

John Swinney MSP
Deputy First Minister and Cabinet Secretary for Education and Skills
The Scottish Government
(by e-mail due to Covid-19 restrictions)

25 January 2021

Dear Deputy First Minister

Covid-19 financial impacts – independent schools

I am writing on behalf of the schools in membership of SCIS, their Governing Boards, and wider communities. We wish to put on record our continued appreciation for the support and counsel provided by key bodies to the sector throughout the pandemic and school closures – in particular the School Funding, Infrastructure & Organisation Unit of the Learning Directorate, and the Registrar of Independent Schools.

In your letter of 13 April 2020, in reply to ours of 9 March, you addressed our concerns about the financial situation of independent schools in light of the Covid-19 outbreak. You reminded us that the Scottish Government recognised that the pandemic had caused significant challenges for the independent schools sector. In particular, you informed us that the Scottish Government had decided to delay until the next financial year the commencement of Section 17 of The Non-Domestic Rates (Scotland) Act 2020, which removes charitable rates relief from mainstream independent schools, until 1 April 2021. You expressed the hope that by that date *“schools will be running as normal and any temporary negative impact on school fee payments and pupil numbers will have improved.”*

As I am sure you appreciate, that normality remains some considerable way away. In particular, the further decisions to cancel the summer National Qualifications diet for 2021 as well as 2020, and the decision earlier this month to close schools and return to remote learning, due to the ongoing impact and spread of the virus, mean that any full return to traditional school life is not anticipated before the summer recess. For example, approximately only one in ten of those boarders that have chosen Scotland for their residential school education are presently on site, quarantined within schools having arrived before the decision on 4 January.

Our schools are conscious of the efforts that the Scottish Government continues to take to support those affected by the pandemic. In particular, they note the continued support for businesses – including on non-domestic rates, and the additional £45 million recently provided to local authorities to support schools and families during lockdown. On their behalf, we ask that further relief is considered for our sector which, aside from furlough and CBILS, faces the ongoing economic shutdown alone.

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The most immediate option would be to further delay commencement of Section 17 of The Non-Domestic Rates (Scotland) Act 2020, or to reconsider its implementation until educational life has returned to normal. The figures involved are small compared to wider Government support elsewhere, but represent a very considerable challenge to schools in the coming term, including some schools that are now forced to look at ongoing reductions to service or redundancies, as some are. The financial challenge they face is compounded by two further factors, both directly related to Covid-19 and to non-domestic rates.

The first factor is a second year's payment of SQA charges, despite the cancellation of the diet. Centres are aware of the work that the SQA is required to undertake for quality assurance, certification, appeals etc. However a considerable amount of the burden of examinations has fallen back on schools and individual teachers for a second year running. Despite this, individual examination charges, paid by parents in the independent sector, are unchanged.

Our schools appreciate that the charges raised by SQA are a levy for the certification of National Qualifications rather than a direct charge based on the cost of providing that certification, and that the rate remains unchanged for several years. However, in its FAQ for Centres, the SQA makes it clear that in answer to the questions *"Will schools/colleges receive a refund of entry fees because there was no examination diet this year?"* that *"having considered the financial impact of Covid-19 and school closures on the independent schools sector in Scotland, the Scottish Government is delaying commencement of section 17 of the Non-Domestic Rates (Scotland) Act 2020 until 1 April 2021. This decision was taken to assist mainstream independent schools as they - like all businesses in Scotland - deal with the impacts of Covid-19."* As such our schools would trust that a similar consideration be extended this academic year.

The second factor is The Valuation (Postponement of Revaluation) (Coronavirus) (Scotland) Order 2020, of 4 December, announced in the Government's Programme for Government. In the discussions and evidence sessions prior to the passing of the Non-Domestic Rates 2020 Act, the fifty independent schools that were identified for the discrete loss of rates relief were encouraged to consider the next revaluation as an opportunity to consider their rateable value and estate. This was because the previous revaluation had taken place too long ago for schools to appeal their valuation once the 80% increase in their rates was announced. Despite efforts by some schools to consolidate their rateable exposure since the Act was announced, they will not now be able to be considered for revaluation until 2023-24.

I have taken the opportunity in recent weeks to gauge the ongoing financial impact of Covid-19 on independent schools specifically. In the Annex I present the losses of 12 schools, representative of our memberships' size and range, duly anonymised. The 12 schools represent approximately 30% of the pupil roll of the independent sector. If, as it is reasonable to assume, the remainder of the sector incurred similar losses up to December 2020, the overall and direct financial impact of the pandemic on the independent sector can be estimated at £40 million for 2020-2021.

