



OFFICIAL REPORT  
AITHISG OIFIGEIL

DRAFT

# Education, Children and Young People Committee

Wednesday 18 February 2026

Session 6



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Pàrlamaid na h-Alba

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**Wednesday 18 February 2026**

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**EDUCATION, CHILDREN AND YOUNG PEOPLE COMMITTEE**  
**7<sup>th</sup> Meeting 2026, Session 6**

**CONVENER**

\*Douglas Ross (Highlands and Islands) (Con)

**DEPUTY CONVENER**

\*Jackie Dunbar (Aberdeen Donside) (SNP)

**COMMITTEE MEMBERS**

\*George Adam (Paisley) (SNP)  
\*Miles Briggs (Lothian) (Con)  
\*Ross Greer (West Scotland) (Green)  
\*Bill Kidd (Glasgow Anniesland) (SNP)  
\*John Mason (Glasgow Shettleston) (Ind)  
\*Paul McLennan (East Lothian) (SNP)  
\*Paul O’Kane (West Scotland) (Lab)  
\*Willie Rennie (North East Fife) (LD)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Lorraine Davidson (Scottish Council of Independent Schools)  
Natalie Don-Innes (Minister for Children, Young People and The Promise)  
Catherine Dyer (Scottish Council of Independent Schools)  
Roz McCall (Mid Scotland and Fife) (Con)  
John O’Neill (Scottish Council of Independent Schools)  
Liz Smith (Mid Scotland and Fife) (Con)  
Nicola Sturgeon (Glasgow Southside) (SNP)  
Martin Whitfield (South Scotland) (Lab)

**CLERK TO THE COMMITTEE**

Pauline McIntyre

**LOCATION**

The Robert Burns Room (CR1)

# Scottish Parliament

## Education, Children and Young People Committee

Wednesday 18 February 2026

[The Convener opened the meeting at 09:15]

### Subordinate Legislation

#### Qualifications Scotland (Strategic Advisory Council) (Establishment) Regulations 2026 (SSI 2026/36)

**The Convener (Douglas Ross):** Good morning, and welcome to the seventh meeting in 2026 of the Education, Children and Young People Committee. The first item on our agenda is consideration of an item of subordinate legislation under the negative procedure.

Members have no comments on the instrument. Does the committee agree that it does not wish to make any recommendations in relation to it?

**Members indicated agreement.**

### Children (Care, Care Experience and Services Planning) (Scotland) Bill: Stage 2

09:15

**The Convener:** The next agenda item is day 3 of stage 2 proceedings on the Children (Care, Care Experience and Services Planning) (Scotland) Bill.

I welcome the Minister for Children, Young People and The Promise, along with her supporting officials. I remind members that the officials who are seated at the table are here to support the minister but cannot speak in the debates on amendments. Members should therefore direct comments or questions to the minister.

Once again, we welcome a number of non-committee members who are attending to speak to their amendments and participate in the debates.

#### After section 21

**The Convener:** We move to the next group of amendments. Amendment 207, in the name of Miles Briggs, is grouped with amendments 208, 208A, 118, 210, 210A, 211 to 215, 125 and 223.

**Miles Briggs (Lothian) (Con):** Good morning. I will be brief as I can be. I have three amendments in this group—amendments 207, 208 and 210, which are all interlinked. The amendments seek to

ensure that opportunities to explore voluntary arrangements through family group decision making are properly and consistently accounted for. I welcome the minister's acknowledgement of the need to see how family group decision making can be strengthened through the bill, which was a cross-party ask.

The amendments build on the recommendation in "The Promise" that family group decision making should become more common. The "Hearings for Children" report said that family group decision making

"should be routinely and consistently offered to children and families, in line with the National Standards produced by the National FGDM Steering Group, as an option to help find innovative and creative ways to solve their problems well in advance of any statutory involvement of the Children's Hearings System and in line with the recommendations"

in "The Promise".

The purpose of amendments 207 and 208 is to establish a clear and consistent check on whether family group decision making has been explored, to inform the reporter's investigation and decision. That is not about the reporter offering the service to families directly. Amendment 208 would therefore not prevent or delay hearings. It is the right thing for the child that such an offer is made, and it would help to ensure that the issue is properly considered either before or alongside a hearing.

Amendment 210 is on reporting on family group decision making. It would establish a better understanding of how and when children and families are offered family group decision making across Scotland, to inform policy and resourcing decisions and to help to meet the Promise's call. As an Edinburgh MSP, I know that the City of Edinburgh Council's work on that approach is transforming lives and making a real difference, and I know that that is also the case in Glasgow. However, we have an opportunity to strengthen family group decision making as part of the bill.

I move amendment 207.

**Martin Whitfield (South Scotland) (Lab):** Good morning. I remind those in the room and those watching of my declaration of interests.

I do not intend to speak for too long on this group, because Miles Briggs has introduced it exceptionally well. It is about ensuring the best for individual children for whom family group decision making can make a transformative change. I have lodged amendment 208A, which seeks to add to amendment 208, on consideration of whether family group decision making is offered. The extension would require the reporter to consider that in appropriate cases.

Amendment 210A seeks to add specificity to the reports that would be produced under amendment 210, in the name of Miles Briggs, which I support.

We have an opportunity here to bring into the bill something that should have been there from the outset. Since the Promise was originally made, family group decision making has been seen as a way of ensuring the best environment in which to not only discuss challenges and promises, but find solutions.

Like Miles Briggs, I welcome the Scottish Government's move to see where we are on that, but I think that it will be a crucial, important and timely intervention in the bill's progress, which will assist. I will leave it at that.

**Roz McCall (Mid Scotland and Fife) (Con):** Good morning. I will speak to amendments 118, 211 and 125, which would introduce national standards, guidance and reporting requirements for family group decision making, which is a cornerstone of early intervention and family-centred practice. Family group decision making recognises that children do best when families are engaged in decision making about their care and support, with professionals acting as facilitators rather than directors of their lives.

Amendment 118 would require the Scottish ministers to establish national standards of practice guidance for family group decision making. That would ensure consistency, quality and accountability across all local authorities and third sector providers. By requiring consultation with stakeholders, including the national steering group, local authorities, third sector providers, the principal reporter and the national convener, the amendment would ensure that guidance is practical, informed by experience and child centred.

Amendment 211 would require the Scottish ministers to produce a report on family group decision-making provision and sustainability within one year of royal assent to the bill, and that said report must be published and laid before Parliament. That would create transparency and allow monitoring of the implementation of that aspect of the bill. Amendment 125 would update section 24 to reference that explicitly, which would ensure that family group decision making is fully integrated into the legislative framework of the children's hearings system.

**Willie Rennie (North East Fife) (LD):** I will speak to amendments 212 to 215 in my name. I have been working on them with Children First, which has been very supportive, and I know that it has been working constructively with the minister on possible further amendments at stage 3. I want to introduce these amendments to put down an

early discussion on the relevant issues, to ensure that we get to the right place at stage 3.

My amendment 212 would establish statutory guidance to help areas across Scotland to deliver high-quality and consistent family group decision-making services. It would build on work that has already been done by third sector and local authority providers, and it would give that work more profile and greater authority. Amendment 212 mirrors amendment 118 from Roz McCall, but it goes further in a number of crucial ways. In particular, it specifies a few key points in decision-making processes that are not set out in legislation, and in which evidence shows that family group decision making can have a real impact. That includes pre-birth assessments, when children are being considered at child protection case conferences and, finally, when there are plans to return a child to their family or for them to leave secure or residential care.

"The Promise" is quite clear about family group decision making. It says that it

"must be of high-quality and there must be an approach to developing (or further developing) consistent standards and training as in other areas, such as advocacy."

The Promise Oversight Board also says that

"there is a need to ensure that it is available to everyone who would benefit from wherever they live in Scotland, and that it is sustainably funded."

My amendment 213 intends to establish a clear legislative duty to provide family group decision-making services. It seeks to address two issues, the first of which is patchy provision. We know that around two thirds of local authorities already have some form of service available, albeit that they vary. That leaves around one third without an offer. Children First's research shows that there are many areas where a service operates in small teams and is vulnerable to the making of cuts.

Secondly, the law is unclear. Children First commissioned a legal opinion from Janys Scott KC, which showed that the current law is not clear enough about local authorities' responsibility to provide such services.

Amendment 213 could also work alongside the new statutory guidance that we have already debated, and could help services to build up towards offering consistent, high-quality provision that is equally available to every child across Scotland.

Amendment 214 seeks to introduce a duty to promote family group decision making, which would require local authorities to take reasonable steps to make families aware of such services and the benefits that they might have. The purpose is to help local authorities to promote an approach that is grounded in early help and prevention. We

know that many children and families struggle to find help unless they are experiencing a level of crisis. They need to reach a high threshold to qualify for help or be referred to services such as family group decision making. Amendment 214 would help to turn that around. If families knew about services such as this one, there would be a higher chance that they would make use of them at an earlier stage. That, in turn, should help to prevent problems from building up.

I recognise that that might lead to a higher level of demand, which might need further resource. However, helping families to resolve their challenges at an earlier stage should help with making savings in the long run.

In England, a mandatory offer of family group decision making before court proceedings is currently being legislated for through the Children's Wellbeing and Schools Bill. That means that all families will be offered family group decision making before court proceedings so that, where possible, they can be supported to develop their own solutions without relying on a system of intervention. Amendment 214 has a similar ethos.

Finally, amendment 215 is consequential on amendment 213 and follows the same ethos as amendment 214, which seeks to empower families, as far as possible, to access family group decision making services in a way and at a time that is right for them.

"The Promise" talks about Scotland's

"commitment to early intervention and prevention",

but a combination of national crisis alongside slow system reform means that we are a long way from keeping the Promise and making that transition. Families need to be empowered and supported to access services. There should always be a way to find support before statutory interventions are brought in.

**The Minister for Children, Young People and The Promise (Natalie Don-Innes):** I thank all members for what has been a really constructive approach to consideration of including family group decision making in this bill, both during stage 1 scrutiny and in the stage 2 amendments.

The Government agrees that it is important to see family group decision making clearly reflected in the bill. I support the intention of a number of amendments that seek to strengthen family group decision-making practice to encourage consistent, proportionate and targeted support that best serves the interests of children and families.

The Government will support certain amendments today, and I ask that we work together in advance of stage 3. As we know, family group decision making can play a powerful role in

supporting children and families. When it is used appropriately, it brings families together, supports children to be heard and enables wider family networks to be part of planning and decision making. That can help to build stronger, more sustainable plans, support earlier and more preventative intervention and, of course, reduce the need for escalation.

Family group decision making is intended to be not a mandatory step but an option to be considered within our wider approach of getting it right for every child, with its use being informed by the professional judgment of social workers and other practitioners and tailored to the individual circumstances of each child.

Family group decision making has an important role to play in the suite of early interventions that are available to support families. However, it might not always be the most appropriate tool, particularly in cases where there are coercive control, domestic abuse or other risk factors in a child's life. With that in mind, I cannot support amendments 208 and 208A. Those amendments risk creating a mandatory process, moving away from the voluntary and supportive role of family group decision making, and they confer on the children's reporter duties that more appropriately belong to local authorities.

As members have pointed out, engagement with Children First, as well as with members from across the Parliament, has taken place regarding stage 3 amendments, and we agree with the intent behind many of them. I intend to continue working with Children First as we develop targeted measures that are designed to strengthen practice and strategic oversight, while supporting effective decision making across the wider system.

09:30

I will present the results of that work at stage 3 in the form of a package, which I am confident that members will support, based on what has been passed today and depending on the outcome of further discussions with Children First and members. I invite members to support amendments 207, 210, 210A and 212, and to work with me on refinements that will be presented at stage 3.

In light of the Government's position, I ask other members not to move their amendments today. As I said, I am keen to continue fruitful discussions ahead of stage 3, with a view to developing a coherent and workable package that reflects our shared ambition on family group decision making.

**Willie Rennie:** Could you clarify which amendments you are prepared to support today?

**Natalie Don-Innes:** I reiterate that I support amendments 207, 210, 210A and 212.

**Willie Rennie:** Do you object in principle to the purpose of my amendments—as they relate to statutory guidance, promoting guidance and so on—rather than the detail, which you want to discuss further before stage 3?

**Natalie Don-Innes:** Not in terms of promoting guidance. I agree whole-heartedly that we need to do more to make families aware of that process, which can be really important. However, issues remain with the amendments regarding the principal reporter's duties and the shift away from them. I would like to continue discussing that issue with Children First and with other members.

**The Convener:** I call on Miles Briggs to wind up and to press or withdraw amendment 207.

**Miles Briggs:** Having listened to colleagues, it is quite clear from the breadth of cross-party amendments that we can strengthen this area at stage 3. Our debate shows that we can build a great future model of support and early intervention, which I hope we can achieve at stage 3.

I am happy to accept the minister's assurances. Given the amendments on family group decision making that the Government is supporting at stage 2, there is an opportunity for us collectively to get this right at stage 3.

I press amendment 207.

*Amendment 207 agreed to.*

*Amendment 208 not moved.*

**The Convener:** Amendment 208A falls.

*Amendment 116 moved—[Miles Briggs].*

**The Convener:** The question is, that amendment 116 be agreed to. Are we agreed?

**Members:** No.

#### For

Briggs, Miles (Lothian) (Con)  
O'Kane, Paul (West Scotland) (Lab)  
Ross, Douglas (Highlands and Islands) (Con)

#### Against

Adam, George (Paisley) (SNP)  
Dunbar, Jackie (Aberdeen Donside) (SNP)  
Greer, Ross (West Scotland) (Green)  
Kidd, Bill (Glasgow Anniesland) (SNP)  
Mason, John (Glasgow Shettleston) (Ind)  
McLennan, Paul (East Lothian) (SNP)  
Rennie, Willie (North East Fife) (LD)

**The Convener:** The result of the division is: For 3, Against 7, Abstentions 0.

*Amendment 116 disagreed to.*

*Amendment 199 not moved.*

**The Convener:** Amendment 209, in the name of Willie Rennie, is in a group on its own.

**Willie Rennie:** Amendment 209 would allow children to be taken to places of safety, as defined in the Children's Hearings (Scotland) Act 2011. Children can already be taken to places of safety between being charged and going to court, but amendment 209 would allow that to happen earlier in the process.

The amendment was developed in response to a suggestion by the Children and Young People's Centre for Justice. Children who come into conflict with the law, many of whom have suffered adverse childhood experiences, are overwhelmingly from disadvantaged backgrounds. The independent care review also identified that, for a variety of reasons, care-experienced children are disproportionately criminalised. An inspection of police custody in March 2025 found children being held for disproportionate lengths of time, including a 13-year-old held for six hours and a 14-year-old held for 12 hours. Children and young people have told the CYCJ that custody can be retraumatising and that it is often the most difficult part of their justice journey.

