

**ENHANCED SPORT &
RECREATION RATE RELIEF-
UNLICENSED COMMUNITY
AMATEUR SPORTS CLUBS**

CONSULTATION REPORT

AUGUST 2016

INTRODUCTION

The Department has undertaken a consultation exercise about granting additional rate relief for unlicensed community amateur sports clubs. The exercise was deliberately a targeted one, both in terms of its reach and its scope.

This is because the purpose of the consultation was to act as a supplement to the series of earlier consultations undertaken on this subject area. Initially by the Department of Culture, Arts and Leisure (who engaged with sporting bodies in 2012) and the further consultation with sports clubs undertaken as part of a Private Members Bill in 2014. Finally, it builds upon the consultation work that the Finance Committee undertook earlier this year with stakeholders to inform their response to the Rates (Amendment) Bill 2016.

This recent consultation by the Department sought views from the representative groups listed in **Annex A** on the detail behind the intended policy measure, which is to allow clubs with rateable premises to qualify for 100% rate relief:

- a. if the club is registered with HMRC as a community amateur sports club;**
and
- b. does not hold a liquor licence.**

The responses will be used to supplement previously documented views and address gaps to help inform decisions around the rules associated with the granting of enhanced rate relief to eligible amateur sports clubs in Northern Ireland. These new rules will be set out in subordinate legislation (known as statutory rules), as allowed for under the Rates (Amendment) Act (Northern Ireland) 2016.¹

The consultation also took the opportunity to seek views on the list of prescribed recreations, (all the sports who currently benefit from 80% relief).

¹ www.legislation.gov.uk/nia/2016/6/contents

Next steps

The statutory rules will be presented to the Finance Committee prior to seeking Assembly approval in September 2016. Qualifying clubs will then have to apply for enhanced relief.

At the very latest this will take effect next financial year (2017/18) but Land and Property Services is considering options for earlier implementation, bearing in mind that legally it cannot be backdated to April 2016.

Looking beyond that the Department will also be examining more fundamental changes that can be made to the treatment of amateur sports clubs, as part of the wider review of rating policy, to ensure reliefs are better targeted.

OVERVIEW AND SUMMARY

This consultation report summarises the responses received to the targeted consultation which closed on 9 May 2016.

Process

The consultation undertaken was targeted at interested bodies to seek their views on the Department's policy intent which was to allow clubs with rateable premises to qualify for 100% rate relief:

- a. if the club is registered with HMRC as a community amateur sports club; and
- b. does not hold a liquor licence.

The full details of the proposals are laid out in the Department's consultation page which can be accessed at:-

www.finance-ni.gov.uk/consultations/enhanced-sport-and-recreation-relief-unlicensed-community-amateur-sports-clubs

The consultation also sought views from organisations on the list of prescribed recreations (i.e. all the sports who currently benefit from 80% relief) which are set out in the subordinate legislation.

Responses

Detailed responses were received from 7 representative organisations and 4 district councils.

In addition, although this consultation was primarily aimed at umbrella groups and representative organisations, 24 local sports clubs chose to submit a standard letter. This is attached at **Annex B**.

A list of the organisational responses is provided in the table below. As is good practice² with all consultations, the analysis of responses should be primarily a qualitative rather than a quantitative exercise and this report is compiled accordingly.

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/100807/file47158.pdf

Responses from targeted consultees
Newry and Mourne District Council
Hospitality Ulster
Belfast City Council
NI Federation of Clubs
Royal Pigeon Racing Association
Association of Golf Club Owners
Lisburn and Castlereagh City Council
Mid Ulster Council
NILGA
NI Sports Forum
Sports NI
<i>Proforma from sports clubs (24 Clubs) Details at Annex C</i>

OVERVIEW OF RESPONSES

Policy proposals

The majority of substantive responses that commented on the proposal supported the policy intent of providing support to allow clubs with rateable premises to qualify for 100% rate relief if the club is registered with HMRC as a community amateur sports club and does not hold a liquor licence.

One of the most considered responses came from **Sports NI**. They welcomed the Department's approach in that it "provide[d] clarity regarding the level of rate relief available. The clarity is important to clubs when considering their legal status, if registering as a CASC or a Charity." They also welcomed the DFP (as was) offer of Sport NI being involved in the possibility of additional criteria, etc so as to align with the Sport NI objectives. Their comments were made in the context of the additional criteria that apply in GB for eligibility to the top up from 80% relief to 100%.

Standard letters were also received from 24 sports club putting forward views in favour of granting 100% rate relief to all registered community amateur sports clubs (CASCs) regardless of the extent of the social facilities; on the basis that sports clubs operate social clubs to service the running and costs of their operations to improve sporting facilities and also keeping membership fees at a minimum as opposed to private enterprise. The standard letters all reflect the same views, and seem to have been derived from the **NI Sports Forum** response to the consultation.

The **NI Federation of Clubs** advised that they would like the support to be provided to all sports clubs regardless of whether they are CASC registered or not. They added it is unfair to compare a registered sports club to a commercial outlet such as a hotel or public house. **Hospitality Ulster** supported the proposal and remained strongly opposed to any amendment which would include licensed clubs in the bill.

Belfast City Council, Newry and Mourne District Council, Mid Ulster and Lisburn and Castlereagh City Council supported the proposals and **Lisburn and Castlereagh City Council** also welcomed the statement that the cost will be borne by central government and that district councils will continue to be compensated for any resulting reduction in rateable value through the "de-rating grant" to councils.

