

## **NILGA response to the DFPNI consultation on Enhanced Sport & Recreation Rate Relief for Unlicensed Community Amateur Sports Clubs**

### **Introduction**

NILGA, the Northern Ireland Local Government Association, is the representative body for district councils in Northern Ireland. The membership is comprised of the 11 local authorities and the organisation is supported by all the main political parties. We consider rating reviews to be of great importance and have been working closely with the Department of Finance and Personnel for a number of years in relation to its ongoing work on rating policy.

NILGA is supportive of the current iterative approach to the development of rates policy and believes that the time is right for a full, creative and robust discussion regarding how public finances are raised.

NILGA firmly advocates the need for transparency, simplicity and increased accountability as being key to any policy regarding rates. The public should be able to understand all charges levied upon them and know what they are used for.

Promotion of transparency and public understanding are key considerations within our response to this consultation, for reasons set out below.

### **General View on Rate Relief for Sport and Recreation**

As part of the NILGA response to the consultation on the Review of the Non-Domestic Rate, we note the outcomes of our December 2015 policy event, observing that:

- *Members strongly supported the provision of sport and recreation facilities as a vital contributor to public health and well-being, seek retention of the current reliefs, and expressed strong support for the distinction made between amateur and 'not for profit' sports clubs/facilities and private sector (profit making) facilities.*
- *Given the shift towards preventative health policy and the push to encourage physical activity, removal of this relief was seen to be a retrograde step, and potentially costing the public sector more in the long run, through increased need for healthcare.*

- *Members were also very strongly of the view that council-owned and managed facilities provided as a statutory requirement (and where the private sector has failed) should not bear any additional rates burden.*
- *This relief is currently at the same 80% level as England & Wales, although it is noted that councils there have the opportunity to provide further relief locally in some cases.*
- *NILGA believes that this relief should be retained at its current level, whilst acknowledging that consideration could be given to enhancing the powers of councils to grant further relief in accordance with locally set criteria, further to more detailed consideration.*
- *NILGA members are in favour of ensuring that a fair share of rates is paid from substantial social facilities.*

#### **Specific Comments in relation to this consultation**

Within the context of the above, NILGA requests the Department to take the following views into account in relation to the current focussed consultation.

NILGA supports the promotion of physical activity as a vital component of increasing social well-being and developing a more preventative approach to health care, as stated above.

Prior to any further consideration of enhancing council powers to enable local reliefs to be granted, NILGA accepts that it is appropriate for DFPNI to apply a regional approach to considering how to increase reliefs in prescribed cases.

The proposed policy approach is to allow community amateur sports clubs with rateable premises to qualify for 100% relief if the club is registered with HMRC as a community amateur sports club and does not hold a liquor licence. NILGA notes that these criteria are much less stringent than those typically applied by councils in England. It is accepted that the typical additional criteria set by English Local Authorities would be difficult and resource intensive for LPS to check at regional level.

NILGA welcomes the measures the Department intends to take in relation to circumstances where relevant clubs may exceed their £100,000 p.a. income threshold. NILGA believes that it is appropriate to set policy in place to guard against contrived or artificial arrangements set up, for example by considering clubs operating a trading subsidiary, or with a social club operating under a different trading name as not eligible for relief top up.

NILGA particularly welcomes the Department's intent to ensure that councils are not negatively impacted by increased reliefs, and the statement that the full cost will be borne by central government, with compensation paid via the council 'derating' grant. We note however, that this is likely to form part of the wider discussion on greater discretion for councils as part of the ongoing review; and we look forward to engaging with the department on this issue.

#### **Pigeon Racing and Changes to the List of Specified Recreations**

NILGA notes the issues raised by the recent Assembly decision to include Pigeon Racing in the prescribed list of specified recreations in rating legislation:



- pigeon racing, like a number of other sports on the list (model power boating for example), is not deemed by the Sports Council to involve an appreciable degree of physical activity
- pigeon racing therefore does not feature in Sport NI's list of recognised sports
- That to qualify for rate relief, a sport seems to need to be on both lists

The consultation document refers to the complexity of this issue and the likelihood of misunderstandings occurring. NILGA believes that this complexity, lack of transparency and difficulty for the public in understanding the system, runs contrary to what we believe should be the overall aims of rating policy changes., and we would reiterate that the public should be able to understand all charges levied upon them and know what they are used for.

NILGA would therefore strongly encourage the department to work closely with SportNI to resolve this issue, to provide clarity for the public and the clubs concerned and to clearly identify in guidance what comprises the decision making process, and the stages referred to in the consultation document.

We would particularly question the inclusion of prescribed recreations in rating legislation, when there seems to be no purpose for their inclusion. The need for two lists is questioned, and it is suggested that it might provide more transparency if the rating legislation referred directly to the Sport NI list, although NILGA accepts that there may be legal reasons as to why this might not be appropriate.

### **Conclusion**

NILGA thanks the Department for ensuring continuing local government involvement in the development of new rates policy. We trust that the views of NILGA and of our member councils will be taken on board within the consideration of the way forward following the closure of this consultation.

We are particularly pleased to see the further progression of new policy ideas in the consultation paper, and NILGA seeks further involvement in the development of these ideas which the Department decides to take forward.

Any queries in relation to this response should be addressed to Karen Smyth, NILGA Head of Policy - email: k.smyth@nilga.org tel: (028) 9079 8972.

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