I strongly object to the proposal to remove eligibility to claim charitable relief from non-domestic rates from mainstream independent schools (section 10 of the Barclay Review) for the reasons highlighted below:

1. VAT Relief. The Scottish Government wants to remove the reduced rates bill from independent schools as it is perceived that they are benefitting unfairly compared to state schools who pay rates. However it does not appear to apply the same logic to VAT. Education is an exempt supply and therefore no VAT can be levied on independent school fees but many other running costs incurred by the school attracts VAT. This is contrary to state schools who benefit from an exemption to VAT by virtue of their statutory obligation to deliver education and therefore VAT can be recovered on all relevant expenditure. If the Government is seeking to treat independent schools and state schools on an equal footing they should balance the impact of VAT recovery which puts state schools at a considerable financial advantage. The VAT relief for any state school by far exceeds the amount the Government is seeking to raise from independent schools.

2. Business Rates Recovery. The rateable value for a state schools is set against the funding from the local authority which in turn funds the school in its entirety. State schools funding is derived from general central and local taxation (including Council Tax) and therefore there is no direct impact on budgets for each state school. In contrast the removal of the eligibility to claim relief against rates from independent schools has a direct impact on the fees to be paid by parents who are tax payers. These parents already pay Council tax which goes towards paying for state schools but have made the personal choice to send their children to independent schools. There is a saving to the Scottish taxpayer as a result of the choice of the parents whose children are entitled to a place at a state school but for personal reasons do not take it up. These parents do not request a discount to their Council tax a result of this saving and therefore why should they have to pay additional fees to fund the removal of charitable relief on rates. Scottish Government figures indicate each child educated in state schools cost on average £6,500 and there each child removed from independent schools will be an additional cost to the taxpayer as these costs will not be fully supported by the removal of the business rates relief.

3. Impact on state schools-A number of parents make sacrifices elsewhere in their cost of living to send their children to independent schools. This is a personal choice and should
not be seen as elitist. 24.1% of pupils also receive some form of financial assistance to
to attend an independent school so it would be incorrect to assume that parents would
easily absorb any additional fees associated with the removal of the rates relief. The BRIA
provided misleading information that the average charity relief withdrawal would cost an
additional £225 per pupil. This takes no account of the size, location and facilities and
whether it is a boarding school, urban or rural. There will undoubtedly be an impact on
fees which in turn will result in additional spaces being required at state schools. Each
pupil moving to a state school will cost the tax payer at least £6,500 per annum - it will
take less than 3% of independent school pupils to leave the sector for the entire public
savings suggested by the Barclay report to be eliminated. Local Authorities seek
contributions for Education as a result of planned population and housing growth in the
city through Section 75 Contributions from developers of new housing to either extend
existing schools or provide new schools. If however even 3% of independent schools
pupils (equating to 885 pupils) in Scotland transfer into state school education this will
have a devastating affect on class sizes, school buildings, catchment areas along with
teacher numbers and recruitment with no additional financial contribution received other
than the additional rates income which will not meet the costs needed to build a new
school or extend an existing one. There is no evidence of how these costs will be met
other than increasing the burden on the Scottish taxpayer.

4. National Performance Framework - Scottish Government has identified a number of
strategic objectives in its National Performance Framework a number of which can be
linked to education-

4.1. We realise our full economic potential with more and better employment
opportunities for our people

4.2. We are better educated, more skilled and more successful, renowned for our
research and innovation

4.3. Our young people are successful learners, confident individual, effective
contributors and responsible citizens

4.4. Our children have the best start in life and are ready to succeed.

Looking at the National Indicator on educational attainment shows that the there was a
reduction in performance of the the levels of educational attainment in the Programme for
International Student Assessment (PISA) between Scotland and the OCED average
between 2012 and 2015. It will be interesting to see if this performance indicator has
improved or deteriorated further at the next assessment. The potential impact of an
increase of pupils moving from independent schools to state education will only put more
pressure on class sizes, teacher ratio and impact negatively on on that performance
indicator. The recent report by Reform Scotland on The Accidental Attainment Gap
exposed the issue that the sharp reduction in National 4s and 5s available in many
schools is narrowing educational opportunity for children. It identified that only a minority
of Scottish State schools now allow pupils to sit more than six exams with a few only offering five whilst independent schools continue to offer eight or nine.

5. Public Benefit Test - The review, consultation and subsequent draft legislation to remove the charitable relief makes no reference to the public benefit test where independent schools offer at least £51 million annually in fee assistance with 24.1% of all pupils receiving some form of assistance. If the rates relief was removed there would be a significant impact on budgets and the ability to offer bursaries and assistant to these 24.1% of pupils. Independent schools also boost the economy’s long term growth rate by pulling up the average educational attainment level and by encouraging a focus on a wider and greater number of subjects.

6. Availability of Independent Schools Sporting facilities to the community - The Bill’s policy memorandum, in reference to rating of sports clubs, mentions the Scottish Government’s policy to continue to support and encourage local authorities to support affordable based facilities to give people the chance to take part in sporting activities thus contributing to an active Scotland. The Scottish Government aim to cut physical inactivity in adults and teenagers by 15% by 2030. Despite this priority, the Barclay review has made no reference to the number of independent schools that offer their sporting facilities to the wider community. I myself go swimming regularly in Stewarts Melville’s swimming pool and use it’s sports facilities. The number of adults (especially those that are retired) using the swimming pool at 7am in the morning should be commended. The independent school employs additional staff so that this facility is available for the wider community. The fact that these sporting facilities are widely used by the wider community should be acknowledged as a benefit that does not cost the tax payer or the local authority to run the sports facilities.

7. Additional financial pressures - Parents at independent schools are already experiencing the increase of teachers pension contributions as well as inflationary increases in teachers’ pay on school fees and the removal of the rates relief will further challenge the financial stability of independent schools. We have already witnessed Beaconhurst School going into administration, disrupting families and the impact of job losses being felt by the local community.

8. Parity test - No other charities have been subjected to either the collective public benefit test or the measures proposed by the Barclay review. The Scottish Government is targeting independent schools (56 in Scotland) over 24,000 Scottish Registered bodies (including other fee-charging, restricted admission education charities). It has not differentiated even the early learning years or nursery facilities at independent schools which would attract 100% rates under the proposed reform whereas private making nurseries benefit from 100% NDR relief. Independent schools offer a dedicated Support for Learning for pupils which my son has had the benefit of. As a result of this support he has had the benefit of extra resources to get the most out of his education. This offer of Support Learning in independent schools removes additional pressure from the long waiting lists and costs to the taxpayer in the public sector.