

PE1648/K

East Renfrewshire Council submission of 20 July 2017

I refer to your letter dated 20th June in relation to the above.

Colleagues in both Education and in the Revenues service have been consulted (the Revenues service is responsible for the administration of Non Domestic rates).

Our response is as follows:-

Education Department Comments

To meet demand for 600 hours of entitled Early Learning and Childcare, East Renfrewshire Council needs an average of 2300 preschool places for 3 and 4 year old children in any one year; however because of the requirement for flexibility there is a need to work in partnership with private and voluntary providers. This means that the department needs to commission places from the private and voluntary sector for East Renfrewshire children. This is predominately to support the duty placed upon us by the Children and Young People (Scotland) Act 2014 to provide parental choice with flexibility and accessibility.

A need for more nurseries who work in partnership with the local authority was highlighted by parents within East Renfrewshire's biannual Early Learning and Childcare consultation (2016). In 2016/17 the department worked in partnership with 10 local nurseries, in 2017/18 this will increase to 12. This increase in partner providers is a positive step as we move towards the planned expansion to 1140 hours.

The Scottish Government has set a transformational agenda for Early Learning and Childcare by 2020. ['A Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland 2017 – 2018 Action Plan'](#) was published in March 2017 and outlines the vision for Early Learning and Childcare (ELC) and the key policy principles.

The Scottish Government's vision is to almost double the entitlement to free ELC from 600 hours to 1140 hours per year by 2020 for all 3 and 4 year olds and eligible 2 year olds.

The partnership sector will have a significant role to play going forward in order to deliver the ELC expansion to 1140 hours programme. Early engagement has begun with the partners and with Legal and Procurement to consider what may be needed to develop a new procurement framework which secures delivery of services but which also includes the flexibility to accommodate parental need and demand. At a recent meeting some of the partner providers raised the issue of the increase of business rates and the challenge this creates for them as private businesses. They fear that they may not be in a position to operate in the future, thus impacting on the role they would play nationally in supporting the expansion to 1140 hours.

Revenues Service response

Within the East Renfrewshire area, the majority of nursery providers did see an increase in the rateable value of their premises with effect from 1st April 2017, but there were also some providers within the area who saw a reduced rateable value following the revaluation exercise.

The rates poundage for 2017/18 (which is set by Scottish Government and is used across Scotland to calculate rates payable (rateable value multiplied by rates poundage)) was reduced on the poundage level set for 2016/17.

The reduction in the rates poundage went some way to assist the providers who faced an increased rateable value as the increase experienced could have been more significant had the poundage not changed.

The situation regarding rates payable by nursery providers in East Renfrewshire varies across the providers. One provider has seen an increase in rates payable of around 150% from their 2016/17 bill, and another has an increase of around 220%. The majority of increases experienced by providers are somewhere between 10 and 20%.

It is a matter for each local business, whether a nursery provider or another business, to make provision for payment of the rates due. The local authority has a statutory duty to collect non domestic rates charges, and cannot offer any discretion on this matter.