Association of Golf Club Owners focused upon the initial Integrated Impact Assessment findings and highlighted some points relating to its findings. These were associated with the specific concerns of proprietary golf clubs and how they are affected by the current policy. They highlighted the differences between private members golf clubs and municipal golf clubs which received rate relief.

NILGA advised that they supported the promotion of physical activity to help increase social well being and healthcare; in advance of any enhancing of council powers they stated that it would be appropriate for DoF to apply a regional approach to considering reliefs in prescribed cases and noted that the criteria is less stringent to that typically applied by councils in England. **NILGA** also welcomed the measures the Department intends to take where clubs may exceed their £100,000 p.a. income threshold.

A standard letter was also received from 24 sports club proposing that all registered community amateur sports clubs (CASCs) should receive 100% rate relief regardless of the extent of their social facilities

Prescribed recreations

In relation to the list of prescribed recreations, the **Royal Pigeon Racing Association** presented arguments in favour of treating pigeon racing as an officially recognised sport. Its submission outlined the views of various medical experts that the main activities associated with pigeon require considerable physical work by 'fanciers' and in their opinion improves physical fitness, as with other sports.

Sport NI on this issue stated that the list is a matter for DFP but alluded to the fact that pigeon racing was not on their list. They advised that the inclusion of pigeon racing as a prescribed recreation for rating purposes had no bearing on their assessment process.

NILGA stated that system for prescription is complex, lacks transparency and is difficult for the public to understand; they encouraged the Department to work with Sport NI to address the issue; and questioned the use of the prescribed list instead of Sport NI list in rating legislation.

Translation / Contact details

If you require any further information about this consultation exercise you should contact Rating Policy Division on (028 9090 9325). The consultation paper can be made available, on request, in alternative languages and formats.

Should you wish to contact us by e-mail, any queries or requests should be sent to:
ratingpolicy.cfg@finance-ni.gov.uk

List of initial key stakeholders for targeted consultation

Northern Ireland Sports Forum

Sports NI (on behalf of governing bodies)

NI Federation of Clubs

Northern Ireland Council for Voluntary Association (NICVA)

Association of Golf Club Owners

Disability Sport Northern Ireland

Hospitality Ulster NI

Food and Drink

NI Federation of Hotels Tourism

NI District Councils

Northern Ireland Local Government Association

Standard Letter received from local sports clubs

To be sent to ratingpolicy.cfg@dfpni.gov.uk by Monday 9th May or write to -

Rating Policy Division
Department of Finance and Personnel
Carleton House
1 Cromac Avenue
Gasworks Business Park
BELFAST
BT7 2JA

To Whom it May Concern

(Insert Club or Governing Body Name) are writing to you in response to the outlined consultation on the policy proposals for provision of enhanced Sport and Recreation relief granted through the Assembly within the Rates (Amendment) Bill

(Insert Club/ GB/Organisation) would be of the opinion that the Northern Ireland Assembly can't afford not to further support sport. Greater investment in sport provide much more benefits to the health and wellbeing to our rural areas, towns and villages. Sport unites our community in ways that nothing else can whether than be the pride in seeing your local grassroots team achieve success or the impact on having our athletes and teams achieve international sporting success.

Within Northern Ireland there are approximately 3,600 sports clubs and according to the Department only 163 CASC's with their own facilities. A survey from the Sport and Recreation Alliance in 2013 showed that only around 40% of clubs in NI made a profit. Unfortunately as a result membership fees have increased in almost 45% of clubs. The opportunity for people to participate in sport and physical activity is becoming too expensive. The same survey outlined that clubs are not renewing equipment, carrying out less maintenance of infrastructure and playing facilities and stopping reimbursing expenses for volunteers. A performance pathway for sports with poor equipment, poor facilities and less volunteers will lead to a lack of participation and ultimately chances of medal successes diminished.

(Insert Club/ GB Organisation) are of the belief that CASC's should receive 100% relief regardless of the type of bar that a club may operate. Our member organisations are very adamant that income from bars within their sports clubs were used to service the running and costs of the operations of the actual sport. Profits from these bars would be used to maintain and restore changing and storage facilities, to improve playing pitches, courts and courses and to ensure that

membership costs were kept at a minimum. These bars are not used to increase profits for the sake of profit.

Yours in Sport

(Insert Club Official & Club Name)

List of clubs who submitted the proforma from Sports Clubs

NI Association of Aeromodellers
Dungannon Rugby Football Club
Irish Women's Indoor Bowling Association
Belfast Harlequins Hockey Club
The Canoe Association of Northern Ireland
East Down Yacht Club
Newtownards Sailing Club
NI Old Gaffers Association
Lisnagarvey Hockey Club
NI Sports Forum
Donaghadee Sailing Club
Kircubbin Sailing Club
Portrush Yacht Club
County Antrim Indoor Bowling Stadium
Ballyholme Yacht Club
Cricket Ireland
North West of Ireland Cricket Union
Strabane Cricket Club
Burndennett Cricket Club
Ballybrakes Community Indoor Bowling Club
Belfast Indoor Bowls Club
Lisnagarvey Hockey Club
Edenmore Country Club
Ulster GAA

Drummond Cricket and Football Club

Ulster Branch Badminton Union of Ireland