The committee will recall that, in its written response to our call for views, the CYCJ said:

"We very much welcome the ongoing current work across Scotland to look at alternatives to police custody, including the use of places of safety."

However, in accordance with section 4 of the Criminal Justice (Scotland) Act 2016, Police Scotland is still required to take an arrested person to a police station, regardless of their age. The small change to that legislation that is proposed in amendment 209 would allow a child to be taken instead to an appropriate place of safety, where that is possible. That change would provide options to be creative, person centred and more trauma informed and it would allow sufficient time for the relevant provisions and resources to become embedded across Scotland.

I move amendment 209.

**Natalie Don-Innes:** I thank Mr Rennie for lodging amendment 209 and raising this important matter. I support the intention behind the amendment. We have already taken significant steps through the Children (Care and Justice) (Scotland) Act 2024 to achieve what is proposed. The commencement of the provisions in the act on 30 March will ensure that the default position is for under-18s who have been charged with an offence to be taken to a place of safety other than a police station prior to their appearance in court.

There is broad agreement that police custody is not an appropriate environment for children, but

the implications of change are truly complex. An established working group is considering the broader opportunities and challenges of building in flexibility on the use of alternatives to a police station. We continue to work closely on that with partners, and Police Scotland is already progressing non-legislative improvements such as expanding voluntary interview pathways and developing child-friendly approaches in existing stations.

I agree that we need to go further and explore how we can ensure that taking a child to a police station on arrest is not the usual practice in the future, but I am conscious that careful consideration needs to be given to a test to be applied when deciding that an alternative location is suitable to receive the child and, indeed, where that location might be. The definition of a place of safety in the Children's Hearings (Scotland) Act 2011 includes a range of places such as a residential care home, a hospital or someone's house. Police Scotland is, understandably, clear that it needs to be able to perform its role in appropriate settings that will best meet children's needs and that it needs appropriate powers to keep them safe.

On top of the work that is under way, I think that it would be sensible to take more time to explore the views of Police Scotland and others on suitable settings and the practicalities before we make changes to the law in this area, so that we can be confident that any legislative changes will be workable in practice.

**Martin Whitfield:** I am not being in any way disrespectful to Police Scotland, but is the challenge not that it will always be easiest for a provider to continue with an existing process? The amendment suggests that we shift the argument to say, in effect, that a police station should become the last resort, and that every other option should be considered first. I think that that needs to happen. I accept the minister's articulate discussion of the issue and I note that the group that she mentioned is meeting, but is this not fundamentally about flipping the question over and challenging Police Scotland on why it could not facilitate the use of, for example, a hospital or a house? I realise that weekends and evenings will be difficult times, but if we agree that the use of a police station should be the exception rather than the rule, how long does the minister envisage that it will take to reach that position?

**Natalie Don-Innes:** I cannot put a timescale on that. Mr Whitfield highlights some of the challenges that exist around the issue. He said that the police station should become the last resort. I agree, but there are real differences and difficulties. We are talking about children being taken to a place of safety before appearing in court. Such places may

be appropriate for holding a child before their appearance in court but not necessarily appropriate at the point of arrest, when the circumstances are very different and there could be real complexities. That automatically becomes a challenge. Other questions include how the decision would be reached on a place of safety and whether it should be a multi-agency decision or purely for Police Scotland to make—and, if it is a decision for Police Scotland, what rank the commanding officer making the decision would be.

I cannot put a timescale on this. We have had a debate about the complexities and, as I said, work is under way. I would like that work to continue, because we have to get to the point that Mr Whitfield talked about. However, as I said, getting there involves a number of issues.

I do not need to say much more, although I stress that I am supportive of the intention behind amendment 209.

**Miles Briggs:** I have had meetings with Police Scotland representatives who are really frustrated that, for some adults who are in mental health crisis, taking them to an accident and emergency unit is the only option. We have to be careful about what we might create in classifying somewhere as a safe place without attaching any real outcome to that, apart from its being a holding area. It would not be appropriate to start filling A and E units with young people.

The minister outlined work that is going on. When is that likely to report and present different models and alternatives? It sounds as though we are not yet able to identify what would be classified as a safe place.

**Natalie Don-Innes:** I do not have that information to hand, but I am happy to continue discussions with Willie Rennie on the issue. Cross-party discussions have been set up in advance of stage 3, so I would be more than happy to provide a little more information on the issue at that time, if that would be helpful.

In light of my comments, I ask Mr Rennie not to press amendment 209, pending further explorations and discussions. As I have been clear, I am happy to consider and take away the issue ahead of stage 3, if that would be appropriate.

**Willie Rennie:** I thank Martin Whitfield and Miles Briggs for contributing to the debate, which has shone a spotlight on some of the challenges that we face. I will not press the amendment, but I am keen to understand from the minister whether she can see a possible resolution in an amendment at stage 3 or whether she sees the work going beyond stage 3 and therefore into another bill. Although she is not in control of a future



Government's legislative agenda, would she consider it appropriate for a similar provision to be included in other legislation?

My final question for the minister's consideration in advance of stage 3 is whether some of the work can be done without a change to the law, or whether Police Scotland would require a change in the law before it could change its practice. I am quite happy to take an intervention now.

**Natalie Don-Innes:** Willie Rennie asked several questions. On timescales, as I said, if we can get something in at stage 3 that either defines the issue or points to further work or exploration, I will be happy to do that, but I will take advice on whether that would be appropriate and whether we could safeguard against some of the complexities that have been raised.

When it comes to whether the issue is appropriate for inclusion in other legislation, I have been very clear that I agree with the intent behind amendment 209, so I would like it to progress further, whether in this parliamentary session or the next.

A change in the law would be required. However, that does not take away from potentially doing further work and exploration prior to that point.

*Amendment 209, by agreement, withdrawn.*

*Amendment 118 not moved.*

*Amendment 210 moved—[Miles Briggs].*

09:45

*Amendment 210A moved—[Martin Whitfield].*

**The Convener:** The question is, that amendment 210A be agreed to. Are we all agreed?

**Members:** No.

**The Convener:** There will be a division.

#### For

Adam, George (Paisley) (SNP)  
Briggs, Miles (Lothian) (Con)  
Dunbar, Jackie (Aberdeen Donside) (SNP)  
Kidd, Bill (Glasgow Anniesland) (SNP)  
Mason, John (Glasgow Shettleston) (Ind)  
McLennan, Paul (East Lothian) (SNP)  
O'Kane, Paul (West Scotland) (Lab)  
Rennie, Willie (North East Fife) (LD)  
Ross, Douglas (Highlands and Islands) (Con)

#### Abstentions

Greer, Ross (West Scotland) (Green)

**The Convener:** The result of the division on amendment 210A is: For 9, Against 0, Abstentions 1.

*Amendment 210A agreed to.*

*Amendment 210, as amended, agreed to.*

*Amendment 211 not moved.*

*Amendment 212 moved—[Willie Rennie]—and agreed to.*

*Amendments 213 to 215 not moved.*

#### Section 22—Children's services planning

**The Convener:** Amendment 81, in the name of the minister, is grouped with amendments 82, 121 and 123.

**Natalie Don-Innes:** My amendment 82 updates section 59A of the Public Service Reform (Scotland) Act 2010 to reflect changes that section 22 of the bill makes to the bodies that will be responsible for children's services planning in the future. Section 59A of the 2010 act requires that, where certain care services are applying for Care Inspectorate registration, they must give notice of their application in a prescribed form to those who are responsible for children's services planning in the area in which the new service is intended to operate. Amendment 82 updates section 59A to reflect that, in the future, any integration joint board that operates in the relevant area, as well as the local authorities and health boards, should be notified of the Care Inspectorate application. Amendment 81 is consequential to amendment 82. Amendments 81 and 82 are largely technical amendments, but with a purpose that I hope members can support.

I thank Roz McCall for her amendments 121 and 123 and for our discussion in advance of stage 2. I acknowledge the concerns around on-going pressures on local areas. However, I feel strongly that the provision on IJBs in section 22 of the bill will help us to bridge the gap that we all know can exist between children's and adult services. We know that integrated working between children's and adult services is more likely to lead to improved outcomes for children and families. The need for that will not come to an end, so it would be inappropriate to bring that provision to an end through a sunset clause.

The IJB provision should not impact on current arrangements, because IJBs should already be involved in children's services planning as an "other service provider". The provision merely strengthens an existing responsibility by driving culture change and improved collaboration, supporting a more coherent approach across children's and adult services and improving transitions for young people. The journey of public sector reform that has just begun is likely to create more of a need for such integrated working in the future, not reduce it. Therefore, I do not think that

it would be helpful for the longer-term work to make support for integration time limited.

IJBs play a key role in relation to adult services, which is pertinent to our aims for children who are leaving care and who are to be supported through continuing care or aftercare. IJBs should be expected to contribute through appropriate services to meet those needs. Other adult services, such as those for substance use, often have a direct impact on children. Strengthening the role of IJBs in all areas will address inconsistencies, improve whole family support and enhance transitions for young people moving between children's and adult services.

I agree that we must ensure that our strategic planning environment is operating as well as it can and that the provision makes a positive difference. The right way to do that is to consider the other amendments that are being discussed today that relate to reviewing the act. I therefore ask Roz McCall not to move her amendments 121 and 123 today but to engage further with me to consider the effect, benefit and challenges of the change that is being made through section 22. If she moves her amendments, I encourage members to vote against them. I hope that members will support my amendments.

I move amendment 81.

**Roz McCall:** I thank the minister for all the work that we have done together on the issue. As she has already highlighted, she is aware of my concerns. I state categorically that I agree that we need to blend the process between child services and adult services and that the IJB is the best place to do that. My concern about IJBs is that most of them are struggling financially with their current responsibilities. Given their limited resources, I am worried about adding more responsibilities to their remit, especially in light of the measure's importance.

My amendments would require the Scottish ministers to review

"the operation and effectiveness of the functions conferred on integration joint boards"

and to lay a report before Parliament. That would embed transparency, allow the Parliament oversight and provide an opportunity for us to adjust practice based on evidence and experience over the specified timeframe. By including a formal review, we would ensure that any continuation of the new arrangements is supported by clear evidence that they benefit children, reduce fragmentation and improve outcomes.

I take on board what the minister has said today. I am willing to work with her ahead of stage 3 to see whether we can come up with a different way of amending the bill in order to reach a suitable

outcome. Blending the process is important, but, if that is kicked down the line or IJBs are not sufficiently resourced to carry it out, we could find that it just collapses at the first hurdle. That is my main concern.

**The Convener:** I call the minister to wind up.

**Natalie Don-Innes:** Reflecting on what Ms McCall said, I am concerned that the current approach could lead to further inconsistencies later down the line. We should be looking at the success of the measure or how impactful it has been, and, where it has not been impactful, how to support it to be more successful.

I recognise the intent behind Ms McCall's amendments. The question of further reviews of the legislation or of provisions within it is covered in a later group, and we can consider the issue that she raises in that light. As I say, I am happy to continue the discussions.

*Amendment 81 agreed to.*

*Amendment 82 moved—[Natalie Don-Innes]—and agreed to.*

*Section 22, as amended, agreed to.*

#### **After section 22**

**The Convener:** Amendment 83, in the name of Nicola Sturgeon, is grouped with amendments 84, 85, 122 and 216.

**Nicola Sturgeon (Glasgow Southside) (SNP):** Amendments 83 to 85 are prompted by a concern that I have had for a long time about a lack of consistency between local authorities on important issues of policy and, sometimes, of practice, such as the use of restraint, sibling separation and exclusion from school. Sometimes, the inconsistency even relates to the data that different local authorities gather. My amendments seek to resolve that, at least to an extent. They relate to the setting of national outcomes and priorities, reporting criteria and consultation in relation to children's services planning.

Amendments 83 and 85 would significantly strengthen children's services planning by providing the Scottish ministers with regulation-making powers to ensure greater national consistency and oversight in relation to the aims of children's services plans while, of course, retaining the flexibility for local lead children's services planning bodies to respond to their local priorities. The amendments would also enhance accountability in relation to reporting on the achievement and implementation of the plans.

The fact is that many, if not all, of the challenges facing children and families are shared across the country, and setting national outcomes, priorities and reporting criteria will help to focus effort on

those challenges—or, at the very least, will mean that they cannot be ignored. That will help to develop a clearer and more consistent picture of how children's services planning partnerships are performing across the country and, I hope, avoid a postcode lottery of care.

The benefits of the approach are twofold. First, it will strengthen accountability by providing a more consistent basis on which plans and progress can be assessed, and secondly, it will help to identify where support and improvement activity are most needed, allowing national and local partners to target resources more effectively. That said, including a duty to consult in relation to the new powers will ensure that stakeholders have a genuine chance to influence the national outcomes, priorities and reporting criteria and will help to ensure that they reflect local issues and priorities.

On amendment 84, Scottish ministers and other service providers currently have the ability to dispute elements of a children's services plan by issuing a notice that sets out their reasons for disagreement, but currently the law does not require those preparing the plan to take any meaningful action in response to that notice. Amendment 84 seeks to address that gap by placing a clear requirement on those contributing to a plan to take concerns seriously and, crucially, to respond to them. That would strengthen accountability, support better collaboration and help to ensure that plans genuinely reflect the needs of children and families.

For those reasons, I strongly recommend that the committee support the amendments.

I move amendment 83.

**The Convener:** I call Miles Briggs to speak to amendment 122, which is in the name of Sue Webber, and other amendments in the group.

**Miles Briggs:** I welcome the amendments in Nicola Sturgeon's name, which would strengthen children's services plans.

Amendment 122, in the name of my colleague Sue Webber, is on preventing family separation. Currently, the bill makes no mention of the reunification of children, parents and families. Parents often have to fight hard to have their children returned to their care and, often, when there is reunification, very little support is offered to the families. Children have the right to be brought up, when it is safe to do so, with their parents and families, and we must ensure that lack of support is no barrier in that respect, if that is what a child or young person wants as their outcome.

Amendment 122 seeks to add a new aim to children's services planning by making it clear that

such services allow a child to continue or resume living with their parent, and that those services must be available to the extent that all children who need them can access them. I am interested to hear what the minister has to say about that, because work on reunification services is missing from the bill.

I have worked with Children's Hospices Across Scotland on amendment 216, which deals with an important aspect of the bill. I pay tribute to CHAS and the work that it does across Scotland. The amendment seeks to ensure that families with children and young people with life-shortening conditions get the support that they need to transition into adult services. I put on record my concerns, which have already been outlined by Roz McCall, about aspects of the bill potentially being lost when IJBs have to decide what they will fund, and I make it clear that my amendment 216 specifically seeks to ensure that a consistent approach to the issue is taken across Scotland and that children and young people with life-shortening conditions get the support that they need for transition.

