

Scottish Government under pressure to abolish business rates for struggling nurseries ^[1]

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EXCERPTS

Business rates should be removed for nurseries in Scotland to support childcare provision, according to a Government think-tank.

The Barclay Review on Business Rates have responded to a petition handed in by the National Day Nurseries Association (NDNA), which found early years settings in Scotland have been badly hit with 'soaring' business rates, putting some nurseries out of business.

There have been fears that these costs would be passed onto parents in the form of higher fees, making a return to work unlikely for many.

Purnima Tanuku, chief executive of NDNA, said: "We are absolutely delighted that our concerns have been heard and the evidence carefully looked at.

"Nurseries are particularly badly hit with high business rates as they tend to have large properties with plenty of space for children to play. But years of government underfunding for 'free' places along with other rising costs such as National Living Wage and pension auto enrolment has left many providers in a precarious position."

The connection between high business rates and failing Scottish nurseries began in June 2017, with NDNA network chair Stephanie Dodds handing in a petition to MSPs.

The strongest comments in the petition came from parents, who made up 69 per cent of the respondents. They were concerned that costs from increased business rates would be passed onto them, making them unable to return to work.

As a result of the petition, The Public Petitions Committee at Holyrood wrote to Government, local authorities, education union 'the Voice Union' and children's charity network, 'Parenting Across Scotland' about the issue.

Ms Dodds and NDNA director Claire Schofield, addressed the committee with information that they had on the business rate hikes.

They stated that nurseries in Dundee and Aberdeen were facing increases of around 50 per cent, whilst urban areas such as Edinburgh had increases of up to 70 per cent.

One nursery in Renfrewshire was said to be facing a 215 per cent rise, while in Edinburgh the highest increase was reported at 147 per cent.

NDNA's Scotland annual survey 2017 reported that, due to rising business costs, more than half of nurseries expected to break even or make a loss. Ms Tanuku added: "Scrapping business rates altogether for nurseries will make a huge difference to their outlook and their ability to offer funded hours.

"We applaud the Scottish Government for working with the sector in order to make sure their Early Learning and Childcare Policy can be delivered by all sections of the sector. This should give parents the choice, flexibility and quality they need to make a real difference to children's lives.

"Rising business rates is counter-intuitive to the aim of the Blueprint for Expansion which ultimately aims to strengthen the economy and encourage more people into work. We are sure that the Scottish Government will reach a sensible decision."

-reprinted from Day Nurseries

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