While dealing with such losses, our schools have continued to operate and meet the needs of their pupils, families and communities. Aside from a comprehensive remote learning offer, boarding quarantine facilities, and efficient preparation for full re-opening in August 2020, the sector's

response to the pandemic has been wider. Your officials will have received the formal offer of independent school premises for the Covid-19 vaccination programme, including any vaccination programme for school staff. Throughout the pandemic, schools have also engaged with:

- Provision of hub school support.
- Production of PPE - including face-coverings, shields/visors, scrubs.
- The use of kitchen facilities for vulnerable communities and third sector bodies such as Scran Academy and Thomas Franks' Feeding Communities.
- Parking and other provision for NHS staff.
- Shared online resources and events.

I would be happy to provide you with any further information on the particular impact on, and response from, our sector. We would welcome your consideration of the issues above, and remain ready to assist the national effort in whatever way might be possible.

Kind regards,

John Edward
Director
john@scis.org.uk

cc: Minister for Trade, Innovation and Public Finance

Annex - Covid-19 financial impacts – independent schools

The following are detailed anonymised responses from specific Scottish schools. They cover the period from initial school closure to the first term of the 2020-21 session, with no additional figures as a result of the 2021 closure to date.

These figures do not include any furlough arrangements for non-teaching staff or CBILS loans applied for at a UK level.

1. Large Boarding school:

• Discounting summer term fees	£2.6m
• Additional doubtful parent debt	£1m
• Additional bursaries	£1m *
• Redundancies	£650k
• Reduced admissions for 2020/21	£1m *
• Removing 3% price increase for 2020/21	£487k
• Re-opening physical changes, asset and consumables purchases	£350k *
	£7.1m

*these numbers are the budgeted rather than actual costs and may be higher (or lower)

2. Large urban school:

• Withdrawal of students	£51k
(advance notification from parents to withdraw their children approximately £195k.)	
• Equipment costs	£23.8k
○ Thermal Detection Cameras	£9,300
○ Fire Door Closers	£4,260
○ Portable Sinks	£1,080
○ Hand Sanitising Stations	£1,650
○ Wipeable Mats for Music	£495
○ Bins with lids for each room	£1670
○ Signage	£2200
○ Screens	£817
○ Crowd control barriers	£2350
• Cost associated with extending campus (venue and catering)	£20.5k
• Boarding loss of revenue	£182k
• Increased cleaning regime	£42
	£320k

3. Large urban day school:

• Loss of trading income	£145k
• Discounted fees	£320k
• Increased bursary provision for financial difficulty	£300k
• Preparing our campus for re-opening	£50k
• Marquees, additional toilet blocks and cleaners etc.	£50k
	£865k

4. Small urban day school:

- Lost income from reduced pupil numbers £348k
- Lost income from transport £6
- Lost letting income £12k
- Costs of leased building to improve distancing £246k
- Other additional cleaning contract costs £15k
- Cleaning and safety materials/equipment £40k
- Additional IT – Chromebooks £98k

£763k

5. Small boarding school:

- Reduction in income (approximately 8% of net income) £600k
- Fee income still not collected due to individual hardship £139k
- (Plus 5 pupils cancelled travel to the UK, 10 pupils terminated their places prematurely and 17 deferrals to date. Increased costs for cancelled leave-out weekends where catering must be provided to those at the school and additional travel costs. Increased costs for cleaning to meet the necessary guidelines.)

£739k

6. Large urban day school:

- Loss of non-school fee income £302k
(wraparound care, sports club, rents & lettings, music tuition, etc)
- Short term financial assistance to parents affected by crisis £276k
- Bad debt provision £108K
- Screens, signage, sanitiser stations, sinks, external shelters, etc £50k
- Increased loss on school catering i £100k
- Cancelled trips and activities write-offs £10k
- Additional IT expenditure to support home working £35k
- Cancelled 3% fee rise (to cover teacher pay increase) £780k

£1.67m

7. Small urban day school:

- Net reduction in fee income (Summer term) £100k
- Ongoing additional costs (per term) £55k
(Cleaning, PPE, Training, Software, Catering, Storage)
- Student withdrawals (per term) £10k

£165k

8. Urban boarding school:

• Lost boarding income - Summer Term 2020	£200k
• Lost summer trading income	£50k
• Lost Term Time trading income	£5k
• Lost Fee Income - Nursery Fee Reduction	£50k
• Lost catering income	£30k
• Increased cleaning costs	£6k
• Increased bursarial/hardship support	£70k
• Loss of fee income from cancelled fee rise	£295k
	£706k