**Natalie Don-Innes:** I thank Nicola Sturgeon for lodging amendments 83 to 85. Improved children's services planning is central to keeping the Promise, and I am therefore happy to support the amendments, as they will help to achieve a better balance of strong national oversight on national priorities while giving local areas the flexibility that they need to deliver the best outcomes for children and families. They should also mean that there is better information locally and nationally to support the development of future priorities and plans.

Ms Sturgeon mentioned consistency; that is an absolutely key issue for me, and I believe that the amendments can improve things in that respect. Of course, any change must also make things simpler and more effective and reduce process and administrative burden, not add to it. The proposed changes will give time to consult and to ensure that we get this right, as well as future proofing the intent to cover the national priorities at that time.

10:00

I thank Sue Webber for lodging amendment 122, but I do not consider that it is needed. The existing statutory aims for children's services plans are broad, and they are applicable to all children and young people, including those with specific types of needs, such as those who are care experienced. Those statutory aims already ensure that the wellbeing of all children is supported and promoted, that support is delivered as early as possible and that best use is made of available resources. Broad aims allow local areas to have the flexibility to respond to the needs of their

specific population and allow such planning to be done in a holistic way. Given that every local authority has committed to keeping the Promise, in reality, some of the services that might help to enable children to continue to live safely in their families will already feature in how plans are developed and delivered.

Amendment 216, in the name of Miles Briggs, seeks to address the complexity of the landscape surrounding transitions and the particular challenges that families with children with life-shortening conditions often experience. That is exactly why we have included provision in the bill to strengthen the role of integration joint boards in children's services planning. We want to ensure that the relevant adult health and local authority services are obligated to consider how to support young adults.

I share Mr Briggs's ambition of strengthening the accountability of local authorities and health boards in respect of their children's services plans and the need for more consistent data to improve national oversight, but that need would be better met through Nicola Sturgeon's amendment 85 than by having a separate reporting duty. There is a need for more information about how transition is supported for disabled children, including children with life-shortening conditions, as they move into adulthood.

More generally, amendments 83 and 85 will allow the Scottish ministers to prescribe specific matters to be included in future children's services plans and annual reports, which will mean that the needs of specific groups of children, such as those with life-shortening conditions, can be made visible and addressed in local areas.

Through his amendment 216, Miles Briggs has drawn attention to an important group of children, but I hope that he agrees that it is not necessary and that he will not move it. If he moves it, I encourage members to vote against it. Similarly, I hope that Sue Webber's amendment 122 will not be moved. If it is moved, I encourage members to vote against it.

I support Nicola Sturgeon's amendments 83, 84 and 85.

**The Convener:** I invite Nicola Sturgeon to wind up and to press or withdraw amendment 83.

**Nicola Sturgeon:** In the light of the minister's support, I have nothing to add. I press amendment 83.

*Amendment 83 agreed to.*

*Amendments 84 and 85 moved—[Nicola Sturgeon]—and agreed to.*

*Amendment 121 not moved.*

**The Convener:** I call amendment 122, in the name of Sue Webber.

**Miles Briggs:** I will not move amendment 122, but the prevention of separation of families is an area that I am interested in pursuing, alongside Sue Webber, with the minister. I am especially interested in reunification. It is important that voices have expressed the fact that there are no specific provisions in the bill to strengthen that.

*Amendment 122 not moved.*

*Amendments 216 and 217 not moved.*

**The Convener:** Amendment 218, in the name of Martin Whitfield, is grouped with amendments 219 and 220.

**Martin Whitfield:** This last group brings us on to consideration of something that I am pleased to see appearing more frequently in legislation: a section on post-legislative scrutiny, which, in this case, would appear in a part of the bill entitled "Review of the Act".

My amendment 218 explores the interesting idea of how the Parliament can be involved in post-legislative scrutiny of the bill once it has been enacted. I have taken such a recourse because the Government has sometimes raised challenges in respect of post-legislative scrutiny, the importance of which is now understood by all.

The proposal in my amendment 218 is to place a duty on the Scottish Parliament to arrange for one of its committees—I say that quietly, because it would be the future version of this committee that would probably have to pick it up—to report on the bill. In looking at all the amendments in the group, I see that there is a desire to have a review, and the minister has articulated today a number of other areas in which reviews will be necessary.

We have a 2030 deadline for the Promise, so it is important that the pressure to deliver on the Promise is articulated in the bill. There requires to be a level of urgency so that after a review, if any disappointing evidence comes out of it, there is still time to put it right.

**John Mason (Glasgow Shettleston) (Ind):** The whole area of post-legislative scrutiny is interesting. Does Martin Whitfield agree that one of the challenges is timing because, if you do it too soon, there has not been enough time for the new legislation to settle in and take effect but, if you do it too late, it becomes pointless? Are the dates in his amendment the right ones to achieve that balance?

**Martin Whitfield:** There are two levels to John Mason's question. Generally with regard to post-legislative scrutiny, doing it too early is a waste because you have no idea how the legislation is being implemented. The second part is the

challenge that we face with this bill, which is that there is an agreement to keep the Promise by 2030. If we head down the wrong road, even by accident, we will use up vital time that we need.

The time limits are important. They are driven by the deadline for the Promise—such deadlines do not necessarily exist in other legislation, but the deadline is incredibly important when it comes to the bill. Therefore, we must articulate the reviews with that in mind. It would be pointless to have a review in 2035, as it then might be, horrendously, an autopsy rather than a review.

There are pressures, which I think are reflected in all the amendments in the group. I am interested to hear from the minister and other members about where we can properly land so that the Promise can be kept at the forefront of people's minds, as it absolutely must be, and so that, if errors or omissions occur, we have the opportunity to identify them early and rectify them before 2030.

I move amendment 218.

**Ross Greer (West Scotland) (Green):** I will be brief, because Mr Whitfield has laid out the rationale for the need for a review. Therefore, I suppose it is a question of what kind of review we are looking for and whether we can reach a level of consensus at this stage, or, as I think is more likely, whether there is broad agreement at this stage on the need for a review that will allow us to agree to more than one of the amendments now and then come back at stage 3 to resolve any potential differences.

In terms of those differences, my amendment 219 would put the onus to conduct the review and to prepare a report on ministers rather than on the Parliament. There is an argument for both approaches. I instinctively come at this from the position of being perfectly comfortable binding future Governments but less comfortable binding future Parliaments on what they should and should not do. I am interested to hear colleagues' views on that.

My amendment 219 would require ministers to include in the report, subsequent to having completed the review, a statement about any further action that they believe is necessary to meet the Promise.

On the issue of timescales, which John Mason raised, I think that two years is probably right. With an 18-month timescale, I would be slightly concerned that some elements of the bill would not have bedded in by that point, particularly given the difference between whatever the commencement date is and financial years. However, we are in broadly the same territory. I therefore hope that there is broad consensus on the need for review and that it is just a question of exactly what

direction we want to go in. I am particularly interested to hear from the minister on that. One possible significant difference is whether we put the requirement on ministers or on the Parliament. As I said, I am keen to hear from colleagues on that.

**Willie Rennie:** My amendment 220 is broadly in the same area. It would put a requirement on the Government to produce a report within two years. The timescale of two years is important, because it would be roughly at the mid-point of the next session of Parliament. It would be an important staging post for keeping the Promise. If we delay any longer, we would not get traction from the outcome of the report.

In particular, my amendment would require a report from the Scottish Government to provide key data on three important areas: progress to eliminate

"the practice of restraint of children and young people in care";

progress to eliminate

"the exclusion of care-experienced people from education";

and

"longitudinal data on outcomes for care-experienced adults".

I drafted the amendment in partnership with Who Cares? Scotland, which is concerned about keeping up the pressure on keeping the Promise, and that is the purpose of the amendment.

**Natalie Don-Innes:** I thank the three members for lodging their respective amendments. Each amendment appropriately recognises the importance of ensuring that the legislative change that the bill will introduce is implemented and impactful in the manner that is intended.

I understand and agree with the aim of ensuring that the bill delivers on its intentions and purpose. However, although I agree with the importance of transparent reporting on progress towards keeping the Promise, I believe that the amendments risk introducing duplicative and potentially conflicting statutory reporting requirements alongside existing and planned reporting frameworks.

Amendment 219, from Mr Greer, and amendment 220, from Mr Rennie, would create minister-led reviews on a fixed cycle. I welcome the recognition in both amendments that reviewing the act should be done only after commencement of the review section, to allow for commencement of other substantive provisions that we want to be subject to review. However, there are issues with amendment 220, because it prescribes detailed subject matter—restraint, education exclusion and longitudinal and equalities data sets—that either sits outwith the bill or is already being progressed

through separate work programmes and the refreshing of guidance.

Considerable work is under way in partnership, through the story of progress and the data and evidence group, which is led by Scotland's chief social policy adviser, to enable us to show delivery on key aspects of the Promise. Amendment 220 also seeks to include reporting on actions that are taken in relation to matters that are beyond the scope of the bill, including the exclusion of care-experienced young people from education.

Amendment 218, from Mr Whitfield, would place a duty on a parliamentary committee to report on the operation of the act. Parliamentary committees are, of course, already able to conduct such post-legislative scrutiny as they consider appropriate, and the Scottish Government always gives due consideration to any reports that are produced as a result of such scrutiny. It is nevertheless open to Parliament to place statutory duties on itself in this area. I suggest to Mr Whitfield that it might be preferable to see the review amendment that I hope to lodge following discussions with members ahead of stage 3 before asking the Parliament to decide whether it is a case that merits taking that step.

There are two questions that we are all keen to answer: first, is the legislation having the impact that we want it to have, and secondly, have we successfully delivered the changes that the more than 5,500 voices that informed the independent care review have told us must happen?

**The Convener:** The minister speaks about looking at a review amendment ahead of stage 3. Why did she not consider lodging a review amendment at stage 2 so that the committee could discuss the matter?

**Natalie Don-Innes:** I have brought forward the provisions that I aim to take forward in the bill. As is the usual process with bills, a number of issues have come up in discussion with members, and reflecting on the stage 1 debate has made it clear to me that a review of legislation would be appropriate. It has not been brought in at stage 2, but I am making a commitment to bring it forward at stage 3, based on the opinions of other members. As I said, I have a series of engagement measures already laid out in advance of stage 3, and I am happy to discuss the matter as part of that process to ensure that we get to a place where everyone is comfortable.

As I said, in recognising that, and following consideration of the amendments that have been lodged, I would like to explore further an appropriate amendment at stage 3 on which I hope that we will all be able to agree. I therefore ask members not to press their amendments.

**The Convener:** I call Martin Whitfield to wind up and say whether he wishes to press or withdraw amendment 218.

10:15

**Martin Whitfield:** Again, we find ourselves in an interesting position in which we are invited not to put in the bill something that we recognise as important. My amendment 218 would require the Scottish Parliament to review the act. Of course, any committee of the Parliament has an innate right to investigate anything within its remit that it wants to. However, the purpose behind the amendment is to mark the importance of the issue. I am always cautious of the dangers of binding a future Parliament—I agree with Ross Greer on that—but I am more than happy to bind a future Government.

**Natalie Don-Innes:** Two things need to be considered here. As I said, we need to make sure that the act delivers on what it is supposed to deliver, but there will also be a wider question for the Parliament as the years move on in relation to whether we are delivering on the Promise. There is an issue about the scope of Mr Whitfield's amendment. Those two things need to be considered together but also separately, and perhaps we need to leave the route open to that. That will form part of my discussions with members on the appropriate way forward for stage 3.

**Martin Whitfield:** The minister is right that there are two aspects. There is an overarching responsibility relating to how the bill is progressing, but there is also an obligation, through post-legislative scrutiny, to drill down into what is happening with a piece of legislation and to consider whether it is operating as the Parliament envisaged when it was passed, or whether unknown unknowns or known unknowns have come into view.

To be fair, all the amendments in the group articulate a review of the bill. The minister rightly has concerns with regard to amendments 219 and 220, because they would overlap with reviews that are being considered or other elements that will be looked at. However, it is important to have a review because, as we have heard, there are areas in which the bill has not yet envisaged reviews taking place and that the minister would like to happen.

Albeit that my amendment 218 would place a burden on the Scottish Parliament, the advantage is that it would place a duty on others to instigate the review. The questions that the members of the committee that would do that would ask themselves are articulated at a very high level in the amendment, which would allow that committee to scrutinise as it wishes to do.

**Natalie Don-Innes:** Amendments 219 and 220 would definitely be the Government's preferred approach. I am happy to support those amendments, but with the understanding that they will have to be revisited ahead of stage 3, given the concerns that I laid out about aspects that are not contained in the bill and other considerations. To be clear, I am not trying to push this off to stage 3. We are clear that committee members would like a review to ensure that the act is delivering what it should. As I say, I would like further refinement of that through discussions ahead of stage 3.

**Martin Whitfield:** That intervention is incredibly helpful. If amendments 219 and 220 appear in the bill at stage 2, that will allow progress towards what I hope will be a cross-Parliament agreement on post-legislative scrutiny.

With that, I seek to withdraw my amendment 218.

*Amendment 218, by agreement, withdrawn.*

*Amendment 219 moved—[Ross Greer].*

**The Convener:** The question is, that amendment 219 be agreed to. Are we agreed?

**Members:** No.

**The Convener:** There will be a division.

**For**

Adam, George (Paisley) (SNP)  
Briggs, Miles (Lothian) (Con)  
Dunbar, Jackie (Aberdeen Donside) (SNP)  
Greer, Ross (West Scotland) (Green)  
Kidd, Bill (Glasgow Anniesland) (SNP)  
Mason, John (Glasgow Shettleston) (Ind)  
McLennan, Paul (East Lothian) (SNP)  
Rennie, Willie (North East Fife) (LD)  
Ross, Douglas (Highlands and Islands) (Con)

**Against**

O'Kane, Paul (West Scotland) (Lab)

**The Convener:** The result of the division is: For 9, Against 1, Abstentions 0.

*Amendment 219 agreed to.*

**The Convener:** Amendment 220, in the name of Willie Rennie, has already been debated with amendment 218. I call Willie Rennie to move or not move.

