

PE1648/G

North Ayrshire Council submission of 17 July 2017

North Ayrshire Council welcomes the opportunity to respond to the Public Petitions Committee regarding Petition PE1648, "Calling on the Scottish Parliament to urge the Scottish Government to abolish or freeze business rates for nurseries"

The Council relies on partners in the private and voluntary sector to deliver pre-school education and they receive funding from the Council's General Revenue Grant.

We have 20 partner pre-school nurseries and the 2017 revaluation resulted in a net increase in Rateable Value of £60,050 with the majority of the increase relating to Council properties for which the Council has liability.

In terms of rates payable as a result of the 2017 revaluation:

- Increased rates for 3 nurseries, payable by the Council, by £23,282;
- Increased rates for 4 nurseries by £1,927;
- Reduced rates for 5 nurseries by £4,988;
- 5 are entitled to 100% small business bonus scheme relief;
- 1 is entitled to 100% discretionary relief; and
- 2 are contained in a church and are exempt.

Total rates payable has increased from £126,844 to £147,065 a net increase in rates of £20,221.

The Scottish Government's "A blueprint for 2020 the expansion of Early Learning and Childcare in Scotland" proposes to almost double early learning and childcare hourly provision from 600 to 1,140 per year by 2020. It is therefore important to sustain the current provision ahead of any expansion. Whilst North Ayrshire partner nurseries haven't been affected adversely by the revaluation, it is appreciated that this may not be the position across Scotland. The Council would not advocate abolition of rates for nurseries as this is considered unfair and unequitable to other ratepayers. The Scottish Government introduced a 12.5% cap on rates increases for the hospitality sector and the Council would support a similar cap for pre-school education; this would provide parity and may encourage current providers to sustain and grow their business towards 2020 and attract new business to the sector.

The Council hopes the above information is of assistance to the Committee.