LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

SUBMISSION FROM IONA LAWSON

One of the key recommendations of the Barclay Review, now contained in Section 10 of the proposed Non-Domestic Rates (Scotland) Bill, is to remove eligibility to claim charitable relief from non-domestic rates from mainstream independent schools, effective from April 2020.

This recommendation, if brought forward into law, will have a significant impact on many people across Scotland and that impact has not been thought through.

The substantial rates increases could only funded by significant increases in school fees, in some cases schools may have to look at sales of school assets. Without a doubt, there will be a dramatic sudden reduction in the number of bursaries offered by the independent schools. Both an increase in school fees and a reduction in bursaries offered will lead to pupils moving from the independent sector to the state sector. This will create further pressure on class sizes and state schools in general.

It is thought that the loss of 1 in 30 pupils from the independent sector, either to local state schools or to other boarding schools elsewhere, would cost the Scottish taxpayer more than the entire rates increase proposed by the Bill.

The independent sector has created assistance, to widen access to independent education, with a three-fold increase in means-tested fee assistance unlike anywhere else in the UK. A sudden rates increase will mean that independent schools have no choice but to significantly reduce the bursaries offered, therefore closing the door to many that until now have had the chance to participate in an independent school.

There will also be a knock on effect on community partners and others that use school premises and facilities for rehearsal spaces, sports coaching or facilities etc. If independent schools are charged non-domestic rates at the same level as commercial bodies, it will be difficult for them to avoid charging out use of facilities at similar commercial rates.

In the past, the Scottish Government’s own Council of Economic Advisers has acknowledged the economic value that independent schools, particularly boarding schools add. It would be counter-productive to add any barrier to Scotland’s ability to attract school age students from the rest of the UK, European Union or further afield.

The charity test for Scottish independent schools is the strictest, any change to rates relief would make Scottish independent schools less competitive than their equivalents elsewhere. This could have serious consequences on the number of teachers employed in that sector, in addition to support staff and third party suppliers.

The independent sector currently employs 5.9% of the teaching workforce in Scotland and as such is the 6th largest employer of teachers and also employs more than 3000 support staff.
I implore you to consider the bigger picture, by removing eligibility to claim charitable relief from non-domestic rates from mainstream independent schools, you will increase the numbers and pressure on the state schools. Many parents won’t be able to afford a dramatic rise in school fees so will have no option but to move their children to the state sector. The number of means tested bursaries (which have significantly increased over the years, allowing many that wouldn’t have had access to private education a chance to do so) will without doubt, have to be reduced as independent schools won’t be able to afford to offer that financial help, thereby sending yet more children back to the state sector. Some schools may simply not be able to continue and therefore may have no option to close. Can the local schools cope with a significant number of children (hundreds) that suddenly need places on local schools? Independent schools are major employers of not only teachers but also support staff and third party suppliers, closures of independent schools (due to this proposed change in rates) will have a major impact across the Scottish economy as a whole.

Iona Lawson