools.

Perhaps “fairness” is believed to be served simply by making independent schools pay more tax. Whatever the rights and wrongs of this it seems unlikely that reducing the government’s overall spending is what anyone wants, and it seems likely that the taxpayer will have to pay for the education of more children if the rate relief is removed, because the corresponding increase in school fees will reduce the number of children attending independent schools. Most parents of children at independent schools are seriously stretched to pay existing school fees; they are not cash cows who can be milked by the government when the mood moves it. It is believed that if only 1 in 30 pupils at independent schools need leave to join state schools then this policy will produce a net cost to the state.

Will concerns about “fairness” lead to a change in the partial VAT paid by independent schools, when state schools don’t pay any VAT?

How is “fairness” served by removing the rate relief from 56 registered charities but leaving 24,000 other Scottish charities unaffected (including other fee-charging education charities)?

“Fairness” is a concept so wooly as to be useless as a political principle. It only works as a soundbite because no one opposes it, which demonstrates that it must be meaningless. This proposal to remove rate relief from independent schools appears
to be an undercover attack on the freedom of parents to decide what is best for their children. It doesn’t carry water at a practical level, and is incoherent as a matter of principle. I urge that it be dropped.

Yours sincerely,

Mansel Fletcher