LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

SUBMISSION FROM CHRISTIAN SCHOOLS (SCOTLAND) LIMITED

Background

The proposed changes to non-domestic rates as contained in the Non-Domestic Rates (Scotland) Bill will impact hugely on all charities that run independent schools in Scotland.

Specifically the Bill seeks to amend Section 4 of the Local Government (Financial Provisions etc.) (Scotland) Act 1962 by removing the ineligibility for the reduction and remission of rates payable by charitable and other organisations from “lands and heritages which are wholly or mainly used for the purpose of carrying on an independent school”. On implementation, charities that provide independent education would no longer benefit from the rates reduction on building used to carry out their educational purpose, a reduction which currently all charities benefit from.

The result would be a carve-out of certain charities from general charities provisions, based solely on their purpose, despite meeting OSCR regulations on charitable status and administration.

The group of charities who provide education have and will no doubt continue to bring a host of arguments against the current rates relief abolition. These arguments are linked to finances, sustainability of their purpose (the provision of education) and ultimately increased pressure on the Local Authority provision of education through probable closure of independent schools or parents be unable to pay increased fees.

The bottom line is that some charities, due to the financial impact of rates relief abolition coupled with the impact of increased teacher salaries and public sector pension contributions, will no longer be able to fulfil their purpose – a quick scan of annual accounts at Companies House will evidence that – with thousands of children who currently benefit from the charitable purpose turning to the Local Authority to access education. The increased burden on the Local Authorities in Scotland could be immense.

Specific Arguments from Affected Charities

Specific arguments against the abolition of the relief being put forward by the affected group off charities include –

- The potential loss of the contribution made by these charities to the overall Scottish economy – employment, spending by families brought to the territory through the provision of the education, reduced demands on Local Authority provision, provision of facilities, etc.
- The financial impact on the Local Authority and general community amenities by families turning to the Local Authority to fulfil the educational purpose
The impact on the local community of the loss of sports grounds, facilities and buildings through closure of these specific charities

The discriminatory nature of carving out approximately 50 charities from general charities legislation and regulation, despite strict OSCR control over the operations of these organisations

An increasing disparity in the treatment of independent education in comparison with Local Authority providers (rates and VAT)

What is Hamilton College?

Hamilton College is a mid-sized Christian independent school for children and young people from the ages of 3 to 18, in Hamilton, Lanarkshire. Our roll currently sits at 420 children, down from approximately 700 ten years ago.

The charity that operates Hamilton College – Christian Schools (Scotland) Limited – has the following purposes –

a) to advance the Christian faith by the active promotion in the independent school or schools to be established by the Company of a knowledge of the Christian faith through assemblies, Religious Education and class time, by the provision of reduction in fees for the children of full-time Christian workers including, without prejudice to the foregoing generality, the children of Ministers, Pastors and Missionaries and by the provision of facilities to churches and Christian organisations at not-for-profit rates;

b) the advancement of education by the establishment and operation of an independent school or schools in Scotland for pupils from the age of 3 to 18, and to provide mean-tested fee assistance (of up to 100% from age 8 to age 18); to provide a hardship fund to assist pupils of families encountering financial difficulties; to create educational links with schools in Third World countries and to raise funds for the provision of education for young people in such Third World countries; to seek to serve the community and make the facilities of the school or schools available to the community at not-for-profit rates and to provide not-for-profit Aftercare facilities for working parents.

The charity operates the school – Hamilton College – as a means of advancing the Christian faith.

Life at Hamilton College is underpinned by Christian beliefs and principles, carried out through the promotion and encouragement of the key principles of grace, confidence, wisdom, innovation, compassion and reflection. The school welcomes people of all faiths and those of no faith at all.

The charity aims to ensure that pupils who benefit from an education at Hamilton College leave the school with an understanding of the Christian faith and its underlying principles so that throughout their adult lives our former pupils promote the faith through example of the applications of these principles or through direct witness.
Specific Submissions in respect of Christian Schools (Scotland) Limited

Like many charities, Christian Schools (Scotland) Limited charges its customers for services provided in order that the charity fulfils its charitable purpose and in order that other people benefit from that charitable purpose. In the case of Christian Schools (Scotland) Limited this is achieved through the grant of bursaries, reduced fees and scholarships thereby increasing pupil roll and increasing the advancement of the Christian faith.