Small rural boarding school:

• Financial fee rebates awarded	£92k
• Sanitising equipment etc	£7k
• Additional cleaners costs	£28k
• Lost letting income	£29k
• Additional nursing / care costs	£10k
• General additional staff costs incurred	£10k
• Lost catering income (dining hall used as classroom)	£50k
	£226k

Large urban day school:

• Reduced tuition fees	£282k
• No nursery income	£22k
• No letting income	£14k
• No aftercare/club income -	£5.1k
• Increased spend on cleaning, resources, COVID adjustments	£63k
• Increased heating due to increased ventilation	£15k
• Staff cover (supply)	£42k
• Impact on school roll	£225k
	£668k

Small urban day school:

• ICT upgrades, loss of students, additional support for families, additional H&S costs, physical adaptations, loss of catering income	£150k
• Cancellation of planned fee increase of c4%	£120k
	£270k

Large urban day school:

• Advice – legal, contract adjustments, crisis communications	£5.9k
• Purchases to repurpose space into classrooms	£14.3k
• Cleaning – fogging machine, level 3 masks, etc.	£2.9k
• Discounts to parents	£226k
• Additional software for home telephone extensions	£3k
• Containers for fast food provision	£0.5k
• IT Learning – for distance learning platform	£8.2k
• Learning – resources to maintain social distancing	£1.3k
• PPE	£21.5k
• Loss of revenue from catering and wrap around care	£132k
• Additional staff cover for additional classes	£112k
	£528k

Total unbudgeted outgoings/losses due to Covid-19 (12 schools): **£14.02 million**

Total number of pupils in those 12 schools: **8,649 (30% of sector)**

From: John Edward <john.edward@scis.org.uk>

Sent: 25 January 2021 17:55

To: Deputy First Minister and Cabinet Secretary for Education and Skills <DFMCSE@gov.scot>; Scottish Ministers <Scottish_Ministers@gov.scot>; MinisterTIPF@gov.scot

Cc: [redacted]@gov.scot>; [redacted]@educationscotland.gov.scot>; [redacted]@gov.scot>

Subject: Financial impact of Covid-19 - independent schools

Importance: High

Dear Deputy First Minister

Please find attached a letter and annex from the Scottish Council of Independent Schools on behalf of the schools in membership.

Kind regards

John Edward

John Edward

Director

@SCISSchools

[redacted]

<http://www.scis.org.uk/about-scis/coronavirus-covid-19-guidance-for-schools>

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From: [redacted]@gov.scot> **On Behalf Of** Deputy First Minister and Cabinet Secretary for Education and Skills

Sent: 17 February 2021 08:13

To: john.edward@scis.org.uk

Cc: Deputy First Minister and Cabinet Secretary for Education and Skills <DFMCSE@gov.scot>

Subject: Letter from John Swinney MSP, Deputy First Minister and Cabinet Secretary for Education and Skills

Good morning

Please find attached a letter from the Deputy First Minister.

Kind Regards

[redacted]

[redacted] | Deputy Private Secretary to John Swinney MSP, Deputy First Minister and Cabinet Secretary for Education and Skills | The Scottish Government | Web: www.gov.scot |

📞 [redacted] | Mobile: [redacted] | Email: DFMCSE@gov.scot | [\[redacted\]@gov.scot](mailto:[redacted]@gov.scot)

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Leas Phrìomh Mhinistear agus Rùnaire a' Chaibineit
airson Foghlam agus Sgilean
Deputy First Minister and Cabinet Secretary for
Education and Skills



Scottish Government
Riaghaltas na h-Alba
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John Edward
Director
Scottish Council of Independent Schools

By email: john.edward@scis.org.uk

17 February 2021

Dear Mr Edward

Thank you for your letter of 25 January 2021, in which you raised concerns about the financial situation of the independent schools sector due to the ongoing Covid-19 pandemic. The Scottish Government recognises the significant challenges that are faced across society, including by independent schools.

As you note, in April 2020, the Scottish Government delayed the commencement of Section 17 of the Non-Domestic Rates (Scotland) Act 2020 ("the Act"), which removes eligibility for charitable rates relief from mainstream independent schools. This reform was delayed from 1 September 2020, with section 17 rescheduled to commence on 1 April 2021. At that time, we all hoped that the impact of the pandemic would be easing by then.

However, as you clearly set out in your letter, we continue to face significant pressures and risks in tackling the pandemic, and restrictions continue to be required. I appreciate that these restrictions have a substantial and ongoing impact on independent schools. In recognition of the current pressures faced by independent schools, the Scottish Government has taken the decision to further delay the implementation of section 17 of the Act until 1 April 2022. This will give mainstream independent schools a substantial further period before they are required to meet these increased costs.