**Willie Rennie:** For Paul O'Kane, I will move it. *[Laughter.]*

**The Convener:** Let us see.

*Amendment 220 moved—[Willie Rennie]—and agreed to.*

*Section 23 agreed to.*

**Section 24—Regulation-making powers**

*Amendment 124 not moved.*

*Amendment 221 moved—[Paul O'Kane].*

**The Convener:** The question is, that amendment 221 be agreed to. Are we agreed?

**Members:** No.

**The Convener:** There will be a division.

**For**

Briggs, Miles (Lothian) (Con)  
O'Kane, Paul (West Scotland) (Lab)  
Ross, Douglas (Highlands and Islands) (Con)

**Against**

Adam, George (Paisley) (SNP)  
Dunbar, Jackie (Aberdeen Donside) (SNP)  
Greer, Ross (West Scotland) (Green)  
Kidd, Bill (Glasgow Anniesland) (SNP)  
Mason, John (Glasgow Shettleston) (Ind)  
McLennan, Paul (East Lothian) (SNP)  
Rennie, Willie (North East Fife) (LD)

**The Convener:** The result of the division is: For 3, Against 7, Abstentions 0.

*Amendment 221 disagreed to.*

*Amendments 222, 224, 125, 223 and 123 not moved.*

*Section 24 agreed to.*

**Section 25—Commencement**

*Amendment 86 not moved.*

*Section 25 agreed to.*

**Section 26—Short title**

*Amendment 225 moved—[Paul O'Kane].*

**The Convener:** The question is, that amendment 225 be agreed to. Are we agreed?

**Members:** No.

**The Convener:** There will be a division.

**For**

Briggs, Miles (Lothian) (Con)  
O'Kane, Paul (West Scotland) (Lab)  
Ross, Douglas (Highlands and Islands) (Con)

**Against**

Adam, George (Paisley) (SNP)  
Dunbar, Jackie (Aberdeen Donside) (SNP)  
Greer, Ross (West Scotland) (Green)  
Kidd, Bill (Glasgow Anniesland) (SNP)  
Mason, John (Glasgow Shettleston) (Ind)  
McLennan, Paul (East Lothian) (SNP)  
Rennie, Willie (North East Fife) (LD)

**The Convener:** The result of the division is: For 3, Against 7, Abstentions 0.

*Amendment 225 disagreed to.*

*Section 26 agreed to.*

*Long title agreed to.*

**The Convener:** That concludes stage 2 consideration of the bill. I thank the minister and her supporting officials for their time, today and on the previous two days of consideration. I also thank committee members and other members who lodged amendments.

I suspend the meeting for 15 minutes.

10:22

*Meeting suspended.*

10:36

*On resuming—*

## VAT and Independent Schools

**The Convener:** Welcome back. Our next item of business is an evidence session on VAT and independent schools. I welcome our witnesses from the Scottish Council of Independent Schools, Lorraine Davidson, chief executive; Catherine Dyer, chair; and John O'Neill, chair of the education and partnership committee. Thank you all for coming. Ms Davidson, I understand that you have an opening statement.

**Lorraine Davidson (Scottish Council of Independent Schools):** Thank you, convener, and members of the committee, for your kind invitation to give evidence today. We appreciate the opportunity to assist the committee's consideration of VAT on independent school fees and to discuss our members' potential for future collaboration with the wider education sector and local communities in Scotland.

The Scottish Council of Independent Schools represents 73 schools across Scotland, with just under a third designated as specialist—that is, for those with significant educational needs. The remainder are mainstream, many of which offer additional support provision for percentages of pupils similar to those identified in the state sector.

We are concerned by the disproportionate impact that VAT on school fees is having on children, young people and the wider community in Scotland, as we predicted it would. The United Kingdom Government frequently referenced Eton, Harrow and Winchester ahead of the VAT on fees policy being introduced. However, Scottish independent schools are very different in culture and finances from those schools, and do not fit the profile that the policy was designed for.

When Cedars school in Greenock and Kilgraston school in Perthshire closed, the pupils there had their education disrupted, teaching, support and administrative staff lost their jobs, local suppliers lost business and state schools in

Inverclyde and Perth and Kinross had to accommodate additional pupil numbers at short notice.

The Exchequer Secretary to the Treasury's letter to the committee contained no Scotland-specific analysis and relied instead on long-term estimates and funding decisions that apply only to England. The overall drop in our pupil numbers since VAT was imposed has been around 10 per cent and some schools have seen drops of more than 20 per cent. If current trends continue, by next academic year, VAT on school fees is likely to cost Scotland more than it raises.

For children forced out of the sector, that means disrupted education, loss of peer networks and perhaps being unable to access a place at their local state school or access a similar subject course programme if they are in secondary 3 or above, as well as potential separation of siblings who had previously been at the same school. For pupils with additional support needs, such disruptions are particularly damaging.

At a time of increased teacher workload, high numbers of children with additional support needs across all schools and public funding constraints, as a largely not-for-profit charity sector, we are committed to building on our partnerships across state schools and communities.

Catherine Dyer, John O'Neill and I are very happy to take your questions and hear your views on how we can build on our partnership work for all children in Scotland.

**The Convener:** Thank you for that opening statement. The committee will want to cover a number of questions, but I will start with how we got here. This policy was a manifesto commitment of the Labour Party in Opposition, and then the party came into Government. We have really struggled to get anyone from the UK Labour Government to attend the committee. We invited the Secretary of State for Education, but she refused, suggesting that it was a matter for the Treasury. We then invited the Secretary of State for Scotland, but he refused, suggesting that it was a matter for another department. Eventually, as you alluded to, we got a letter from the Exchequer Secretary to the Treasury. However, we have found it very difficult and, frankly, frustrating that no UK Labour politician has been willing to come here to defend their policy.

What discussions did you have with the Labour Party while it was coming up with the policy, in relation to the manifesto or post election, to see whether anything could be done to protect Scottish independent schools?

**Lorraine Davidson:** We had discussions on behalf of our schools with Ian Murray when he was



in Opposition. He attended our annual conference, as did Pam Duncan-Glancy. We met Douglas Alexander on a visit to an independent school in what is now his constituency.

At meetings that we had with the Cabinet Secretary for Education and Skills, we raised with her that we were really struggling to get meaningful engagement—that although we had meetings, we were struggling to get across that the policy is going to have a disproportionate impact in Scotland and to make people understand the consequences for the devolved education system in Scotland. I too wrote to Bridget Philipson. I got a letter back from her, but it was similar to the kind of correspondence that the committee has had.

The cabinet secretary did ask UK Government officials to ensure that, in the run-up to the implementation of the policy, they engaged with the Scottish Council of Independent Schools. We were invited to one meeting with Treasury officials but, once more, it was not a meeting in which we felt that the substantive points that we were making about Scottish education were well understood.

**The Convener:** You referenced the letter that we have had from the Exchequer Secretary. Do you think that the UK Government is refusing to accept the differences that there are with Scottish education and therefore the impact of the policy in Scotland? Is it misunderstanding the implications? In its correspondence with this committee and others, it seems to have quite a confused position regarding the impact in Scotland in particular. Is the UK Government just not getting it, or is it choosing to assume that what it says will apply in Scotland, when clearly it does not?

**Lorraine Davidson:** I think that it is just a case of a policy having been designed through the prism of Westminster and the lens of English education, and English education is a very different beast to Scottish education. A lot of assumptions have been made about the nature of independent schools and the sector. Labour politicians in the run-up to the implementation were frequently referencing that Eton, Harrow and Winchester can absorb the impact of the policy and protect their families from it.

Those types of schools and the finances around them simply do not exist in Scotland—the sector here is completely different. Those schools have not paid the price for this policy. I suspect that few committee members have even heard of schools such as Cedars, outside Greenock, but it is the pupils, parents and staff there that have paid the price.

**The Convener:** Can you tell us what that price is? What is happening to numbers in the schools

that are in a perilous state? What about schools that have been unable to survive?

**Lorraine Davidson:** Our schools are mainly charities. They have been viable charities, but, sadly, we have seen both Kilgraston and Cedars close, and different arrangements have been made at other schools in the sector so that they remain viable. They are doing everything that they can to absorb costs and enable independent education to continue to be available to as many people as possible in Scotland. However, they are having to rightsize their schools. They are having to think about what size the sector will be in the future. We are already 10 per cent down as a sector in Scotland.

We warned the UK Government that we would be hit harder, as families in Scotland do not have the wealth levels of some parts of the south-east of England, so affordability was always going to be an issue here. As I said, we are 10 per cent down immediately, so the policy is having an impact on not only those schools and families, but on the economies of every community in Scotland.

10:45

The committee will have seen the BiGGAR Economics report. As a sector, we previously contributed £0.5 billion to the Scottish economy. BiGGAR Economics is in the final stages of producing an updated report, which we will share with the committee, but our sector will no longer contribute those kinds of sums to the Scottish economy. This policy will cost everyone in Scotland money.

**The Convener:** With regard to the schools that have, sadly, closed, could an argument be made that they were in a difficult position and the increase tipped them over the edge? Alternatively, do you and your members take the view that it is this policy in particular that led to those closures and could lead to further closures in the future?

**Lorraine Davidson:** We were really open in the run-up to the policy being designed about the fact that our schools in Scotland are charities and any surplus that they make is reinvested in education. They were already paying business rates in Scotland, so there were not the finances there to absorb a sudden shock, with a sudden increase of 20 per cent in VAT coming in overnight.

There were other ways of implementing the policy. VAT did not need to be set at 20 per cent—it could have been introduced over a number of years. There were ways to minimise the impact on children who were already in the system, and not have those children, and in particular children with ASN, being forced out of their schools overnight.

There are a lot of mitigations that could have been put in place. I suppose that our biggest regret is that, in those discussions, we did not ever get into that space. It was, “This policy’s happening; there’s a determination to make it happen and it’s going to happen as quickly as possible, in January 2025.” Even a delay to the implementation date would have been helpful.

**The Convener:** I represent the Highlands and Islands, including the Moray constituency, which is home to Gordonstoun school. Gordonstoun is one of our biggest employers in Moray, so perhaps you could give a bit more detail about the family spend in terms of local economies. Can you give any information or update on that aspect?

In addition, I have met with the current and previous principals at Gordonstoun to discuss its international reputation and the attraction for international students of coming to private schools such as Gordonstoun. Have we seen an impact on the international market because of this policy change?

**Lorraine Davidson:** We have seen other markets try to take advantage of it. For example, Ireland does not have VAT on school fees, so it is making a big push to say, “Come to our boarding schools.” We are now, as a nation, at a competitive disadvantage on the international stage.

Before VAT, we employed 12,000 people across Scotland. You are absolutely right about Gordonstoun—I was up there myself recently, speaking to staff. Some talked about how they were the third generation of their family to be working in the catering department at Gordonstoun, and they simply did not know what they and their family, and a lot of families in the area, would do if the school were not to be there. Obviously, it is going to be there for some time to come, but we should be looking through the lens of what the situation would be if we did not have these independent schools. I think that staff at these schools—in particular operational staff, of which there are thousands—are acutely aware of the situation and are really worried about the future of the schools. I am sure that there will be a butcher in Hopeman or a baker in Duffus who will also be really impacted by the policy. It is not just the people in the independent schools who are impacted, but the people who are benefiting from them in the wider economy.

**The Convener:** Sadly, we do not have a baker in Duffus, but we have a very good post office. There is a very good butcher in Hopeman whom my parents go to, so I will not go into that too much for fear of having to declare an interest.

Ms Dyer, as chair, do you wish to add anything at the moment?

**Catherine Dyer (Scottish Council of Independent Schools):** I am a recently appointed chair, but I have discovered, from coming into the sector and learning about it, that it is very different from what I anticipated, especially with regard to the schools that serve special educational needs. As a member of the public, I really was not aware of that. In addition, there is assistance to people who require it for certain things in the same proportion as in some state schools. It is a very different sector—I think that we have the idea that it is schools like Eton and so on, but Scotland is not like that.

When I looked at what came from the Treasury, I was interested to see that the figure of 3,000 pupils moving from the sector was for the first year across the United Kingdom. In Scotland, we have almost reached that number already; that is the impact in Scotland. I do not know what the impact is in England and Wales, because we do not have that information in the letter. However, it was not expected that 3,000 pupils would leave in one big lump, but here we are in that position.

When we look at where the schools are placed, the situation is very different here. Lots of schools are vital to the economy. They are viable charities, but the question is, how far we can go with this? There is dismay at the pressure on the amount of investment that the schools can put in to plans for engagement with the wider community and the good work that is done jointly with schools in the neighbourhoods. As Lorraine said, the vast majority of independent schools are charities and not for profit, and all the money goes back into education in Scotland.

**The Convener:** Before I go to other members, Mr O'Neill, will you tell us about the work that the education and partnership committee has done and is planning to do on that issue?

**John O'Neill (Scottish Council of Independent Schools):** Thank you for the opportunity to speak today. Partnerships are a critical feature of life for independent schools. Like all schools in Scotland, there is significant community activity and service, and charitable activity that is curricular based and develops aspects of citizenship skills and understanding of the wider world.

Areas of educational innovation and development are the main focus of the partnership committee. For example, more than 100,000 children in Scotland benefit from the work of independent schools, although they do not attend an independent school. It is important to recognise that. Seventy-two thousand children have accessed and worked on the futures institute at Dollar Academy—it is referred to as FIDA—and

teachers from eight local authorities are involved in its work.

At the High School of Glasgow, there is the start programme, which is an entrepreneurship and design thinking initiative for those in S6. Currently, 20 schools in Scotland participate in the start programme. The school was delighted to receive support from the Scottish Government via the entrepreneurial educational fund.

The partnership committee's focus is on contributing to the wider ecosystem of Scottish education. I point to the Hayward review and the Logan review and the fact that Scotland is, critically, looking at the need to develop skills and awareness in the real world: tech understanding, collaboration, communication, resilience and the ability to deal with failure and learn from it. Those are all practical factors that we wish to capture in order to produce a workforce and a citizenship that are fit for a very unknown future.

There are great innovative actions going on that are in line with the general trend of a movement around the reform programme in Scottish education and independent schools are not simply participating in that but actively working with fellow state schools.

As a former head teacher, I was delighted to hold the very first short conference between School Leavers Scotland and the independent sector two years ago. Good conversations are happening. There is an appetite among specialists and practitioners in state schools to engage in such aspects and we wish to grow that.

My only comment to the committee, understandably, is that the more staffing cuts we make, the more pressure is on us. I was a head until recently and I had to say farewell to 20 teachers last year—20 teachers—as a direct consequence of the VAT policy. That is the context.

**John Mason (Glasgow Shettleston) (Ind):** I should start by saying that I was at Hutchesons'. I did not enjoy my school experience. I do not know whether I would have enjoyed any other school, but the best days of my life have certainly happened since I left school.

You were saying that you think that maybe £500 million is the amount of money that goes into the economy—I take it that that is the total of the fees and so on. However, if the independent schools were not there, that money would still be there and people might be spending more in Scottish restaurants, eating more Scottish food, and having holidays in Scotland, so it would not be a loss to the economy; the money would just be spent in different ways. Is that correct?

