1. SUMMARY

1.1 A report was brought to Portfolio on the 2 February 2005 providing information about the introduction of Community Amateur Sports Clubs and the eligibility for such clubs to receive 80% mandatory charity rate relief.

1.2 The granting of mandatory charity relief rather than discretionary rate relief which is currently granted at either 55%, 65% or 80% would be beneficial to the Council as mandatory relief is totally funded by the Government while discretionary relief is funded by both the Government (75%) and the Council (25%).

1.3 To encourage those clubs already in receipt of 80% discretionary relief to apply for CASC, it is proposed to grant 10% “top up” discretionary relief (75% funded by the Council)

1.4 Although all sports clubs are to be encouraged to apply for CASC status there will be no additional 10% “Top Up” Discretionary Relief to any successful club currently in receipt of 55% or 65% Discretionary Relief as it is considered that they would benefit substantially by becoming a CASC because of the eligibility to receive 80% Mandatory Relief.

1.5 It is thought however to be appropriate to recognise those clubs that will not become a CASC or qualify for 80% Discretionary Relief by increasing the existing 55% and 65% cases to 65% and 75% respectively if they meet appropriate criteria and can demonstrate that CASC status was inappropriate for them.

1.6 It was agreed that the scheme as set out in the report of the 2 February 2005 should go through a consultation exercise with Sports Clubs in the Borough and a letter dated the 15 February 2005 was sent outlining the proposal and inviting comment.
1.7 Eight written comments were received, either advising of successful registration, applications having been made, reasons for not seeking registration and/or making appreciative comments. There were no dissenting comments about the proposed scheme.

1.8 Correspondence from those clubs that replied, together with the appropriate responses from the Head of Revenues, are attached to this report for information.

2. **RECOMMENDATIONS**

2.1 To agree that the proposed scheme, having been through consultation, be implemented with effect from 1 April 2005 or from CASC registration if earlier.
3. **COMMENTARY**

3.1 The Government introduced the status of Community Amateur Sports Clubs (CASC) with effect from the 1 April 2004.

3.2 One of the benefits to these sports clubs is that where the club is the Ratepayer, they can qualify for the 80% Mandatory Rate Relief.

3.3 The funding impact to the Council for granting the three forms of rate relief is:

<table>
<thead>
<tr>
<th>Relief Type</th>
<th>Impact to the Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandatory Relief</td>
<td>No cost to the Council</td>
</tr>
<tr>
<td>Discretionary Relief</td>
<td>25% of the relief granted</td>
</tr>
<tr>
<td>“Top Up” Discretionary Relief</td>
<td>75% of the relief granted (applicable only when Mandatory Relief granted)</td>
</tr>
</tbody>
</table>

3.4 The Council historically recognise the importance of sports clubs throughout the borough and have granted Discretionary Relief based on a points system devised to reward those clubs that provide more benefit to the community.

3.5 This is broken down as follows:

- 20 clubs: 80%
- 20 clubs: 65%
- 8 clubs: 55%

3.6 The current amount of Discretionary Relief granted is £209,878 at a cost of £52,469 to the Council.

3.7 Information from Government sources indicates that 8 sports clubs within the borough are registered as a CASC but that only 3 had been in receipt of discretionary rate relief.

3.8 It would be financially advantageous for the Council if as many clubs as possible became registered so that instead of receiving 80% discretionary relief, where the Council fund 25% of the relief granted, mandatory relief could be granted instead where there are no costs for the Council.

3.9 As CASC came into affect on the 1 April 2004 it can be seen that “take up” is low, possibly because those clubs who currently enjoy 80% discretionary relief, and are therefore more likely to be able to qualify as a CASC, cannot see any immediate financial benefit in applying for the status as they already have 80% rate relief.

3.10 In view of the potential for clubs to apply for CASC status there is a need to review the policy regarding new cases applying for discretionary relief.

3.11 There will be a new “Top up” scheme for CASC, in receipt of mandatory relief, based on a points system that will determine the level of “Top up” relief.

3.12 When clubs that do not have CASC status apply for discretionary relief, they will be expected to demonstrate why they are ineligible for CASC.
3.13 For those clubs that do not attain CASC status, they will still be eligible to apply for discretionary relief, as currently, where they still meet council criteria.

3.14 It is possible that even a club who for example has a rate charge of £16,575.60 and is in receipt of 55% Discretionary Relief could become a CASC and become eligible for 80% Mandatory Relief. This would result in the rates payable by the club being reduced from £7,459.02 to £3,315.12, and the cost to the Council being reduced from £2,279.14 to zero respectively.

3.15 There has been correspondence between the Director of Resources and Mr Tony Beddoe on behalf of the Federation of Members Clubs where he is keen for the Council to “plough back” all the savings into the clubs that it saves through clubs becoming CASC to deliver relief of 100%.

4. POLICY/SERVICE IMPLICATIONS

4.1 It will be necessary to draft a consultation paper and distribute it to all sports clubs.

4.2 Responses will need to be analysed with the possibility of holding a meeting with interested parties and a final decision paper circulated.

4.3 Liberata will be responsible for receiving confirmation of CASC status and requests for Mandatory Relief and of the amendments to the computer system.

5. FINANCIAL IMPLICATIONS

5.1 The only implication regarding the move of clubs currently enjoying 80% Discretionary Relief to 80% Mandatory Relief with a 10% “Top Up” incentive is that there would be a maximum saving of £21,141 if all clubs qualified for CASC. There would be a saving on a club-by-club basis.

5.2 There will be no cost implication for those cases that were not previously in receipt of Discretionary Relief but subsequently became a CASC.

5.3 The cost of increasing current 55% and 65% Discretionary Relief cases to 65% and 75% respectively is £3,365 and this is within current budget.

6. LEGAL IMPLICATIONS

6.1 There are no legal implications.