I appreciate the strong support we have had from the independent sector in implementing the restrictions that have been necessary, and the adaptations schools are making to support learners remotely and to operate schools safely. I sincerely hope that the significant progress that is currently being made in reducing infection rates will allow a full return to school soon.

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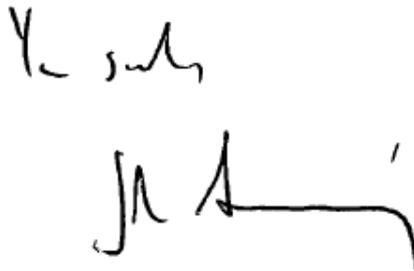
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Until 2020



Please do not hesitate to contact me or the Independent Schools team at IndependentSchoolsMailbox@gov.scot, if you have any further questions or concerns.



JOHN SWINNEY

Tha Ministearan na h-Alba, an luchd-comhairleachaidh sònraichte agus an Rùnaire Maireannach fo chumhachan Achd Coiteachaidh (Alba) 2016. Faicibh www.lobbying.scot

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Until 2020



From: John Edward <john.edward@scis.org.uk>

Sent: 20 August 2021 15:18

To: Cabinet Secretary for Education and Skills <CabSecES@gov.scot>; Scottish Ministers <Scottish_Ministers@gov.scot>

Cc: [redacted]@gov.scot; [redacted]@gov.scot; [redacted]@gov.scot; [redacted]@gov.scot; [redacted]@gov.scot;

Subject: Scottish independent schools (FAO CabSec Education and Skills)

[redacted]

Dear Cabinet Secretary

We wanted to allow some time for you to settle into your new post before offering our congratulations and support. It is clear now that no time is a quiet time in education. Best wishes in your new post. SCIS and the schools it represents; mainstream and complex additional support needs, day and boarding, single sex and all-through, GCSE, IB and/or Steiner, stand ready to work with you on behalf of all pupils studying in Scotland, as we have with your predecessors in the post.

We have worked particularly close with you own officials and other agencies in the 17 months of the current pandemic, facing unprecedented challenges that confront all schools and families. I would like to place on record our gratitude for the support, counsel, and interaction we have enjoyed in particular with colleagues in the School Funding, Independent and Home Education section of the Learning Directorate, as well as the Registrar of Independent Schools. Many potential pitfalls for what, we recognise, is a diverse and complex sector have been avoided throughout the Covid-19 through our close work.

Our sector is rarely far from debate or scrutiny, which is right and proper. We seek at all times to provide a constructive and supportive voice for both our pupils and all those in Scotland, and have no desire to create, or be drawn into, unnecessary, unwelcome and inaccurate comparisons between the state and independent sectors. We note with interest that our sector has been specifically excluded from the draft Programme for Government with the Scottish Green Party.

We all have the progress, formation, and wellbeing of young people in Scotland as our primary concern. As with all other key groups and bodies, we will be working closely with Ken Muir on SQA and Education Scotland reform, with the Curriculum and Assessment Board on children's rights and UNCRC, and all other key developments, including recent guidance on transgender pupils, or on outdoor education.

There will be issues on which we disagree or diverge. You will already have heard concerns from the sector covering the fees charged for cancelled National Qualification diets, or the proposals for unique continued isolation of boarding pupils return to Scotland from amber countries.

In the last Parliament, the issue of Non-Domestic Rates was prominent, and the decision of a previous Finance Secretary to support the unique removal of rates relief from one sole

group of registered charities - independent schools - despite a discrete and successful public benefit test (unique in the UK) which was widening access to the sector. Even at this late stage, our schools would be happy to consider more constructive and productive ways to enhance their public benefit and participation with communities and young people still further - particular in the areas of extra-curricular activities or lesser-taught subjects.

When it would be convenient and possible to do so, we would welcome the opportunity to meet and discuss issues of shared concern and importance, recognising that ours is a diverse and often misunderstood sector of Scottish school education. If you wished to meet a wider group of our Heads, we would be delighted to facilitate that.

Finally, I would also like to mention that our schools - both day and boarding - stand ready to support any accommodation of refugees from Afghanistan. There have been early indications of available spaces which could certainly be extended and explored further, not least if funding was available to support unaccompanied young people.

Yours sincerely,

John Edward
Director

Commented [GK(1): Assuming no need to redact?

(sent by e-mail due to home working)

John Edward
Director

Commented [GK(2): As above

@SCISSchools

[redacted]

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