**Lorraine Davidson:** The Institute for Fiscal Studies tried to do some work on that area and said some of those things. I have spoken to economists and tried to interrogate that further and they have said that there is not really any credible methodology that they could use to ascertain what would happen to that money in terms of the economy if our schools were not there.

Those economists have pointed to some other things, though. For example, if our schools were not there and parents were not paying fees, parents might decide to make changes to their working hours; they might not work such long hours. There would certainly be job losses if our sector was not there, with people going into areas of the economy where there are no other jobs. There would be a further pressure on the state if people who had been working in our sector were not able to get those jobs.

On possible behaviour change in relation to holidays and restaurants, the people who are being forced out of the independent sector at the moment are those who are financially unable to continue paying the fees. Those people have a certain level of means and are not about to be making great big investments. They might be cutting their working hours, and that would mean a reduction in the tax take. I do not think that there is any credible evidence that suddenly there would be a big boost into the economy because of that spending power. People might put that money into their pensions and so on. It would be a real blow to the Scottish economy if you were to lose a sector of this size. It would be massive.

**John Mason:** I accept that, if they all go on foreign holidays, it will not boost our economy very much at all.

On the point about teachers losing their jobs, we are short of secondary teachers in a number of subjects. Presumably, if there are more kids leaving the private sector and going into the state sector, there is a need for more teachers in the state sector. Is it the case that teachers leaving your sector cannot find jobs?

**John O'Neill:** Correct. I think that you will find that there are a significant number of temporary contracts within the state sector but not permanent, full-time, guaranteed jobs. That is the critical aspect and it is something that played on my conscience significantly when I was having to oversee such a change in school size.

Some areas—computing, for example—will benefit; it is more difficult to move into other areas. It is not a case of replenishing the state system through those who unfortunately lose jobs in the independent sector. Some will look elsewhere; individuals will be looking at international schools and so forth as well.

**John Mason:** As the convener said, the Treasury and the UK Government have not been particularly helpful in engaging with us. However, the letter from the Treasury talks about gaining £1.8 billion from the VAT policy while the cost to the state sector would only be £0.3 billion, so they obviously feel that they are making a big profit from this. Do you recognise those figures?

**Lorraine Davidson:** The £1.8 billion gain is in the very long term and we have seen a recalculation of the figures. In Scotland, certainly, the policy is not going to raise as much as the UK Government anticipated. As a sector, we shrank by 10 per cent overnight, which the UK Government did not see coming. There is further shrinkage to come, so nothing like the anticipated amount of money will be raised in Scotland.

Like the committee, we have struggled to see where the benefits are for any child in Scotland as a result of this policy.

**John Mason:** One of the points that you make is that children might be doing GCSEs and then they have to move into the state sector. That raises the question, why are they doing GCSEs? Is it not a bit unwise to be using another country's exam system in Scotland?

11:00

**Lorraine Davidson:** We have a significant number of international families in Scotland. If such a family is going to be in Scotland for three or four years and wants their child to be educated here, but does not anticipate staying in Scotland and might go back to England, France or Germany, they might seek the education or qualifications that will suit their child or family in years to come. We have the international baccalaureate in some schools and also have GCSEs, A-levels and BTECs. There is a really strong provision in Scotland, which helps us to attract families from the rest of the world to come here and to access the curriculum and qualifications that will suit their child.

**John Mason:** Can you give us an idea of proportions? How many children from independent schools go to Scottish universities and how many go elsewhere?

**Lorraine Davidson:** I do not have that exact statistic at the moment, but I am in the process of pulling together the stats on the number of children we attract internationally who stay on to study at Scottish universities and therefore pay international student fees. I will have those figures for you in the next month or two. I think that the figures will be significant and will show a significant boost not only to the Scottish economy but to our universities.

**John Mason:** I take it that there are two categories. There will be some parents who have so much money that it does not matter what happens to fees because the child will still go to a Scottish independent school or to Harrow or wherever, and there are others—just ordinary families, who, as you suggested, may be working extra hours. Is it a fair assumption that one lot will not be affected by the change in VAT and the other lot will be?

**Lorraine Davidson:** In Scotland, we have more families who are in the category of just managing to pay the fees. There was a meeting with the parent body at Cedars when the school said, "VAT is coming in. You are not a wealthy cohort of people. You are just people whose children basically needed a little bit of extra support."

We have quite a lot of people who never intended to send their children into the independent sector, but may have struggled with ASN provision in the state sector and have come to the independent sector. I was at one of our schools in East Lothian and was quite touched by the fact that it had a really strong ASN department. Children who had gone there because they were struggling in the state sector came into that school in Haddington for a few years and really began to thrive. The headteacher spoke about the success stories of some pupils who are now thriving and have been able to go really successfully back into the state sector for secondary schooling, which means that there is a pressure that the local state secondary will not have to pick up. Those children have been able to access support somewhere else, in another part of the Scottish education system. It is not a case of them and us; it is about a child doing something different for a few years and, when that works, going back to access a great Scottish state school education.

We have to get over some of the ideology, work together and respect the fact that some families did not intend to send their child to an independent school but want to make a different choice. We are working as a sector to ensure that that choice is available to as many people as possible so that they can come into our schools. If it is not possible for children to come into our schools, there is all the great work that John O'Neill is doing, through the partnership committee, to benefit the 100,000 kids in Scotland who are not in our schools but can benefit from them.

We would really like to work with the committee on how we can do that. We accept that that work is not strategic at the moment because it happens school by school, but there is scope to make that work more strategically and to be more meaningful and for us to be a bigger part of the solution in Scotland.

**Miles Briggs:** Thank you for joining us today. I am a member for Edinburgh and Lothian and will ask specifically about Edinburgh, because 15 per cent of families in the capital send their children to independent schools. I have spoken to a number of schools and know that behaviour change is already happening, but I would like to know whether you have any up-to-date data. The latest census provided by SCIS showed that 9,310 Edinburgh pupils were in independent schools.

City of Edinburgh Council told me that there are 23,150 secondary pupils here in the capital. That is the highest level since the 1980s, with rolls up by 3 to 4 per cent this year. Some 16 schools will be over capacity by 2030. Given that situation in the state sector, where do you see capacity for additional pupils coming into it? What joined-up thinking is taking place about local authorities needing to find more places if more and more families are unable to cover the additional costs?

**Lorraine Davidson:** SCIS is a charity, and we take our charity obligations seriously. When we commissioned the BiGGAR Economics report two years ago, it was the first time that we looked at where children are in the independent sector and where they live. We funded that work and made it available to local authorities so that, for the first time, they had real data on the number of children that they were responsible for who were in the independent school system.

We are keen to keep gathering that data, because we want to support all children in Scotland. If children need to leave our sector, we want to plan with others and help others as much as we can to ensure smooth transitions. All local authorities will have plans in place for that, but the policy has resulted in children having to leave school mid-academic year and to make different subject choices. That has been really damaging to the children involved. We will definitely keep gathering the data.

You touched on some really important points, Miles. Another unintended consequence of the capacity issues in schools, including schools in Edinburgh being over capacity, is that families who had always intended to access schooling through the state sector will face issues such as pressure on housing costs. People living in the catchment area for a good state school can expect to see the housing costs there increase significantly as a result of the policy. That is yet another issue that will force more people away from the school that they might otherwise have chosen.

**Miles Briggs:** I know that it is the first year of the policy being in place, but have you had any feedback from schools in terms of understanding parents' behavioural change? For example, are parents looking at choosing what years their

children will be at an independent school and at whether they can get the exam results that they need and then be taken out earlier, for gap years and so on? Is such behavioural change being considered, given that the sustainability of the independent sector's financial model could also be jeopardised by additional behavioural change?

**Lorraine Davidson:** As you say, the policy is in its infancy, and we do not know the full harm that it will have. That will probably take about five years, because, as you say, it will be the next key stage. Will parents not enter their children at junior 1, or will they take their children out and not stick with the school for secondary? We will see behavioural change. John O'Neill, do you have anything to add on that?

**John O'Neill:** We are certainly seeing some behavioural change. There has already been long-term behavioural change, which inflationary pressures on fees pre-VAT have played a role in. It is important to remember that independent schools in Scotland were largely covered by the Scottish Public Pensions Agency pension scheme and that they largely shadowed the Scottish Negotiating Committee for Teacher pay rates. Changes in those areas in recent years, coupled with the introduction of business rates, meant that there were already inflationary pressures. That had already led to early indications of behavioural change, such as increased applications at the latter stages of primary—from primary 4 upwards—and fewer at earlier stages, and an increase in individuals applying around the S3 and S4 year groups, particularly S3.

Behavioural change has also been seen with VAT, which has been a catalyst for those behavioural aspects. It is interesting that, based on our most recent data from August and September 2025, this year, there has been a 14 per cent decline in S1 applications across our sector and a 13.6 per cent decline in P1 applications in comparison with other years.

As Lorraine Davidson has outlined, we expect the real impact to be much more evident in the different admission cycles over the next two to three years, but certainly there has been behavioural change from that point of view. There is no question about that.

**Miles Briggs:** Thank you for that. I was looking at the Adam Smith Institute report on some of the projected data, which I think underestimates things. If we are seeing this kind of behavioural change in parents, the Treasury is not going to receive any money from this at all, and that has not been projected or taken into account.

I want to return to the issue of ASN, on which the Scottish Government is currently undertaking a welcome cross-party review. I know a lot of

parents in Edinburgh who are making sacrifices in order to send their children to independent schools so that they get the support that they want and that, as Lorraine Davidson has outlined, they are on a good pathway to succeed in secondary school and in life. What data do you have—perhaps in an Edinburgh context, too—on the number of young people at independent schools across Scotland who have an additional support need? What percentage of those families are deciding that they are unable to continue with their children's education in the independent sector? That has not been taken into account, and it is something that we should consider in the Government's review if we are to ensure that those young people are given the best opportunity.

**Lorraine Davidson:** Our schools are certainly seeing an increase in demand—and have been for quite a number of years—from families of children who have additional support needs. It is fair to say that the percentages of children with ASN in the independent sector are very similar to the percentages in the state sector—that is, around 40 per cent.

There will be families who have traditionally, over generations, sent their children to independent schools, and they will always have had to make provision and plans in that respect. If you have a child with additional support needs, that will not always have been your plan, and I feel that those people are being disproportionately impacted by this policy, because they are not the people who had savings or wealth. They are just trying to make something better for their child for as many years as they possibly can.

As for data, the SCIS census has been the main mechanism for measuring pupil numbers. I would be very happy to look specifically at Edinburgh, as it has the biggest part of Scotland's independent sector, and will therefore feel the biggest pressure, given the capacity issues in the state sector. I would be happy to ask our Edinburgh schools to collect more specific data on ASN and what that pressure might look like on the local authority, and I would be very happy, obviously, to share that information with the local authority, too. We do try to work as meaningfully as we can with local authorities, and we also keep in regular touch with Scottish Government officials to ensure that, if any data is missing or if there is a part of the system on which it would be helpful to get data, we can work with them on that.

**Miles Briggs:** Thank you for that. Do you know whether discussions are taking place between the Scottish Government and the Convention of Scottish Local Authorities on funding formulas in order to react to any potential increase? The City of Edinburgh Council receives the lowest funding per head of population from the Scottish

Government, partly because the education budget is aligned with the numbers of pupils in the independent sector. Is that being taken into account in the projected additional needs and costs, or is that just a conversation to be had when the schools are over capacity?

**Lorraine Davidson:** I am not sure of the current state of play with regard to Government and local authority discussions on this matter, but we would be really happy to attend and inform those discussions, and to share the data that we have and any information on the behaviour change that we are seeing, if that would be helpful.

**Miles Briggs:** Thanks.

**The Convener:** Before I come to Paul McLennan, I should say that we invited COSLA to give evidence, but it felt that it had nothing to add. What discussions have you had with COSLA, or have any discussions that you have had been more at individual council level? Do you have a relationship with COSLA on this matter?

11:15

**Lorraine Davidson:** When SCIS was pulling together what we thought the impact of the policy would be, we drafted a response to the UK Treasury, which we shared with the Scottish Government, the trade unions and COSLA. We said, "We want you to know that this is what we think the impact will be. We are happy to take on board any of your suggestions." It was good that two trade unions, School Leaders Scotland and NASUWT, echoed the points that we made about job losses and that the January implementation date was too fast. They urged it to be delayed, which was helpful. As I recall, COSLA did not respond, but I am happy to meet it at any time to update it on our latest information.

**The Convener:** What about individual councils, such as Moray Council, which has Gordonstoun school, the City of Edinburgh Council, and others? Have there been discussions at a local level?

**John O'Neill:** It is patchy. Certain local authorities engage well with their independent schools, and other local authorities do not do that so well. As a director of education put it to me during a conversation, "John, you're not a threat to our schools, so I don't give much thought to your sector." That is one way of looking at it.

**The Convener:** It is a slightly disappointing way of looking at it, but it is one way, nonetheless.

**Paul McLennan (East Lothian) (SNP):** I am the member for East Lothian and Lorraine Davidson mentioned Compass, which I have visited a few times. I will come to that in a second. Belhaven Hill school is also in my hometown of Dunbar, and I

think that you mentioned that about 5 per cent of children travel into Edinburgh every day to attend schools.

I have a couple of things to ask. You mentioned the short implementation date. That was the biggest concern for Compass. As with any business, it needs to be able to plan around its cash flow into the future. The decision came on top of the employer national insurance contributions, which also put real pressure on the school. Can you say a wee bit more about the cumulative impact of the decision on VAT, as well as the impact of employer national insurance contributions on the sector as a whole? I have a few other questions, but if you could answer that first. Compass has real concerns about its long-term sustainability.

**Lorraine Davidson:** Schools were aware that, if Labour won the election, VAT on fees was a possibility. Schools were hoping that they would have had longer, but the implementation date was the worst possible scenario, so that was very difficult. On top of that, we had the budget with the employer national insurance contributions. I do not have an exact figure for that, but it is about equivalent to what our schools are paying in business rates. If you recall, my predecessor, John Edward, and SCIS frequently engaged the Parliament on how difficult the removal of business rates relief would be for the sector. It happened; the sector dealt with it and absorbed it. The sector has also faced the increases in teacher pay and pensions, which have been very difficult to absorb. Then, VAT on fees was implemented and, as you say, the employer national insurance contributions were changed. Across the sector, that will cost around £8 million or £9 million. The financial pressures are huge.

I am not pleading for a special case; many parts of the education system are facing budget constraints, so we are no different in that. However, assumptions were made that, somehow, independent schools were a dripping roast and that we would be able to keep absorbing costs, without a level of engagement and understanding about the reality of the finances for viable charities, which do not exist to make a profit.

