



Department of
**Culture, Arts
and Leisure**

www.dcalni.gov.uk

AN ROINN

**Cultúr, Ealaíon
agus Fóilíochta**

MÁNNYSTRIE O

**Fowkgates, Airts
an Aisedom**

Our ref: COR/155/2014

28 May 2014

Mr Shane McAteer
Committee Clerk
Committee for Finance and Personnel
Room 144
Parliament Buildings
Ballymiscaw
Stormont
BELFAST BT4 3XX

Causeway Exchange
1-7 Bedford Street
Belfast BT2 7EG
Tel: +44 (0) 28 9025 8825
Text phone: (0) 28 9052 7668
email: dcalni@dcalni.gov.uk

Dear Shane

Proposed Private Members' Bill

Thank you for your letter of 12 May regarding Mr Daithí McKay's proposed Private Members Bill which aims to exempt amateur sports clubs from paying rates. You had sought this Department's initial views on the proposed Bill in terms of the policy objectives, the potential benefits and implementation issues.

As you will be aware, clubs in the north can currently receive 80% rate relief while in Britain, clubs can potentially receive 100% rate relief through HMRC's CASC (Community Amateur Sports Clubs) scheme. The key difference between the two systems is that here, clubs receive an automatic 80% relief whereas in Britain clubs have to fulfil criteria set by HMRC to receive it. The 80% rates relief is funded by central government with the level of relief on the remaining 20% being at the discretion of local authorities which set additional criteria.

Robin Swann MLA raised this issue through a Private Members Debate in the Assembly on 22nd November 2011. The debate concluded by calling on the then Minister of Finance and Personnel to examine the rate relief afforded to clubs. However in the course of the debate Minister Wilson had indicated that DCAL should be the lead Department. He later clarified this by saying it was for DCAL to make the case for support for the sector and identify what the



priorities and problems are. The implications from and implementation of a change in rates relief would principally be a matter for DFP. However, this Department would expect to be consulted at the appropriate stage if this were to have a potential impact on DCAL priorities and budgets.

DCAL's priorities are to promote equality and to tackle poverty and social exclusion, together with the promotion of the positive benefits of participation in sport and the improve facilities necessary to increase participation. This priority informs a range of key issues of concern for DCAL going forward on this issue, as follows, that:-

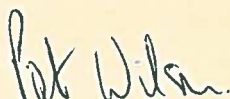
- Sports Clubs should be made fully aware that the Bill moves away from the automatic 80% rate relief for all clubs, based on the need to achieve the criteria for HMRC CASC status;
- to achieve relief under any new arrangement, DCAL will wish additional criteria to be included with those applied by CASC, against a background of the DCAL priority for the sector of promoting equality, tackling poverty and social exclusion, also building united communities and the need to embed social clauses for monies invested from the public purse;
- if the Bill is successful and passes into Law, that it rescinds any automatic 80% relief for all clubs not having CASC status and moreover that more affluent clubs who can afford to pay, should attract no relief;
- that the cost to provide maximum relief is thoroughly assessed, as the figures quoted at the DFP Committee meeting are not consistent with the position understood by DCAL in its discussions with DFP;
- that the costs of providing maximum relief to sports clubs has no impact on DCAL's budget baseline and priorities for the development of sport as a whole in the north;
- the application of financial savings by clubs who benefit from maximum relief, should be for the development of sport and the increase of participation and not the development of the club and those facilities not directly linked to these priorities, for example, bar and clubrooms, entertainment facilities and spectator facilities;
- enactment of the Bill provisions will dictate a comprehensive and complex requirement for audit, monitoring and evaluation to ensure that the relief granted produces the required benefits to sport and the local communities;
- the proposal and passage of the Bill sets aside any need to identify alternative sources of funding to assist clubs with their financial circumstances; and

- resolution of the issue should prove itself both affordable and productive of community and sporting benefits that fit with DCAL and Executive priorities.

In summary, the impact of a further relief on rates, if this were to happen as a result of this Bill, would release additional funds to clubs. How they use those funds should be a conditional matter directed by Government. If these additional funds were utilised by clubs to increase access to their facilities, improve sporting facilities (not necessarily stands or social facilities), increase participation, coaching, extend equality for females and access for the disabled and greater community involvement, then that would be a welcome development in meeting this Department's priorities.

As such the Bill seeks to apply the CASC criteria to rate relief in the north of Ireland, providing a benchmark by which clubs can be assessed for 100% relief. Its standard conditions however should be supplemented by requirements in the interest of Government priorities here in the north. It may not be the case that every club will or should benefit, unless there is clear evidence that they have signed up for and are seen to implement existing and any new additional criteria.

I trust this is helpful



PAT WILSON
Departmental Assembly Liaison Officer