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

SUBMISSION FROM TIM WISHART

I am writing to ask that Non Domestic Rates are not charged to Independent Schools. I have a child at St Mary’s school Melrose and understand that if these rates were to be charged this would mean the school would have to find an extra £55,000.

Small independent schools are very fragile businesses and this is why there are not many in Scotland. Running a school requires very good leadership and huge support from its local community to remain relevant and an attractive place for parents to consider sending their children there. Every school has to replace each child as they leave to go to a senior or secondary school with another simply to keep the cash flow running. This in itself requires huge marketing skills and a great reputation in the local community. Fees are a considerable sacrifice for any parent to make and if these Rates were charged school fees would have to rise and this may make the burden too much for parents to consider and could in time due to a lack of demand on a cost basis mean that the school become no longer viable as a business. We are at the peak of the current economic cycle and extra financial burdens such as this may be too much if a recession were to happen again. Alternatively, costs could be saved by reducing bursaries to children who are means tested which would be a huge disappointment to those individuals and in turn would have a financial impact on the local state schools as they would have to find and fund more places. The school provides benefit to the local community in a number of ways. One example is a science festival that St Mary’s hosts where over 1000 people visit each year and is free for anyone to attend. They also host the Farr out Challenge which invites teams from all of the local schools to come to ST Mary’s for a day to take part in a structured challenge. The school also provides employment to a large number of staff whose jobs could be at risk if the school is no longer a viable business concern. The school also attracts new families into the Scottish Borders who bring capital into the community and in turn create jobs to the wider community whether through buying houses and doing building work or through new business start-ups. We are one of those families. We as a family benefit from St Mary’s offering a wider curriculum which includes sport and has a longer day which means that they can look after our child until the early evening allowing myself and my wife to work to help pay for the school fees. St Mary’s, like all independent schools, has a long history of providing good education to its community. It meets its charitable obligations and has proved its Public Benefit Test and offers choice to those willing to make the sacrifice or who are fortunate to be able receive a place through means testing.
I believe that the review of Non Domestic Rates is an unfair comparison. Whilst Independent schools receive a relief of 80% when compared to State Schools, no money changes hands between state schools and the council, which means that it is not a cost that has to be met by a state school. If the relief is to be stopped this is a cost that will have to be met and funded by each of the 56 schools that are being singled out. Also it seems that Charities that are schools are being singled out, which is inconsistent with how all other charities are treated. If the relief is removed, this could jeopardise the financial viability of these schools. The small amount of money that could be raise by charging the extra rates would raise little money, potentially cost the tax payer more by having to educate more children no longer in the independent sector and sacrifice the jobs of many staff and business that supply the school. It will also impact the communities that these schools are in and their local businesses that benefit from having the school in that area.

I hope that on balance this whole question can be looked at more broadly reflecting on the impact a relatively small decision can make on not just the school, but the wider community in terms of economics, but also to the wider tax payer who would have to pay more to take up the burden of extra children that would need to be funded through the state.

Tim Wishart