**John O'Neill:** I will make an additional point about planning. The one benefit of the business rates coming in was that we had time. When I was in action, as it were, as a head, my board knew that we had a few years to change our budget and business plans in order to absorb and facilitate that and to make cuts where necessary. Quite clearly, that was not the case in January 2025.

**Paul McLennan:** I have a few other questions. Those policies have impacted Compass's pupil roll. Pupils who attend the school come from all

over East Lothian and from different sectors of the community. It is a well-respected school.

To come back to your point about children with additional support needs, I had a couple of meetings with Compass, which also focuses on that, and we talked in particular about the increase in neurodiversity, which is an issue that is impacting schools across Scotland and the rest of the UK. Can you say a little bit more about ASN and neurodiversity? The Equalities, Human Rights and Civil Justice Committee and the Health, Social Care and Sport Committee have looked at what the sector is doing regarding neurodiversity and at the impact on the education of those with neurodiversity. I know that the parents of children who attend Compass have seen a real benefit.

**John O'Neill:** Without question, as you say, there has been a growth in the number of children presenting with neurodiversity, and we have witnessed significant investment by schools in their ASN provision. The mainstream schools, even those that still have some level of selection, have certainly shifted their budgets towards ASN and the employment of staff and expertise in that area.

It is certainly the case, as Lorraine Davidson outlined, that a number of parents had to make decisions when they were not expecting to make them, because of the pressures. Unfortunately, there are significant pressures on the state sector in this area. Some parents therefore decided that they wanted to either try to afford the fees or to make a bursary application. A number of bursary applications are tied. At the school that I was once head of, more and more ASN individuals were applying for and, fortunately, receiving a bursary. That tells you that there is an issue, which we recognise and that must be explored.

In relation to the schools themselves, the investment in the budget, and the allocation and use of the budget towards ASN, has significantly increased. In that area, there are also more parents asking more questions. When VAT came in, the group of parents who were most anxious about the changes that it would cause in the school, such as cuts and changes to staffing, were our ASN families, because they thought that they could be the first to go. Obviously, that was not the case, but they were the most anxious group, understandably.

**Paul McLennan:** In my discussions with Compass, that issue was specifically mentioned as being a real concern.

When I last visited Compass, the school had just won a national award for intergenerational education. The Minister for Equalities has been to speak to the school as well. It was fantastic to see the link to the local community, particularly

Haddington, and the work that the school has done with people from different parts of the community.

Can you say any more about the sector and its influence in that regard? I can see the importance of the work of Compass in Haddington specifically, but can you say more about the sector's work more generally?.

**John O'Neill:** The sector has historically engaged and currently engages in supporting local schools. Readers will go out to schools and work with children in those contexts. There has been a lot of success with the Volunteer Tutors Organisation, which is a charity, and there has been significant support for after-school homework clubs and so forth in Glasgow, particularly in areas of deprivation. I know what is happening in Glasgow better than I know what is happening in, say, Edinburgh. Schools have made significant contributions on those fronts, which are all voluntary and are all valued.

We have been able to use our premises to give those schools opportunities to have, for example, study camps before exams. Use of our facilities by those schools, coupled with the involvement of our pupils and some of our staff, enriches the education of everyone involved, and is a real direct contribution to the community.

**Paul McLennan:** You mentioned the interaction with local authorities, and I know that Compass works very well with its local authority. We are probably still in the early stages of seeing the impact on schools of applying VAT to fees. You talked about some numbers dropping already. It might be like asking, "How long is a piece of string?", but what do you think the impact will be over the next two or three years? If you were to come back here in three years, what do you think you would say that the impact had been?

**Lorraine Davidson:** In our submission to the UK Government, we said that we anticipated that, if this policy came in, the sector in Scotland would shrink by 20 per cent. BIGGAR Economics has worked out that a shrinkage of 13 per cent is the point at which we cost the state money in Scotland. We have already shrunk by 10 per cent, so I think that our 20 per cent estimate was correct at the time we said it.

We never put a timescale on how long it would take for our sector to become 20 per cent smaller, but nothing has happened since then to make me think that that expectation would have changed. Our schools are working hard to make sure that they continue to provide excellent education and partnership work for as many people as they possibly can, but we only have to look at the financial situation and the number of people in Scotland who can really afford a 20 per cent increase on current fees in order to see that the

maths add up to there being a substantial impact. We will continue to do everything that we can to mitigate that and to keep doing all the good work that we are doing with communities.

Apart from what our schools do in terms of communities, SCIS gathers together what is happening in our schools and some of the innovative best practices that John O'Neill alluded to. For example, FIDA and the Glasgow Academy are rolling out learning resources that are available to every member of the public in Scotland. We sit on the Scottish curriculum and assessment board and on the General Teaching Council for Scotland and are involved in pretty much every important forum in Scottish education. We do that not to make a special case, but because we are a charity that represents other charities and we see our work in Scotland as being about contributing to what is being done. Today's meeting of the committee has been valuable, as it has allowed us to explain some of those things.

**Willie Rennie:** Thank you for giving evidence this morning. I care about all pupils in state schools and in independent schools, but I am particularly concerned about those from modest backgrounds. If I was a parent and I had sent my child to one of those schools, I would want to make sure that they had continuity of education and that, once they started, they would finish. I would not want them to change midstream, because that interruption would reduce the quality of their education. I know that many parents on modest incomes are in exactly that position and that they are now having to sacrifice significantly in other areas. Do you have experiences of or reports about the sacrifices that those families are making to ensure that their children's education is continued?

**Lorraine Davidson:** You make a really good point. There are parents who are making sacrifices, and I do not think that some of the reporting that you get in certain sections of the media, particularly down south, about the sacrifices that wealthier people are making are helpful. Here in Scotland, the reality is that the people who were at Cedars or Kilgraston need continuity of education.

Local authorities have good systems in place for welcoming children into state schools—I am not taking away from that at all. Further, it is normal for families to move home and children to move school—that happens, and, of course, children survive that. However, as you have suggested, what is really harmful to a child is moving for negative circumstances. We are talking about moving school not because the family is moving to a nice area of the country, for example, but because the child is being forced out of their school for financial reasons.



John O'Neill might know more about various difficult situations that arise, but one that comes to mind is a situation in which a family decides that it can afford to keep one child in the school for their exam years, but cannot afford to keep the little brother or sister there. Similarly, I spoke to one father who was desperately upset because he had a young child who was terminally ill and had to pay for wraparound care to enable his other child to have what he called a more normal life while he and his wife cared for the terminally ill child. He said that he could not afford to pay the VAT on fees because the cost of keeping his terminally ill child on oxygen all night was expensive. Such families have never been taken into account in the development of the policy.

11:30

**John O'Neill:** It is the classic saying—"Policy does not affect institutions, it affects people". I know from my other colleagues and my own experiences that a good number of individuals had to leave the school for financial reasons from November 2024 through to February 2025.

In the secondary context in particular—not in the primary context, where birth rates are currently a factor in the allocation of spaces—especially if there were two children, families had to send their children to two different schools because there was no space in S2 in that school, but there was space in the other one, or a space in S3 that came up and such like. There are those aspects to what was happening at that time. To be fair to local authorities, they are not in a position to immediately respond to a change in allocations at that stage, despite their good work.

Moreover, we should always be aware of the anxiety for children who must move when that move is completely unplanned—indeed, plenty of research exists on the impact that that has on future engagement, at least for the first year of that change. Coupled to all that is the anxiety that is caused to children who think that there is something wrong in the family's finances and who worry about their family and so on. There is nothing wrong with the family's finances—they simply cannot afford that particular thing any longer.

In addition—let us get really practical here, if you do not mind—anxiety is also created for children who come into school on a Monday, not knowing whether they are leaving to get that place on Thursday or two weeks after that. I had some pupils who came in on Monday and found out on the Wednesday that they were not coming back the following morning. That was happening. That is a real cliff edge for children.

If I am passionate about one thing about this whole policy—in that regard, it has nothing to do with Scotland, the Scottish Parliament, the committee or the Scottish Government, far from it—it is that at no point did anybody think about the consequences to the children. You can question the sins of the parents who make that choice about where they send their children, but you do not visit that on the children or on their education. However, unfortunately, that was happening in real time and real circumstances.

In one case, I took a boy back, simply because he could not get the five highers that he had started with us. He was applying for medicine, and he could not get the courses for and a chance to sit the five highers because he could not get into a particular school. We took him back—for absolutely nothing, obviously—but I worked out that he had spent three weeks looking. I thought that that was three weeks too long. I said, "Get yourself back in here, let's get through this year and then we can make some decisions." That was back in January or February of that year. That case is obviously reflected in other aspects, too. That is history now, but, unfortunately, that was the impact.

**Willie Rennie:** I declare an interest, in that St Leonards school is in St Andrews in my constituency, and I am an unashamed fan of it. There are walls around the school, but it is actually very open. It works in partnership, does Saturday schools in various subjects, has joint sports activities, shares its grounds and is fully integrated into the community.

I am quite a pragmatic politician. If something works, I do not want to break or change it; I simply want to keep doing the things that work—and that school works. It also attracts pupils from across the globe and ties up with the university for staff who are there for short periods and who want to take the opportunity to put their children into good-quality education. The school works; therefore my belief is that we should not change it.

My question is: have you ever secured an answer from the UK Government as to why it adopts a singular targeted approach on VAT on education for your sector, compared with nurseries, universities or colleges? My understanding is that there is no VAT on education in those sectors. Have you ever had an explanation from the UK Government as to why you have been targeted?

**Lorraine Davidson:** No, we have not, and some of that must go back to the fact that it was popular to target our sector. If more politicians had taken the time that you, Paul McLennan, Miles Briggs, the convener and others round the table have taken to go out into communities and see the kind

of work that those schools are doing, I do not think that approach would have been taken.

Catherine has some ideas about how we can do more.

**Catherine Dyer:** It is disappointing that, in all the policy documentation that came along, there was no real explanation, except that the change would make money that could be put back into state education. The sad thing is that we in Scotland have not reached the milestone that it was thought would be reached in the first year across the United Kingdom as a whole. When we look at the pupils in Scotland who have either left or have not entered independent schools, our understanding is that, if the impact of the VAT take could be hypothecated—which it cannot—there would be less money for Scotland in the next academic year.

In that short space of time, the policy has not achieved for Scotland or for children here in either the independent or the state sector, which is regrettable. There has been no acceptance or understanding that the situation here is different. It is fine to talk about Eton or whatever, but the reality in Scotland is different. There was also no thought about the wider economic position. It is sustainable but change is inevitable.

There has already been some change, which has not all been about school closures but can be about movement between schools or having fewer staff in a school, as John O'Neill mentioned. It is significant for a school not to have the same number of teachers that it had in a previous year. That is what SCIS was warning about before I became part of it and, unfortunately, that has come to pass.

**Ross Greer:** Lorraine, if I picked you up right, you said that your expectation is that, in the next financial year, or the next school year, the policy will cost more than it saves or generates. What is the working behind that? I take on board your point to John Mason about the UK Government's figure of £1.7 billion or £1.8 billion being the projection for 2029-30, but the expectation for 2026-27, which is the imminent financial year, is that the policy would raise £1.5 billion across the UK. How have you worked out that there would actually be a net loss in Scotland?

**Lorraine Davidson:** BiGGAR Economics worked out that there would be a net loss and that the pot would shrink by 13 per cent. I have a hard copy of that report with me today. The working is set out in there and I can give that to you.

The figures are based on the fact that, once we shrink by that date, we will be employing fewer staff who will therefore contribute less to the tax system and the additional pressures will be picked

up by the state system. The team at BiGGAR are clear about how they arrived at that figure and how they worked it out, so it would be helpful if I shared their methodology with you.

**Ross Greer:** That would be useful. I have not looked at that report today, but my recollection from looking at it previously is that they had not laid out all their methodology.

I could be wrong about this specific point, but one question that occurred to me goes back to John Mason's point about falling school rolls in the state primary sector because of demographic changes and a lower birthrate. I am not sure whether details such as that are being considered. It is true that your school rolls have fallen disproportionately more than would be the case purely on the basis of the falling birthrate, but that is part of it and I would want to ensure that such figures were extracted before any conclusion was reached.

**Lorraine Davidson:** There will be a new report around the end of March, and I will share that with the committee.

The junior 1 intake is down by around 13 per cent but the fall in the birthrate across Scotland is 2.8 per cent, so there is a big gulf there. You are correct that some of the pressure on pupil numbers will be impacted by demographics, but that is marginal compared to what we are seeing. We will soon have updated data from BiGGAR Economics and I am happy to share its methodology too.

**Ross Greer:** That would be great—thank you.

Do you accept the point that the IFS has made that the marginal cost of a fee-paying pupil—if we filter out the parts of the independent sector that are special schools, where the pupils who attend are largely state funded but through a separate method—moving into the state sector is actually lower, because they are disproportionately far less likely to have the type of complex additional needs that would result in significant additional costs?

**Lorraine Davidson:** Again, that completely misunderstands the nature of the sector in the UK, and in particular the sector in Scotland. It is completely unfounded and unrealistic to think that that is the case. We have children who are in our sector specifically because of their level of need, and if we can keep those families in our sector, that is a pressure that is not going into the state sector.

Obviously, there will be falling pupil rolls in the state sector, and that might have helped with some of the pressures that the trade unions tell us exist in the state sector around teacher workload, very high levels of ASN and increasing support needs, and behavioural needs that must be supported and met. However, if families are moving from our sector into that sector, those state schools will not

get the full benefit of a little bit of breathing space that they might otherwise have had.

**Ross Greer:** This is definitely where I begin to struggle, because the IFS has laid out its methodology for that. Have you challenged it on that question? To me, it looks like the IFS's maths works—it has demonstrated why the marginal cost is lower based on the demographics of the independent sector versus the state sector.

**Lorraine Davidson:** The IFS did not approach us or speak to any of the schools in Scotland in the run-up to producing its report. I do not know what work it has done and how it thinks that what it has done with regard to the UK applies in Scotland.

**Ross Greer:** You have made a clear case this morning that there is a distinct difference between Scotland and the rest of the UK—or rather, England, as we are talking primarily about the difference between Scotland and England. You have repeatedly made the point that a lot of the political rhetoric has been about Eton, Harrow and so on, and Scotland does not have those schools. However, we have some very elite schools. For example, Glenalmond is now owned by the former Qatari foreign minister. I was looking just this morning at school fees—they were for 2023-24, so they will be a bit higher now. Gordonstoun's boarding fees were about 50 grand a year; Merchiston's were 40 grand; and Strathallan's were 41 grand. Those are elite schools, are they not? They are, overwhelmingly, elite schools for the children of by far the most privileged people in society.

