

PE1648/E

Inverclyde Council submission of 12 July 2017

I thank you for inviting a response in respect of the above petition

I appreciate the burdens placed on many pre-school nurseries following the rates revaluation and the impact on income with the expansion of free nursery provision. The evidence led by Stephanie Dodds at the Committee on the 15 June is unfortunately typical of the challenges that have been placed on many businesses through rateable values being substantially increased. In many instances it is hard to see the logic in this and the examples presented to Committee illustrate the discrepancies from one location to another.

The issue for local authorities, however, is whether Nurseries should be treated differently from other commercial premises. As you will appreciate, Scottish Councils have made representation on the business rate issue through other forums.

I have to suggest that if it is considered there should be a special case for Nurseries, it should also be recognised that many other commercial ventures such as Care Homes for the Elderly face similar challenges and operate in a comparable restricted market. The strategic intervention which is needed is to address the imbalances that have arisen in consequence of revaluation. Whilst Councils have discretion to offer local business rates relief, the current budget position makes this very difficult. It is also the case that were Councils to intervene in respect of increased costs being carried by Nurseries by reason of increased rateable values, it could be argued that Councils are redressing constraints to private enterprise.

I also think it is important to correct a statement made in the petition discussion. Councils at this time do not know what funding they are receiving to meet the increase to 1140 hours beyond an allowance in 2017/18. Specifically the impact of payment of the Living Wage will be considerable and Councils will be looking for the Government to fully fund this as has been the case in Social Care.

I hope these views are of some assistance in considering the Petition.