

DUNDEE CITY COUNCIL

REPORT TO: FINANCE COMMITTEE
REPORT ON: RELIEF OF RATES - SPORTS CLUBS
REPORT BY: DEPUTY CHIEF EXECUTIVE (FINANCE)
REPORT NO: 117-2004

1.0 PURPOSE OF REPORT

1.1 The purpose of the report is to seek approval for the amendment of the amount of Discretionary Charity Relief granted to some sports clubs by the City Council.

2.0 RECOMMENDATION

That the Council agrees to amend the Grant/Discretionary Charity Relief to those clubs presently receiving such relief, and to receive and consider future applications from such bodies in a similar manner, as detailed below.

- a) All sports clubs registered as 'community amateur sports clubs' with the Inland Revenue to receive 80% Discretionary Rate Relief.
- b) Any such club which falls into a) above which is unlicensed should receive a further 20% Discretionary Relief.
- c) Any sports club that is not registered with the Inland Revenue should continue to receive relief as presently granted, namely 100% if unlicensed and 50% if licensed.

3.0 FINANCIAL IMPLICATIONS

There is no cost to the City Council as all Discretionary Charity Relief is funded by central government.

4.0 LOCAL AGENDA 21 IMPLICATIONS

None

5.0 EQUAL OPPORTUNITIES IMPLICATIONS

None

6.0 BACKGROUND

Most sports clubs are not registered charities and therefore are not entitled to receive Mandatory Charity Relief. However, the Council can grant up to 100% Discretionary Charity Relief to such organisations. The Council presently grants 100% Discretionary Relief to unlicensed sports clubs and 50% to any sports clubs that either have a gaming or liquor license.

As a result of provisions contained within the Local Government Act 2003, sports clubs in England and Wales that are registered with the Inland Revenue as *Community Amateur Sports Clubs* will be eligible for 80% mandatory rate relief. Local authorities have discretionary powers to top up this relief up to 100%. This new mandatory rate relief will be available from 1 April 2004.

Scottish Ministers have indicated that they wish the position in Scotland to be brought in line with that in England and Wales. To make 80% mandatory rate relief available to community amateur sports clubs in Scotland will require primary legislation. The Scottish Executive has indicated that it will bring forward the necessary enabling legislation as soon as a suitable legislative vehicle and time slot has been identified.

2.

Under existing legislation in Scotland, local authorities have discretionary powers to grant rate relief to sports clubs. The entire cost of granting discretionary rate relief to sports clubs is met centrally. In the interim period, until mandatory rate relief can be introduced, the Executive would like to secure a voluntary agreement with all local authorities to grant at least 80% discretionary rate relief to sports clubs which are registered as community amateur sports clubs with the Inland Revenue. This agreement would be effective from 1 April 2004 and any discretionary rate relief granted to community amateur sports clubs would be funded centrally.

7.0 CONSULTATION

The Chief Executive and Deputy Chief Executive (Support Services) have been consulted on the contents of this report.

8.00 BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

David K Dorward
Director of Finance

Date