**Lorraine Davidson:** Those are internationally highly respected schools. The convener might correct me, but I think that at Gordonstoun, something like a third of pupils are in receipt of some kind of bursary support. There will be wealthy international pupils who are attracted to Scotland and to that school in Moray, and a large proportion of the fees that they pay will go toward supporting local pupils. Gordonstoun has always had an ethos that it needs to be a school where a local fishing family can go, and the fees from some of the people whom we are attracting into this country—who would then, we hope, stay here and go on to Scottish universities and contribute there—are supporting local families to access that education.

Gordonstoun also does outreach work and voluntary activities that contribute to the economy and to communities in Moray. The school is a big contributor. Yes, there are high fees, but it should not be seen through the lens of, "It's only for the wealthy, and it's only the elite who are accessing the schools," because that is not correct.

**Ross Greer:** In that case, it is not only for the elite, but it is, overwhelmingly, for by far the most

privileged people. You are right—it is not just privileged people from Scotland; there is a significant international cohort, too. You make the point that there is a benefit to the local family from the fishing community, but they would benefit—and they will now benefit—from VAT being paid, because that money goes into the public services that they will use disproportionately, and far more than the most privileged families will.

11:45

**John O'Neill:** I would love to know what a privileged family is, first of all. I would love to know what that actually means. If I think of the families of pupils who attended my school, for example, I can think of a lawyer, a doctor and a number of people working in the public sector whose children received 80 to 100 per cent bursaries. We should also remember that some two thirds of the bursary pot is paid for by those who are paying the fees—they contribute to the outreach work and the opportunity work. I am not too sure who these privileged people are.

The schools that you referred to are good examples of a particular way of looking at private and independent schools. They frustrate people such as me, who were in schools that are not like that and which represent the majority of independent schools in Scotland. From that point of view, they do not help the understanding of the sector. Maybe some of that is our fault, because we do not raise our heads enough and say those things.

A great thing that this committee could do would be to ask a question that I constantly want an answer to—it would be really valuable if you could do this, and you would probably be the first to do it. In the past year, what has been the material benefit to children and young people in education in Scotland of VAT on independent school fees? There should be a material benefit, because it is taxpayers' money and there should be some accountability. If that money is being used to help children in schools, that is great, but I would love to know whether somebody can give me a figure on that. Any time that we approach the Government on any matter, we get the same letter that you got.

**Ross Greer:** Part of the reason for that is that that is just not how the public finances work. The money is not hypothecated in that way. However, we could pick out any of a number of new interventions that have been made that disproportionately benefit the most vulnerable children in our society and are roughly cost equivalent to the money that has been recouped through the VAT that we are discussing. For example, in the past year, an additional £15 million of ring-fenced money went into ASN staffing in the

state sector. We could pick any of those examples and say that it is roughly cost equivalent, and that would be legitimate.

However, on your point about what privilege is, are you suggesting that the majority of families who send their children to fee-paying schools in Scotland are not privileged?

**John O'Neill:** No. I would not contend that. However, anyone who lives in an affluent area in Scotland and has a professional job might fall into the definition of privilege, whether they send their child to an independent school or a state school, because their financial circumstances will significantly benefit those individuals and those young people as they are growing up. From that point of view, if that is the definition of privilege, it is one that I can consent to.

**Ross Greer:** You mentioned bursaries. My understanding is that, UK-wide, only 1 per cent of children in fee-paying schools are on a full bursary. What is the equivalent figure for Scotland? Bursaries vary massively from a small discount to 100 per cent. What share of your young people are on a full bursary?

**Lorraine Davidson:** Our schools contribute about £56 million a year in bursaries across Scotland. We and our schools work very closely with the Office of the Scottish Charity Regulator, which is well aware of the public benefit in Scotland. Our schools have risen to the challenges that OSCR has set and they report to it every year. It expects to see strong public benefit in our schools, and that is targeted at rigorously means-tested bursaries so that we know that those bursaries are absolutely going to the children who will benefit the most from them and who could not otherwise attend our schools. Scotland has led the way in having a lot of rigour on bursaries and how they are administered.

**Ross Greer:** Is the Scottish figure equivalent to the UK-wide figure?

**John O'Neill:** It is higher.

**Ross Greer:** Are we talking about 2 to 3 per cent higher, or 10 to 15 per cent?

**John O'Neill:** What is interesting—and OSCR's work on this has been critical—is that, when you look at the average bursary, as a percentage, in England, you will see that Scotland is at least 3 per cent above that, on average. Why is that? It is because of the nature of OSCR and the requirements in Scotland with regard to public benefit, compared with the factors in the legislation in England.

I can speak only for my school, but we float around the 10 to 11 per cent level, and the vast majority of those are full, 100 per cent bursaries.

That funding comes from a very finite pot, and close to two thirds of the finance in that pot actually comes from the annual fees. That is how it operates, and it is why these things have to be means tested, and in a rigorous way. There has to be fairness in the whole system, never mind issues to do with OSCR, compliance and so forth. When you make such decisions, you are very conscious that you are using full-fee payers' money to facilitate that. As an educationalist, I am quite moral, and I think about those ethical things in making those decisions. That is a factor, too.

OSCR is seen as very positive in Scotland, certainly among independent schools. Therefore, our playing field is higher—and quite rightly so.

**Ross Greer:** You have mentioned a couple of times that, with regard to the previous decision in Scotland, you do not believe that the UK Government took into account non-domestic rates and charity relief. That brought back to mind a debate that I had with Lorraine Davidson's predecessor, John Edward, on Radio Scotland. Has the sector reflected on the fact that a lot of the warnings that it made at the time just did not materialise? That is where I am struggling.

Now that the policy has been in place for some time, you are able to come and show us a reduction in your roll, but when I think about a lot of your projections at the time—for example, the 20 per cent figure—and the weight that was put on what would have been a significant impact, and I think back to the debates that I had with John Edward and the claims that were made about the catastrophic impact to your sector as a result of the NDR changes, the fact is that that impact did not really happen.

**Lorraine Davidson:** It is part of the picture. It will be really difficult to look back and say what proportion of the shrinkage in the sector was down to VAT, what proportion was down to increases in teacher pay and pensions that we had to keep pace with, what proportion was down to non-domestic rates relief and what proportion was down to having a credible charity regulator in Scotland saying, "No, you must continue to give proper bursaries out of your income at this level."

I suppose that we are slightly frustrated, because we feel that we have tried really hard in Scotland to do all the right things and to be an open, engaging and inclusive sector. Not everybody will be able to afford our fees, but that is why we have set up an education and partnership committee and why John O'Neill and I met OSCR last month and asked, "What more can we do? How can we build on this?"

We are also quite keen to see this not just in the context of bursaries. For example, John O'Neill mentioned the futures institute at Dollar academy,

which is working with multiple state schools and 70,000 children. Through a bursary, you can impact a life, but all of you represent constituencies with thousands and thousands of children. How can we, as a sector, touch the lives of not just one or two—the few who meet the bursary criteria—but more children in Scotland? We can do that by working with the Parliament and the committee to do more of the really good stuff.

Today, we are concentrating on VAT on fees and how that has been harmful—and it has, as we said it would be—but we are committed to that aim. Indeed, we are more committed. What we want to come out of the debates on non-domestic rates and VAT are ways in which we can move forward and contribute more for all children in Scotland.

**Ross Greer:** I am conscious of time, but I would love to have a wider discussion with you on that point, because I think that the net impact of private fee-paying education in Scotland is a contested space. Obviously, I come at it from a different perspective, but it is a helpful discussion to have. I am conscious that we probably do not have time for that this morning, so I will ask just one final question.

I think that John O'Neill mentioned parents' choice and not inflicting harm on children as a result of choices made by others. There is a fair argument to be made there but, ultimately, the underlying philosophy of your sector is that parents should be allowed to make choices. As adults, though, we make choices, recognising that there are risks attached to any choice. A parent may choose to send their children into a form of education that is dependent on ability to pay, while the alternative is state school. I recognise that there will be some people for whom that alternative has not worked but, for the vast majority, that alternative of state education is not dependent on the person's life circumstances; the state will continue to educate their child no matter what. If the parent has chosen to take an alternative path, should they not just accept that there are risks attached, and that circumstances can change?

**John O'Neill:** Yes—you have to accept that there is risk. There is risk in any decision although, unfortunately, none of us behaves economically in the way that we are supposed to behave, as we all know. Otherwise, it would all be wonderful. Unfortunately, that is not how we behave.

I argue that the comments that I made on that relate significantly to the approach of implementation. This goes back to a point that Lorraine Davidson made. To be frank, I am 100 per cent more interested in the future, in what we can do and are already doing, and in how we can build on that. This debate perhaps helps to open up some conversations in that space.

The point that I have been making is that, if VAT is coming in, then it is coming in, with the risks and the consequences. Fine. When the Blair Government was removing assisted places—on which there were some strong and good arguments—there was a plan, which took account of children. That is my point, in that context. If the UK Government and the electorate decide that applying VAT is the right thing to do, that is fine. I might have a different view, but that is democracy, and we move forward. Let us then take the interests of those who will be impacted by it. How can we best support those who will be impacted? That is where the frustration lies.

I have used the example of business rates. I know that some of those changes were delayed for other reasons, but those delays allowed for planning and prevented anything significant from happening. That is what I would have loved to have seen in this case. My view was, "VAT is coming—fine." That was my view from July 2024 onwards. As a school, however, we did not know how much we could absorb or not absorb, as there were various factors to consider.

The Government could have brought in the policy but delayed it or applied different percentages. There were other ways of doing it that would have helped the children who I have referred to. That is how I see it. I would not suggest that the decision should not have happened. It is happening and that is fine, but I would have loved the UK Government to plan what it was doing and to engage.

To go back to the convener's opening remarks, sadly, one of the biggest frustrations has been that, while the UK Government might have gone out and warmed up with business and so on, at no point was there any discussion or engagement with the independent sector. A huge number of assumptions were made through particular lenses, and decisions were then made on the back of that. We then had to pick up the pieces, and it has been a frustrating time.

If the decision gives us one thing, it gives us an opportunity to start talking about education, what we can contribute, what our schools already do, what they can contribute to and what we can learn. From my engagement with SLS, I can say that the appetite for that has been excellent and encouraging to see. If that is a big silver lining of VAT, it is a wonderful silver lining for Scottish children. That is how we should look on it.

**Ross Greer:** That is a good point to end on. I agree with you absolutely on that point. I support the policy, clearly, but I cannot for the life of me understand why there was not a managed transition and engagement with you. That boggles my mind—I do not get it. I agree with you and you

have every sympathy from me on that point, which is probably a good place to end.

**John O'Neill:** It is a very good place. I will take that, Ross.

**The Convener:** Mr Briggs has a supplementary following Mr Greer's points.

**Miles Briggs:** I want to ask about the impact on bursaries. Is there any anecdotal evidence of a reduction? Access to specialist training in Scotland often relies on bursaries—we only need to look at the Scottish rugby team, individuals who compete in the Commonwealth games or the Olympics, or individuals who study music. I just wondered whether any work has been done on that. We have all touched on the fact that we are in the early days of the policy, but there will be an impact on the nation—on sports stars being able to access training and so on.

12:00

**Lorraine Davidson:** We are 100 per cent committed to maintaining and ensuring continuity of bursary provision. Families who are on partial bursaries maybe have to find just 10 per cent of the school fee to enable them to take up one of the places that you are talking about. Although that 10 per cent might be a very modest contribution, if they have to provide another 20 per cent on top of it, those families, sadly, might not be in a position to take up even a very generous bursary offer.

**John O'Neill:** Bursaries are in the DNA of many of our schools. From the time before OSCR, they have been part and parcel of what we are about. It is vital that we continue our bursaries.

The finite pot that each school has each year for the allocation of bursaries is not affected by VAT in the context of the policy. Nevertheless, other inflationary pressures over the years and the fact that more children require bursaries of 100, 95 or 80 per cent—those kinds of numbers—mean that, arguably, fewer children are accessing bursaries out of that same amount of money. That is a factor.

**Miles Briggs:** Has there been any conversation with the Scottish Government about the potential for a different model for individuals in the future, especially with regard to the availability of specialist training? In some cases, training is not being done in parts of the country where the really talented individual sports stars of tomorrow are. I appreciate that it is early days, but what could that look like?

**Lorraine Davidson:** We have regular meetings with Scottish Government officials and I have raised concerns about bursary provision with them. We have also met with OSCR and talked about the value of the partnerships being taken

into account to a greater degree than they currently are. However, now that you have raised that as a question, I will be writing to the Scottish Government this afternoon to suggest that very good idea.

**Miles Briggs:** Thanks.

**Paul O'Kane (West Scotland) (Lab):** Good morning. Ross Greer has covered much of my line of questioning. However, I am interested in the comparison that has been made this morning between England and Scotland and in the contention that the independent sector in Scotland is not the same as the sector in England. Eton and Harrow were mentioned in particular. On reflection, would the witnesses accept that that is perhaps not a helpful comparison, given what Mr O'Neill said about trying to communicate better the nature of the sector in Scotland? We heard from Mr Greer that there clearly are independent schools in Scotland that can be compared directly to places such as Eton and Harrow in terms of fees. Do you have such comparative information readily available? Have you done a comparison that would prove your point that the Scottish sector is not the same as the English sector? That is my first question. Secondly, do you have any reflections on the wider point that Mr O'Neill made about communication?

**Lorraine Davidson:** In terms of school rolls, the data that SCIS has shows us clearly that our schools have not withstood the shock of VAT coming in overnight in the way that some older establishments with different finances have withstood it. There is data that shows clearly that, just within its first year, the policy has had a disproportionate impact on our schools and on Scotland. That is really clear to see.

**Paul O'Kane:** Do you accept that a comparison can be made between individual schools in England and Scotland—for example, that the fees that are charged per term at Eton and Gordonstoun would be similar?

**Catherine Dyer:** There is a whole history with Eton and other such schools that we do not have in Scotland. Those schools have enormous reserves and are able to do things because of that. The fees that come in are literally all that a lot of the Scottish schools have. There is no direct comparison.

**Paul O'Kane:** When you say history, do you mean the financial history?

**Catherine Dyer:** The financial history, the length of that history, how the schools were set up and the bequests that they get mean that they are very different from the majority of the schools in the independent sector in Scotland. That is why it is difficult to compare them.

I agree that the sector has perhaps not explained itself properly and has not articulated what it looks like in Scotland, and that it is different in Scotland. There is also the ethos around trying to be engaged with communities—a lot goes on but we do not talk about it, so the sector is seen as being for the elite, which is an easy thing to say. However, the sector in Scotland is very different. We think that saying that the majority of the schools in the sector in Scotland are definitely not like Eton, Harrow or Winchester is a good comparison.