43% of pupils who attended the charity’s school in session 2017/18 benefitting from reduced fees. The availability of financial support is publicised by way of the school's website, in media advertising and in our application packs for entry to the school.

Many children who benefit by attending Hamilton College have suffered from bullying, family trauma and mental health issues, as well as those with Additional Support Needs who benefit from the Christian ethos and small school environment.

The school also strives to foster links with the local community so that they can, not only benefit from the charity’s assets, but also be touched by our Christian principles. Examples include –

- We welcome pupils from other local schools to undertake Highers and Advanced Highers in subjects unavailable at their own schools. Indeed, the current timetable at Hamilton College is being reviewed to ensure that this service can be maximised by our neighbouring schools.
- Our small class sizes, Classroom Support Teachers and ASN Teachers make the school particularly suitable to children with additional support needs who may struggle in larger groupings that are typically available in Local Authority schools. Again, this works to minimise costs in the Local Authority Sector.
- We look to provide excellence in guidance and well-being – 20 members of staff have just completed Mental Health First Aid training, and this makes the schooling especially suitable for those children who have suffered trauma or who are dealing with mental health and confidence issues.
- The charity looks to help the overall Scottish educational offering and as such is directly involved in the training of student teachers in the Junior and Senior Schools, and also in the Nursery. The charity’s teaching staff is committed to supporting national educational initiatives, such as Curriculum for Excellence, and several serve on Quality Design Teams and other committees. Many staff members mark for the SQA and a high proportion are also involved in subject examining teams.
- The school community supports a large number of charities, including Hamilton Food Bank, CHAS, The Vine Trust, Scottish Poppy Appeal, Childrens' Hospital and Bethany Christian Trust. We also have links and to provide support to schools in Tanzania.
- Various community organisations make use of the sports facilities which we let at reduced rates to minimise the costs to the eventual beneficiary. These include The Kings Foundation, SJB sports camps, The Police cadets, various swimming clubs, triathlon club, dancing clubs, gymnastic clubs, football and karate clubs, “Wee Wobblers” balance bike club, tennis clubs and many more. The facilities are also used by various Christian organisations including the
Scottish Reformed Conference, the Girls and Boys Brigade as well as one-off Christian and faith events.

- In 2018 the charity entered into a partnership with The Michael Jamieson Swim Academy who use the pool facilities to teach swimming to the wider community on the basis of health and well-being, rather than only skill betterment. The use of the pool facilities for this cause has been hugely successful with community classes running most evenings and across the weekend.
- The charity also runs a nursery which currently charges fees aligned with those of a Partnership Nursery, meaning that it is used by the whole local community. A toddler group is starting in August. We are also looking at applying for Partnership status for Session 2020/21.
- As a Christian organisation our overall aim is to spread the Christian faith to as many as possible and we therefore endeavour to encourage as many groups, clubs and individuals to use the facilities as possible and to attend events hosted by the charity.

Summary

Christian Schools (Scotland) Limited has the charitable purpose of the advancement of the Christian faith through the provision of education. This is a unique offering in Scotland. We would submit that this charitable purpose, will be at risk through increased costs due to changes in Government policies including the proposed alterations to rates relief, which will cost the school in excess of £150,000 pa.

Christian Schools (Scotland) Limited provides a substantial benefit to its beneficiaries, the local economy, to other charities and as an employer (92 staff members). It also alleviates pressure on the provision of state education.

The loss to the community of the extensive availability of the charity’s building and estates to third parties would have a huge detrimental effect.

Christian Schools (Scotland) Limited is under increasing financial pressure as regards increased day to day costs (such as fuel and food), through increases in teachers’ salaries and pension contributions (amounting to an additional £370,000 pa), and now through the possible impact of increased rates.

The benefits that the charity provides far outweigh the additional revenue that will be received by the Local Authority through withdrawal of the rates relief, and we would ask that the impact as detailed above is taken into account when reviewing the terms of the Bill.

With thanks.