**Paul O’Kane:** You spoke about the history around bequests. There is a history around bequests in schools such as Gordonstoun and Fettes. For example, Gordonstoun can run a summer camp to the tune of £6,750 per person attending, to supplement its income.

**Lorraine Davidson:** That summer camp is predominantly for international families who are coming into Scotland—

**Paul O’Kane:** To the benefit of Gordonstoun.

**Lorraine Davidson:** To the benefit of the Moray community and the suppliers that we talked about earlier. International money is coming in there, and there is a boost to Scotland’s reputation as an attractive place to get an education.

**Paul O’Kane:** I absolutely respect that. I do not want to fall foul of the convener, whose community it is, and it obviously benefits the community. However, at the end of the day, that money goes to Gordonstoun as a school and as a business.

**Lorraine Davidson:** It also goes to bursaries and the voluntary work that the school carries out in the local community, and to the local suppliers.

**Paul O’Kane:** I am not denying any of that; I am just saying that, as a business, it makes a profit from those activities. They add to the school’s profit margin.

**Lorraine Davidson:** Gordonstoun is a charity, so any surplus that it makes will be modest and it will go back into education.

**Paul O’Kane:** That is perhaps a better description, but it is fair to say that that money goes to its surplus, in part.

**Lorraine Davidson:** Surpluses are not really something that our schools are talking about at the moment, particularly as a result of all the inflationary pressures that we have set out this morning.

**Paul O’Kane:** Thank you. I just think that it is useful to get the context so that I can understand the bigger picture.

**Lorraine Davidson:** Yes, and I know that you are new to your post, so we would be delighted to

arrange some visits to schools in the west for you, where you can see some of this.

**Paul O’Kane:** Sure. You have helpfully moved me on to another area. You have referenced the Cedars school a number of times this morning. At one point, you said that probably nobody knew about Cedars. Obviously, I have represented West Scotland for five years, so I have been aware of the issues at Cedars. Would you accept that Cedars had financial difficulties prior to the VAT policy coming in?

**Lorraine Davidson:** Of course, we have also had pressures from domestic rates coming in and huge inflationary pressures. Most of the fixed costs in our schools have increased—schools cannot do anything about their staffing costs, which are mainly teacher pay and pensions, and those costs have increased significantly. Small schools that have been operating at the margins because they are charities and do not exist to generate surpluses have really struggled with those huge inflationary pressures.

Our point is that, if you introduce 20 per cent VAT on fees, there might be schools in some parts of the country that historically have big reserves so they can cope with the shock, and their families can cope with that shock because they are from a different financial demographic. However, Cedars was the type of school that was operating at the margins, and the school and the families just could not take yet another shock.

**Paul O’Kane:** Cedars was already struggling to attract pupils. That was one of the problems. I think that there were 75 pupils in 2023 although it had capacity for 120 pupils. There were a number of issues over many years that I will not go into, but there were clearly financial issues. As I understand it, the church was subsidising much of the work of the school. Is it your view that Cedars would still be here if it were not for the 20 per cent VAT? Is that the contention?

**Lorraine Davidson:** As I said earlier, I do not think that we will ever be able to work out what tipped it over the edge: we do not know whether it was teacher pay and pensions or non-domestic rates relief, or whether it was the fact that the fees got to a point where not enough people in that general locality found the school’s offer to be something that they could access. We do not know for sure what role VAT played, so we are not going to make claims about that school having to close because of VAT. VAT is a pressure too much for such schools, but you are correct that there has been a build-up of things, and they have all impacted on a number of people who might have wanted to send their children to that school but then could not do so.

**Paul O’Kane:** Would that be true of Kilgraston as well? I am not au fait with that example—colleagues will have better knowledge of it than me—but would you say that that was a similar issue?

**John O’Neill:** The annual margins for most independent schools are very narrow. They have to be narrow because of the charitable aspect, but also—critically—because they need to maintain affordability. There have been shocks to certain schools at certain times. Many an independent school has had to close its doors at different times in history. For example, when assisted places went, there were a lot of mergers and so on. Certain schools will be closer than other schools to the margin that will tip them over.

I would certainly accept that much, but I do not take the view that the fact that certain schools have closed means that everyone else can get by quite easily and move on. That is just not the case. People are losing jobs. I also note that the vast majority of independent schools will not be participating in the SPPA. Roughly 7 per cent of teachers in Scotland have taught in the independent sector and paid into the pension scheme. However, fewer and fewer teachers are now in schools that are paying into that scheme, and it is real money that goes into it. There are therefore other, consequential effects as well. I would always look at it from that point of view.

**Paul O’Kane:** On the Cedars issue, Lorraine, you said that the closure put pressure on state schools in Inverclyde—or that is what I took from your comments. I recall that, at the time, my colleague Martin McCluskey, who is a member of Parliament, asked Ruth Binks, the director of education, directly whether there was capacity in Inverclyde schools to support those young people and what the ASN provision would be. She confirmed that there was indeed capacity in Inverclyde and that there were plans around ASN. Will you clarify what you meant?

**Lorraine Davidson:** Absolutely. This is important. I absolutely accept that there is capacity in every single local authority area in Scotland. If one of our schools closes, there will be capacity within the local authority. However, as you know, local authorities cover rather large geographical areas, and there is definitely not always capacity in the local state school, where pupils would have continuity of being educated locally. With schools, there should be local provision, but there will not necessarily be capacity where it is needed, capacity in the correct year groups or continuity of subject choices, so it is really disruptive for the children.

When I speak to headteachers in the state sector, they worry about what would happen if a

school were to close and they got a phone call to ask whether they could educate X number of children, because they would not be able to do that. There is capacity at local authority level, but that does not help families who need a place in their local state school. I do not accept that there are places in the local state schools where the demand is and where it is going to be in the future, because that is definitely not the case.

**Paul O’Kane:** Thank you. I have apologised to the convener that I need to leave the committee early. That is not a reflection on anyone’s evidence, and I am very happy to take Lorraine Davidson’s offer of a further conversation. Today’s evidence has been useful and I am grateful.

**George Adam (Paisley) (SNP):** I take it totally to heart that Paul O’Kane is leaving while I am asking my questions. [*Laughter.*] It is offensive.

I was not going to ask a question this morning, but I want to follow up on something. It would be dead easy for those of us who come from certain areas to have a go at independent schools because there are none in our areas and we do not think that they affect us. However, I listened to the answers to Ross Greer’s questions, and particularly to John O’Neill’s comments about bursaries. In areas such as mine—Paisley—because of the demographics, some children and their families will be getting a 100 per cent bursary, or at least a bursary of some kind. I do not know whether you answered Ross Greer’s question—I might have faded out at that point—but what is the percentage?

**John O’Neill:** I could not give you the percentage for the whole of Glasgow—we would have to look at our SCIS data. We could certainly get back to you on that.

12:15

**George Adam:** Could we get that data? I heard the 10 per cent figure for your own school, but I would like to see the national figure, broken down, if possible, by local authority area. I think that that would bring other people into the conversation, and it would actually make this issue more relevant to those of us with areas that do not have these schools. I think that that would make a difference.

That was basically the only question I had—it was just to get that data. This place runs on data.

**John O’Neill:** We know the schools’ postcodes and so on, so that is data that we could certainly get.

**George Adam:** I am aware of some constituents who use independent schools. They were shocked when they were told that they were in an area of



deprivation, but it qualified them for some form of bursary at some of the schools.

**John O'Neill:** Absolutely—it is a good point. That data will be helpful to us, too.

**George Adam:** Thank you for that.

**The Convener:** We are joined today by Liz Smith, who is not a member of the committee but was keen to come along for this discussion.

**Liz Smith (Mid Scotland and Fife) (Con):** Before I ask my questions, convener, I want to put on record that I was previously a governor at two independent schools and that I am doing some unpaid work with the independent school and state school sectors in relation to outdoor education.

Lorraine, you said in your opening comments that you represent 73 schools in Scotland, a third of which offer specialisms. Those will include music schools and various things. Can you give us a little information about that third and what the specialist provision actually is?

**Lorraine Davidson:** Absolutely, Liz. That third have VAT applied to their fees, but they get it back through the local authorities. They form a really interesting group of schools, and they are, I think, an important part of the sector in Scotland and of the SCIS family. They include East Park School, in Glasgow, which caters for children with severe levels of autism—most of its children will be non-verbal—and Harmeny school, in Balerno, which is for children from very disruptive backgrounds. A lot of those children might not have been in any school setting for a number of years, and Harmeny works with them really intensively. It is a really nurturing school, and it is able to get those children back into a school environment and learning. We have also just brought into SCIS a new member school—Rossie school, just outside Montrose, which has secure accommodation as part of its provision.

I talk quite a lot about the diversity of the independent sector in Scotland, and your very useful question gives us an opportunity to explain why we talk about being a diverse sector. Yes, we do have some of the big-name schools that some committee members have mentioned this morning, but there is that other provision, too. As a sector body, we bring all of that experience together so that, when we go to Government groups or certain public sector bodies or boards, we are able to bring the experience of all those schools into the public sector environment.

I am really grateful for how much we get listened to, how much we get heard and how much that wider experience is valued. I think about the experience of the staff at East Park, dealing with children who are not able to communicate their needs, and how that can translate into questions

such as, “How should we deal with behaviour in schools?”, “Why do kids get distressed?”, and, “How can we identify that sort of thing and provide better support?” There is a real wealth of experience in our specialist schools that I think not only helps the wider SCIS family but can really contribute to the wider education system.

**Liz Smith:** That was immensely helpful. It is very important to get across that diversity, because I think that there is sometimes a perception out there that these schools are nothing to do with SCIS, yet they are.

The level of additional support needs is increasing across the board, but is there any indication, within the specialist schools that SCIS looks after, of any financial impact on pupils who might like to go to those schools?

**Lorraine Davidson:** No.

**Liz Smith:** Because they get the VAT back.

**Lorraine Davidson:** For a pupil to be admitted to a specialist school, there would need to be a local authority assessment, and it would be the local authority, in the main, that would place those children. These are children with very high-level needs, who the local authority has said cannot go into a mainstream setting.

**Liz Smith:** So, the concern about the difficulties that ASN pupils potentially face is not in that third of your schools but is in the other two thirds that you look after.

I have had representations from three different parents from across Perthshire, one of whom gave me permission to say that they have a severely dyslexic child who got considerable specialist one-to-one help thanks to the independent school that he was attending but is no longer able to go to that school because of the VAT. He has gone to a state school, and his parents said—they would want me to say this—that, despite the best efforts of the staff in that school, there is not the same specialist provision. That youngster is suffering both academically and socially, and the parents are at their wits' end about what to do. Is the fact that people are facing financial constraints coming back to SCIS quite a bit?

**Lorraine Davidson:** It is, because those are the ones who want an independent education. The families have come to the realisation that they need more than, or something different from, what they are currently getting. They have accessed something different, and for those children who get to a point at which their anxiety level is reduced because they are supported and able to flourish, it is particularly traumatic to have that support taken away overnight. That is why, had there been more planning about the policy and had that planning focused not on big-name institutions and the

perceptions around those but on the children and young people who would be impacted in the short term, we would have arrived at a different scenario than the one that we are facing.

**Liz Smith:** I think that those parents would agree with that. They said that the local authority had been reasonably supportive but simply did not have the capacity to look after those youngsters and meet their needs. I go back to the comments that Mr Rennie made—it is about ensuring that we can provide for all those youngsters without disruption.

Let me turn to the issue of bursary support. I know that that is very complex, as we had various discussions about that around the committee table earlier. Is it the case that, of those schools that offer substantial bursary support, the number of schools that offer 100 per cent bursaries is starting to decrease? Is that correct? You mentioned it, Mr O'Neill.

**John O'Neill:** There are 95 per cent and 100 per cent bursaries—some schools have views on whether a bursary covers 100 per cent of fees—but all the inflationary factors, of which VAT is not one in this context, mean that that pot is covering fewer children. That is how I would phrase it. It is evident that that is the case—you can see that quite clearly. Also, many schools do not have the reserves—bequests or whatever it may be—to draw on for their bursaries. The impact that the pressure on fees is having on the numbers coming through means that that pot is being squeezed as well.

**Liz Smith:** Apart from the obvious impact, which is a reduction in the number of pupils in the independent sector, could there be a further reduction in the long run because of a potential reduction in the number of bursaries, which give good support? That is an added problem.

**John O'Neill:** It is really interesting that, over the past 10 years, the number of people applying for bursaries has increased. That is partly because certain income brackets have changed. The number of people who used to pay full fees—nurses, policemen and such like—has reduced because of all the different pressures, so there has been an increase in the demand for bursaries.

There is still an interest. People are still asking whether they can get bursaries. However, the finances are in a position whereby fewer people will be able to access bursaries—so, I agree with your point. It is not a case of schools saying, “Our parents are having to pay VAT on fees and we’re no longer interested in helping them.” That is in their DNA; it is simply that they are not able to do that. It is a horrible position to be in when you are making those decisions, but fewer and fewer

children will benefit from bursaries—there is no doubt about that.

**Liz Smith:** Might that have implications for the diversity of the pupil intake in those schools, because fewer people will be applying? Demographically, that would make a considerable difference, which, presumably, is not something we would want to see.

**John O'Neill:** Indeed, that is not what we would want. Diversity is one of the huge educational benefits of bursaries in a school. Looking at the issue as an educationalist, I would say it is what will bring out the best in each child in that school setting. Where it has been diminished or affected in some way, there will be consequences.

**The Convener:** The current UK Labour Government has U-turned on many policies, but it does not look as though it is U-turning on that one. Short of a full U-turn, do you think that it could provide or offer anything to assist independent schools in Scotland?

**Lorraine Davidson:** That is a very good question.

**The Convener:** You have answered other questions well.

**Lorraine Davidson:** The UK Government has done a huge amount of harm not only to independent schools in Scotland but to Scottish education with a policy that did not even begin to understand our position and the diverse nature of our sector.

If the committee thinks that it can do something to help us to realise the sector’s real potential to impact on the lives of not only those children who are currently in our schools but all children in Scotland, that would be really helpful and we would be really keen to take forward that discussion. For now, I think that the UK Government has done the damage.

**The Convener:** Your attendance here today has helped that discussion. Although I and others are choosing not to come back and yet others might not be allowed to come back, depending on the results of the election, a successor committee will certainly be able to look at the issue should it wish to do so, and your attendance and evidence today will help it to decide a future course of action.

I thank you all for your time and for the evidence that you have provided, not only for SCIS but on behalf of independent schools and schools in the state sector as well. It is much appreciated.

*Meeting closed at 12:26.*

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